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Press Conference No. 6

1/21/75

Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

Before we go into the questions, I would like to take a moment to briefly review with you several critical energy issues.

The energy decisions I announced as a part of my State of the Union Address resulted from the most comprehensive review this Nation has ever made of its energy problems.

This study demonstrated that there are only three basic alternatives. The first is to do essentially what we have been doing. I have rejected this because, if we follow that policy, we will be importing 25 percent more oil by 1977. By 1958, 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 our oil came from foreign sources. The disruptions we suffered then were just a small taste of what would likely happen in the event of another 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. 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, and 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 simply no 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.

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 simply not be enough gasoline to go around. In fact, to reach our 1975 goal of reducing oil imports by one million barrels per day, a gas rationing system would limit each driver to an average of less than 9 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? And who would make those decisions?

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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 confronts -- and solves -- the problem. It does us little good to impose rationing or a gasoline tax or simply shutdown gas 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. That is the only way to achieve our energy goals. The need for action now is clear.

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.

However, it is absolutely critical that Congress act quickly if we are to achieve energy independence. 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 work with Congress.

I will not sit by and watch this Nation continue to talk about an energy crisis and do nothing or take half-way measures which will not change the direction that has put our Nation in this position. We have the resources in this country, the technological capability and the spirit to regain our energy independence.

I will use all of my powers as President to make certain that we succeed.

# # #

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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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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)

PRESS CONFERENCE NO. 7

of the

PRESIDENT OF THE UNITED STATES

2:35 P.M. EST  
February 4, 1975  
Tuesday

The Phoenix Room  
Hyatt Regency Hotel  
Atlanta, Georgia

THE PRESIDENT: Please sit down.

It is a privilege and a pleasure to be in Atlanta. I have enjoyed the stay, and 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?

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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 the 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 had 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.

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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 approve 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 message predicts that 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 94th 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 94th 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.

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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.

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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 Funds 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 South-eastern 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, 3.3 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 unemployment to peak, I think, at 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 nor anticipate.

We have had a tremendous inventory sell-out, much more rapid 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.

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QUESTION: Could you suggest a guideline, or something we can look for in the next few months that might, as a guidepost, 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 have 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 has only taken tentative action. Their procedure is to make tentative decisions and then go back 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 have called 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 out is understandable and desirable in this area, so I have not abandoned any improvement in our clean air efforts.

MORE

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: Mr. President, Philip Shabecoff, 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 in 12 months, plus \$30-some million 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)

MORE

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 as 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)

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

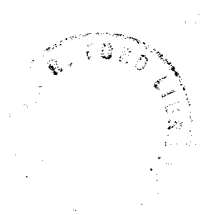
THE PRESIDENT: Won't you please sit down, and before responding to the first question, I do wish to thank Governor Bennett and the other Governors who were here with me in Topeka. I wish to thank the people of the State of Kansas and, particularly, the people in the Topeka area, for the very wonderful 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, that the need is very obvious, and, therefore, I intend to continue trying to give some leadership for a solution to our vulnerability to foreign oil cartels.

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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 or 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.

MORE

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.

MORE

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 campaign against Congress 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.

MORE

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.

MORE

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 terribly 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 allegedly working on.

Yes.

MORE

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.

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 \$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.

MORE

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 alleged 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.

MORE



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 a very 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 a 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 spring or summer to demand action by the government.

How would you view such marches, which you hear increasingly talked about in labor circles; would you regard them a serious threat to domestic tranquility?

THE PRESIDENT: I certainly respect the right of any individual or any group to come to the Congress and to 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 to 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)

See pp 3  
8  
10

PRESS CONFERENCE NO. 11  
of the  
PRESIDENT OF THE UNITED STATES

6:03 P.M. EST  
March 17, 1975  
Monday

In the Auditorium  
At the Center for Continuing  
Education  
South Bend, Indiana

THE PRESIDENT: Good afternoon.

It has been a great and wonderful day here in South Bend. I thank everybody for it, and I am looking forward to this news conference.

Mr. Jack Colwell.

QUESTION: You and Father Hesburgh today had some very kind things to say about one another, and you also had an opportunity to speak with him privately. Do you have any plans for any additional appointments or duties for Father Hesburgh in your Administration?

THE PRESIDENT: Father Hesburgh has done a superb job on the Clemency Board, which is a very time-consuming responsibility. The Clemency Board had a great upsurge in applicants.

