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THE WHITE HOUSE
WASHINGTON

March 14, 1975

MEMORANDUM FOR: RON NESSEN

FROM: JERRY WARREN 

Still to come are questions on:

- (1) Tax Bill in Senate Finance Committee
- (2) State of the Economy
- (3) Food Assistance
- (4) International Energy Agency

BUDGET CUTS

Question:

Mr. President: Won't the deep cuts in the Budget affect vital city programs and be felt first and sharpest by minority groups and the poor, and, therefore, hurt cities as a whole?

Answer:

The '75 Budget requests more money than ever before for grants to State and local governments and for human resources programs.

One out of every six federal dollars are spent in the form of grants to State and local governments. \$51.7 Billion in FY '75 and \$56 Billion in FY '76.

I have also proposed increased funding for Summer Youth Jobs and \$2 Billion additional to offset increased energy costs. This is not an austerity budget.

Background:

As former Governor Winfield Dunn of Tennessee said to the President, "with more flexibility, State and local governments could get the job done with significantly less money." They have added tremendous numbers of people in recent years just to administer Federal programs causing much waste and duplication. Almost all are highly paid specialists. Governor Dunn felt he could save \$30 million if Federal aid came with fewer strings. The Vice President agrees.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

(Key Questions Only)

For March 17, 1975

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TAB A

PUBLIC SERVICE JOBS

QUESTION: What do you think of the House Democrat's plan to push through Congress this month a special \$5.9 billion appropriation designed to create 2 million jobs? Carl Albert estimates the funds would create 900,000 new jobs and indirect effects would double that number.

ANSWER: It is simply too much. Worse still it is a wasteful and ineffective way to deal with the unemployment problem. Permanent and productive jobs can better be created in the private sector by reducing taxes. But instead of moving promptly to provide fiscal stimulus through tax reduction, the House of Representatives has passed this expensive bill without even holding hearings.

I hope the Congress will not revert back to its old habits of appropriating massive sums of money in an uncoordinated fashion without thought of the consequences. This will only enlarge the budget deficit and require more Treasury borrowing. It is not the way to go about curing our economic problems.

Much of the effect of this uncoordinated spending is going to be felt after the economy turns up. To that extent, it will only make the inflation problem worse.

FYI: After a careful review of the situation, you forwarded a \$2 billion supplemental appropriation request to the Congress to fund public service employment and provide 760,000 additional youth jobs this summer.

But the Administration is also opposed to other appropriations in Democrats' jobs bill:

- It is doubtful that the other proposals will add jobs as quickly as anticipated.
- Effects will be spread over too long a time. For the \$3.9 billion not requested by the President more than half the spending can be expected in fiscal year 1976.
- Many of the proposed appropriations create undesirable program consequences. For example, \$443 million is provided for automobile purchases by GSA and the Postal Service. This would mean replacement of the entire GSA fleet of 73,000 vehicles, even though only 19,000 are eligible for replacement.

UNEMPLOYMENT RATE

QUESTION: How high will unemployment go and for how long before it starts to come down?

ANSWER: The important thing is not the exact level of the statistic, but to get the current trend reversed. I am hopeful that the economic recovery will get started before unemployment gets very much higher, and I am hopeful that the recovery will be vigorous enough to start reducing the unemployment roles as soon as possible. It is for this reason that I am pushing so hard to get Congress to enact the tax cut promptly -- certainly before they take any recess.

I would rather not get involved in attempting to guess how high the unemployment rate will go, but the rate could certainly exceed 8.5 percent in the coming months. As you know, the unemployment rate for February did not rise above the 8.2 percent rate reported for January, but I must point out that there was another large decline in the number of people employed. We expect higher rates of unemployment at least until somewhere around the middle of the year when we expect the economy to begin to turn around. As the economy recovers total employment will begin to increase. It is the need to help get the economy moving upward again that makes it so important for the Congress to speed up their action on my proposals to reduce taxes.