I think Father Hesburgh and the others on the Clemency Board are going to be pretty busy in the months ahead. But, let me assure you and others that someone who has as much talent and tremendous civic interest, once that job is over, I think we can use someone like Father Hesburgh in many more responsibilities.

QUESTION: Mr. President, you have said the question of personalities is really not vital to a settlement in Cambodia. My question is, is the survival of a non-Communist government in Cambodia vital to the U.S. security in Southeast Asia?

THE PRESIDENT: Miss Thomas, I think it is. I cannot help but notice that since the military situation in Cambodia has become very serious, and since the North Vietnamese have apparently launched a very substantial additional military effort against South Vietnam, against the Paris peace accords, there has been, as I understand it, in Thailand -- according to the news announcements this morning -- a potential request from Thailand that we withdraw our forces from that country.

MORE



I noticed in the morning news summary before I left Washington that the President of the Philippines, Mr. Marcos, is reviewing the Philippine relationship with the United States.

I think these potential developments to some extent tend to validate the so-called domino theory, and if we have one country after another -- allies of the United States -- losing faith in our word, losing faith in our agreements with them, yes, I think the first one to go could vitally affect the national security of the United States.

QUESTION: May I ask another question I have had on my mind for a long time? Since you supported the invasion of Cambodia five years ago, would you do the same today?

THE PRESIDENT: That is a hypothetical question, Miss Thomas, because under the law I have no such authority to do so. I did support the activities then, the so-called Cambodian incursion, because the North Vietnamese were using that area in Cambodia for many military strikes against U.S. military personnel in South Vietnam.

It was a successful military operation. It saved many American lives because those sanctuaries were destroyed.

Since I do not have the authority to undertake any such military obligation--we have no U.S. military forces in South Vietnam--I think it is a hypothetical question, which really I cannot answer.

MORE

QUESTION: Mr. President, in view of your commitments for Food for Peace programs and your national interest in slowing down increase of food prices, what kinds of farm support legislation will you support?

THE PRESIDENT: I believe the current farm legislation is good legislation. I helped, when I was in the Congress, to obtain its enactment. It has resulted in freeing the Federal Government from trying to run agriculture in the United States. It has resulted in the greatest production of food and fiber in the United States.

It seems to me that this law which was passed several years ago is good legislation. It has supplied our needs. It has made it possible for the United States to contribute very significantly in the Food for Peace effort around the world.

Therefore, I think it is wise, under these circumstances, for us to keep this law and not tinker with it at the present time.

QUESTION: Mr. President, Clark Clifford said today that he has already been questioned by the Rockefeller Commission about a possible CIA assassination plot. Since you created the Commission, I wonder if you think this is a proper area for the Commission to get into?

THE PRESIDENT: Mr. Cormier, let me say at the outset that this Administration does not condone, under any circumstances, any assassination attempts. We, in this Administration, will not participate under any circumstances in activities of that sort. Now, I have watched with interest and personal attention the stories and some allegations to the effect that assassinations were discussed and potentially undertaken.

~~I have asked members of my staff to analyze the best way in which this serious problem can be handled.~~ I did discuss it with the Vice President last week and I expect within the next several days that I will decide the best course of action for the Rockefeller Commission, or any Executive Branch investigation of such allegations.

QUESTION: Then, you think it should be gone into at least semi-publicly?

THE PRESIDENT: It is a serious matter and ~~I will decide within the next few days the best course of action for the Executive Branch to take on these allegations.~~

MORE



QUESTION: Mr. President, earlier today here number of young people protested it was inappropriate for you to receive an honorary Notre Dame degree because they considered your lack of sensitivity to the poor and your decision to refund the war in Indochina. What would be your response to that?

THE PRESIDENT: I think you will find the budget I submitted in January of this year was a very sound budget. It was not an austere budget. It did provide substantially for the poor in many respects. It provided for an expanded Community Development Act of \$1 billion 600 million more for next year than for the current fiscal year. It did provide \$202 million for the Older American Act which is a substantial increase in this area over the last several years.

We have proposed, and we will support, a responsible program to help the poor in this country. And I think the budget that I submitted in January does just that.

QUESTION: Mr. President, in your speech here at Notre Dame earlier today, you made a strong pitch for continued foreign aid despite the recession and I was surprised you failed to mention your proposal for more military aid to Cambodia and South Vietnam. I know military aid to Southeast Asia has been unpopular on many college campuses and I wonder if your failure to mention that was because you feared you might be booed or there might be a walkout by students if you professed your policy on that issue?