TAX REDUCTION BILL

Q. Can you summarize your general position on the House tax cut bill (H.R. 2166)?

A. I think the Congress should pass a tax rebate measure quickly and that it should accept our original formula for a clean, across-the-board percentage tax cut. I also believe the tax cut legislation should not be encumbered by delay-inducing amendments like depletion.

FYI: Additional specific points are:

- More of a rebate should be provided for middle-income persons;
- We should not adopt increases in the low-income allowance and standard deduction without providing for the revenues to pay for them. We have included such changes in the energy package, where revenues are provided;
- We strongly oppose the earned income credit, which prejudices without deliberation or analysis some very major issues in the social security and welfare systems. It opens the door to general revenue financing of the Social Security program and creates another program that would have to be "bought out" in any welfare reform;
- The investment credit should be increased to 12 percent as we proposed, rather than the 10 percent in the House bills.

OIL DEPLETION ALLOWANCE

- Q. Why do you oppose the elimination of depletion in the tax stimulus bill?
- A. Because we feel it would delay passage of the tax stimulus bill. The bill should be as clean as possible.
- Q. But if it goes back to the House without this provision -- which was voted overwhelmingly by the full House -- won't they vote to recommit and refuse to accept a "clean" bill?
- A. I think the risk in that regard is much less than the risk of delay in the Senate where floor procedures make delay easier. Also, if the bill carries a non-germane item as major as this, it is likely to be Christmas-treed with other amendments on the Senate floor -- which, again, is something more easily done under the Senate than the House rules.
- Q. But, aren't you already inviting delay by asking that the Senate adopt the Administration's original proposals, which are substantially different from what the House passed? That will surely complicate the conference and probably get the bill recommitted in the House?
- A. If the Senate were simply to rubber stamp the House bill that would undoubtedly be the quickest thing to do. But the bill is too important for a rubber stamp and we realize that Congress can't complete action overnight. But our stimulus proposal is the simplest of all and there is no reason why it cannot be quickly enacted.

Q. But what is your ultimate position on the elimination of depletion: Do you favor it?

A. I can't tell what our ultimate position on depletion will be without knowing the context in which the issue is ultimately presented. The answer has to be "It depends."

Under present conditions, where the industry is subject to extensive regulation, eliminating depletion would simply be a price roll-back and we could not favor it.

This is not a subject that should be dealt with alone. It should be looked at in the context of the total energy problem, which Ways and Means is taking up. Chairman Ullman has said he will consider it then. Chairman Long is said to have promised his Committee to do what he can to get the issue to the Senate floor by July.

In the last analysis the issue -- like most tax issues -- boils down to money, and like any other money issues it might be subject to trade offs that could make all parties happy.

Q. Would you sign a bill if it also contained a provision eliminating percentage depletion?

A. I cannot say whether or not I would veto a bill that contained the elimination of depletion. It depends on the rest of the bill. You may remember that I did urge Congress to pass a tax reform bill last year that was reported by the Ways and Means Committee. It contained an elimination of depletion which we had opposed, but also contained a number of other things which we felt were very important.

Q. If percentage depletion were eliminated, would you support an exemption for smaller producers?

A. Our position for the past year has been this: We have opposed the elimination of percentage depletion under existing conditions. But if it is to be eliminated, then it is difficult to justify exemptions, except possibly on a transitional basis.

Last year's Ways and Means bill did contain a transitional exemption for producers of up to a million barrels a year. This is the kind of sub-issue that Congress would surely explore and that is likely to spark the kind of controversy that could delay the current tax relief bill.

Q. Just tell me "yes", or "no" -- do you favor the elimination of percentage depletion?

A. Under present conditions and until there is complete review of the subject, the answer is "no."

FEDERAL RESERVE BOARD

- Q. The monetary policy actions of the Federal Reserve have come under sharp criticism as being insufficient to promote recovery in the economy. Have you discussed this matter with Dr. Burns?
- A. As you know very well the Federal Reserve is an independent arm of the government. As you also know Arthur Burns is one of my economic advisers, and the question of what monetary policy should be has been discussed in some detail.