THE PRESIDENT: The speech that I made this morning on the Notre Dame campus was aimed at the broad concept that the United States must participate in world affairs; that this was a world in which we all lived. I pointed out I had always supported as a Member of Congress the mutual security and the foreign aid programs, both economic, Point IV, Food for Peace, as well as the military assistance programs.

It seemed to me that we needed a restatement of the basic reason why foreign aid is important; that we live in an interdependent world and that the United States has to make its full contribution in that regard.

The details can be discussed, the details can be argued, but we needed a restatement, a strong restatement of the broad general reasons why this country has to be a part of the one world concept, working with our allies, trying to eliminate difficulties between ourselves and our adversaries, and it seemed to me if that could be restated, we could work out the details within that concept and not rekindle the differences and difficulties that existed while U.S. troops were stationed and fighting in South Vietnam.

MORE

QUESTION: Let me follow that up. If you had made a strong plea today for military aid for Cambodia and South Vietnam, do you think it would have been well received by the student audience?

THE PRESIDENT: Since I did not consider that as a part of my remarks, I really did not consider the hypothetical question you are asking me.

QUESTION: Mr. President, the Republican candidate for Mayor of Chicago, Mr. John Hoellen, has stated over the weekend that he was either snubbed or given very short shrift by you at the White House. The Cook County Republican Committee is in a state of chaos, and the Republican Committee in Illinois is not much better off.

What are you going to do for Mr. Hoellen, and what are you going to do for the Republican Party in Illinois in order to win it in 1976?

THE PRESIDENT: I seldom interject myself into local partisan elections. I do believe, however, that the President ought to be as helpful as he can in a state-wide partisan way at the proper time.

I do believe that the state organization in Illinois is rebuilding and getting ready for the state and national elections in 1976. I consult with Senator Percy. I consult with the Illinois Republican delegation, and I think in that way I can be a participant in making the Republican Party in Illinois a viable political party in the very important elections of 1976.

QUESTION: Do you plan to ask Donald Rumsfeld to assess the situation? It has been reported that you would.

THE PRESIDENT: Don Rumsfeld made a speech in Illinois Friday night, and I have not had an opportunity to discuss with him his observations based on that speech, but I do intend to, probably tomorrow or the next day.

I have a great deal of faith in Don's understanding of the problems in Illinois, and a great deal of faith in his judgment as to how I and we can help in that regard.

QUESTION: Mr. President, at a time when you say you are trying to end the recession, the money supply in the United States has not increased hardly at all. In the last six months of 1974, the money supply grew by less than 1 percent, and in November, December and January it actually showed a decrease, one of the very few times it has in modern times.

Are you personally satisfied, from the standpoint of ending the recession, with the speed or with the rate of growth in the money supply in this country?

THE PRESIDENT: I met with Arthur Burns, the head of the Federal Reserve, last week. He, of course, is the head of a very autonomous part of our Federal Government, but I do meet with him frequently to get the benefit of his views on our economic circumstances.

I did ask what was the situation, because there had been criticism such as you have indicated. It was pointed out to me by him -- and there were a number of charts that were shown which show the facts to be contrary to the facts that you have stated -- that M-one, two, three, four, five, six, and seven -- all of them show an increase, and I am one who has great faith in Dr. Burns.

We are showing an increase in the money supply. There will be an adequate money supply available for the current economic circumstances we face, and there will be an adequate money supply to meet the problems we have down the road.

MORE

QUESTION: Mr. President, I don't know what Dr. Burns' charts showed you about long-term interest rates which, as you know, are the principal factor in capital formation, but I wanted to ask you this: A lot of people, a lot of economists, are worried that Dr. Burns and Mr. Greenspan, and so forth, are going to take this thing down just as far as they can and wring the last bit of inflation out of it that they can and then try to turn it around.

Are you satisfied, or what confidence do you have we won't go so far with this thing that we can't turn it around?

THE PRESIDENT: Of course, we have made substantial progress in trying to win the battle against inflation.

Last October, the rate of inflation was something like 13 percent. The last figures released about three weeks ago showed it was down to a 7.2 percent on an annualized basis.

Now, the charts that I also looked at, it showed that short-term interest rates had gone from something like 13 percent down to about 6 percent and it showed that the trend on long-term interest rates was also a favorable one, going more slowly down than the short-term interest rates, but the trend is encouraging, and if we act responsibly and don't have a larger deficit than I have proposed in the Federal Government so that the Federal Government does not go in and sop up all of the money that is needed, we can keep the trend in long-term interest rates going down.

QUESTION: Mr. President, the steel workers and auto workers in your State and in Indiana are still out of work. What can you say to them by the way of encouragement? How far do they have to wait?

THE PRESIDENT: The biggest stimulant we could get to the economy right now, which means more jobs for auto workers and steel workers, is to get the Congress of the United States to move quickly; to enact a substantial tax reduction at the Federal level.

In January -- I believe on January 15th in the State of the Union Message -- I urged a \$16-1/2 billion tax reduction bill as quickly as possible. It is now two months and two days and the Congress has not completed action on that tax reduction bill. I hope that before Congress goes on its Easter recess, it will enact a tax reduction bill like the one I proposed, or one that is reasonably acceptable.

MORE

If we could get a tax reduction bill out of the Congress promptly, that would be the best hope to stimulate the economy and to provide jobs for the auto workers and steel workers who are at the present time, particularly the auto workers, in desperate straits.

QUESTION: Mr. President, you have hinted about it before but so far, you have stopped short of saying flatly that Vice President Rockefeller will be your running-mate in 1976.

My question, sir, is: Will he be?

THE PRESIDENT: I did not think I ever equivocated on that and if the interpretation is that I have, then I want to straighten it out right now.

Nelson Rockefeller has been an exceptionally active and able Vice President. I said when I nominated him I wanted him to be a partner. He has been, in the responsibilities on the Rockefeller Commission, in his responsibilities in the Domestic Council.

I think he deserves great praise and I see no reason whatsoever that that team should not be together in the campaign in 1976.

QUESTION: Mr. President, in regard to the Rockefeller Commission's investigation into the CIA, would you, at any time, consider changing their mandate to include an investigation of possible domestic activities by the CIA in regard to assassination attempts?

THE PRESIDENT: Let me reiterate, as a preface, I will not condone -- in fact I condemn -- any CIA involvement in any assassination planning or action.

Now, I did indicate, in answer to a previous question, that I am personally analyzing, looking at, all of the more recent charges of any assassination attempts by the CIA or actual assassinations from its inception to the present.

I am personally analyzing all of these charges. I have asked my staff to bring all of the material that is available to me personally. I have talked to Vice President Rockefeller about it and I will determine within the next few days the best course of action to make sure that the matter is handled in the most appropriate way.

MORE

QUESTION: Mr. President, the State Department announced today that it had found some over \$20 billion (million) in 1974 funds that had been voted for aid to Cambodia and had not been sent, and that it was making that money available now.

Is this an artifice to get around Congressional appropriations, and are there other sources of such funds that could be found?

THE PRESIDENT: I was informed last Friday of what appears to be very sloppy bookkeeping in the Department of Defense, and I condemn it, if it is, and I will not condone it in the future.

I was surprised by these revelations. I don't think it was anything malicious. I don't think it was any purposeful action. But if the money is available and was appropriated by the Congress for the purposes set forth, it will be used according to the law.

QUESTION: Have similar investigations of past Vietnam appropriations been made?

THE PRESIDENT: The Inspector General, as I understand it, found out the \$21 million in Cambodian military aid that was revealed last week to me and publicly announced today.

The Inspector General has a continuing responsibility to find out any and all circumstances, such as the one that we are discussing.

QUESTION: Mr. President, as Father Hesburgh put it in his speech today, you are the first President to set foot on a first-rate campus in about ten years. In that context, in light of the fact that President Nixon fired Father Hesburgh from the Civil Rights Commission, I wonder if you would elaborate on your feelings about restoring better relations with the academic world in the task ahead of you in that respect.

THE PRESIDENT: One of the first actions I took, one of the first trips I undertook, was to go to the campus of Ohio State University. I might say parenthetically, for a Michigan graduate to go to Ohio State is doing double duty.

But I was well received there, and I had a fine opportunity to present a new concept that we have for higher education. This is another opportunity on the Notre Dame campus -- to continue that dialogue that I hope will not only expand but grow by leaps and bounds between the academic community and the Federal Government.

MORE



There is no reason why we should not work together. There are a great many reasons why we should use the talent, the ability, the personnel that does exist on the campuses all over the United States, and I certainly intend to do so in the months ahead.

QUESTION: The second part of the question, how much of a job is there ahead of you to restore better relations?

THE PRESIDENT: Based on the very warm welcome I received at Notre Dame today, I think we are on a good footing, and I certainly will bend over backwards to continue it and to expand it.

I think the dialogue is excellent. About a week or ten days ago I met with ten or 15 top college and university Presidents. That was another step in this better rapport between the academic community and this Administration.

I can assure you we intend to do everything possible to make sure that it works.

QUESTION: Mr. President, will you be giving Congress all the material that is asked for as part of its investigation of intelligence activities?

THE PRESIDENT: The Senate committee has asked for a considerable amount of material. That request is currently being analyzed by the top members of my staff. I will make a judgment on that as soon as we have had an opportunity to review all of the very substantial number of requests.

I can assure you and others that we will do all we can to indicate maximum cooperation, but until we have had an opportunity to review this request in detail, I am not in a position to give you a categorical answer.

QUESTION: Am I to understand this Executive Branch investigation that you raised the possibility of outside the Rockefeller Commission would possibly make it necessary or advisable for you to delay giving Congress the material it has asked for?

THE PRESIDENT: I don't think there is any necessary conflict between the Rockefeller Commission and the one or more Congressional committees. The Rockefeller Commission has been in operation now for a month or two, so they are underway.

They had planned to finish their work within the next month, as I recollect. They may have to go beyond that, depending on certain circumstances, but we intend to make as full disclosure as is possible without jeopardizing America's national security.

MORE

QUESTION: Mr. President, tonight you are meeting with several Midwestern Governors. In light of some sagging revenues at state and local levels and your own budget tightening, what can you tell them about your long-range plans for return of the Federal dollar--both to state and municipalities--revenue sharing and this type of thing?

THE PRESIDENT: In my State of the Union Message and in the budget message, I indicated that I was recommending an extension of the general revenue sharing program with the annual add-on that takes care of the inflation impact as far as the state and local units of government are concerned.

So, I am on record now, urging the Congress to extend the existing general revenue sharing plan.

MORE



QUESTION: Have the dollar amounts that you have been able to expend been affected by the current events?

THE PRESIDENT: It is my best recollection that the amount we recommended for the first year of the extended program is close to \$7 billion a year, which is a substantial increase over the amount that was used in the first year of the present program.

It is a very, I think, generous proposal. It does crank in the inflation factor and if the Congress goes along, I think it will be materially beneficial to the States, and local units of government.

QUESTION: Mr. President, we have not asked you about the gasoline tax lately. This afternoon or this morning, on Air Force One, what Mr. Zarb said led me to believe there may be a softening of the Administration's attitude. Are you still willing to stand by your earlier statement that you will veto any gasoline tax?

THE PRESIDENT: I could not help but notice over the weekend 102 Democrats joined in a statement in the House of Representatives condemning a gasoline tax.

I think a gasoline tax of the magnitude that several have proposed is not the right approach and I do not think the Congress will approve it. I think the energy crisis, the energy program, can be best implemented by the proposal I submitted in January and I hope that in the negotiations between Mr. Zarb and myself, with the Members of Congress on the respective committees, will result in an approach that is comparable to mine, because I think the Congress will pass that.

I have very grave doubts that the Congress would pass a gasoline tax, and certainly, my feeling in that regard was reaffirmed by 102 Democrats putting their name on the line saying they would not vote for one.

And I think there is a better way to do it, and we are going to work with the chairman of the Committee on Ways and Means, hoping to find an answer that is more like the approach that I have recommended.

QUESTION: To follow that up, you did say a gasoline tax of the magnitude that is being proposed by some. I seem to note a shift in your position there. Mr. Ullman has come down from 40 cents to possibly 25 cents. If he were to come down a little further, would you be willing to talk about it? Maybe 20 cents?

MORE

THE PRESIDENT: I read a news report a few minutes ago which said the bill he introduced included a gas tax up to 37 cents over a 3- or 4-year span. I don't think that is the right approach and I don't think it is feasible in trying to get the Congress to act. Therefore, I go back to a program that we proposed which I think will be the answer, which I think the Congress eventually will buy substantially.

I am very happy that we are negotiating. We are trying to find an answer with Mr. Ullman, the Chairman of the Committee on Ways and Means, and I am encouraged by what I understand is the progress that is being made.

THE PRESS: Thank you, Mr. President.

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

END

(AT 6:30 P.M. EST)