In all fairness monetary policy has become more expansive. Interest rates have declined sharply since last October and the availability of credit has improved substantially. It is a very complicated matter. The Federal Reserve has made a larger supply of reserves available to the banking system. Initially these additional reserves were used to repay bank borrowings from the Federal Reserve. We anticipate that a continuation of the easier policies by the Federal Reserve would result in more rapid expansion in the money supply and bank credit in the months ahead. In deciding how expansive, or how much more expansive, monetary policy should be, we must not overlook two important objectives. First, monetary policy must be expansive enough to support a significant and sustainable recovery in the economy. It must not, however, be so expansive as to threaten a reacceleration in inflation in 1976 and thereafter. Fashioning such a policy is a very difficult job which requires the evaluation of many factors. I am confident that the Federal Reserve will find this middle ground in the months ahead.

LONG HOUSING "SPECIAL TAX CREDIT"

Q. What do you think of Senator Russell Long's idea for a "special tax credit" of 5 percent on the purchase of a new house?

A. I will want to study it carefully.

1. I am skeptical that it would have the intended effect of significantly reviving the housing market.
2. Last year we made large amounts of additional mortgage money available for housing. That did not help much; the 5 percent credit probably wouldn't either.
3. The real problem with housing is high interest rates and inflation generally. As we get inflation under control and interest rates start to come down -- as is beginning to happen -- the housing market will recover. That's the real answer.
4. Such a credit would be expensive and the more we add to the deficit, the more the Treasury has to borrow out of the capital markets.
5. Increased Federal borrowing leaves less for housing and other private borrowers and they have to pay higher interest rates.

CREDIT ALLOCATION

Q. Senator Schweiker plans to introduce a bill setting a 7 percent interest rate ceiling for priority loans which would comprise one-third of funds loaned by lending institutions. What would be the effects of such a law?

A. I think the effects would be very harmful.

First of all, who decides what is a "priority" loan? That injects a bureaucratic decision which has to be carried down with the force of law to the day-by-day operations of thousands and thousands of lending institutions all over the country--not just commercial banks.

Second, this is obviously forced lending at a subsidized rate; otherwise why require that one-third of all lending go by this route? Won't that mean much higher interest rates and fewer loans for purposes that don't meet the approval of some Washington-based bureaucrat? Of course, it will.

Third, the presence of the Federal Government is already felt far too strongly in the credit markets. Federal agencies make direct loans that show up in the budget and direct loans that don't. Loans are also made by Government-sponsored, privately owned credit agencies. Federal Government agencies guarantee or insure private loans. Interest rate subsidies are provided both explicitly and implicitly by the Federal Government. At the end of the last fiscal year there was more than \$285 billion of outstanding credit advanced under Federal auspices, most of it subsidized in one way or another. Total Government borrowing during the coming fiscal year will be 80 percent of the capital markets. But apparently that is not enough and the Federal Government has to intrude into the daily decisions of every private lending institution in the country.

Free financial markets have long been the centerpiece of our free enterprise system. This proposal would do violent damage to them.

FOREIGN INVESTMENT IN U.S.

- Q. There has been a great deal of talk lately about the threat of large-scale investment by the producing countries in the United States. What is the official U.S. policy concerning such investment?
- A. The Administration has just completed a review of this question and the results were recently announced at Senate hearings. Basically, we reaffirmed the traditional U.S. policy of opposing new restrictions on foreign investment in this country except where absolutely essential on national security grounds or to protect an essential national interest. This continuation of this policy is based on the conclusion that our existing laws provide substantial safeguards to deal with foreign investment.

In addition we have decided to take the following new actions to supplement our present arrangements:

1. We will establish a new high-level committee to ensure that foreign investments in the United States are consistent with our national interest;
2. We will create a new office to monitor and develop trends in foreign investments here and individual transactions that may come to our attention;
3. We will use the new office to centralize and improve our data gathering on foreign investment;
4. We will negotiate procedures with the principal foreign government investors for advance consultation with us on major direct investments.

DEPRESSION OR RECESSION

Q. Arthur Okun said recently that the current economic slump "may well get into the record books as a depression rather than just a severe recession." He characterized it as "a kind of quiet, continued slide that takes on avalanche proportions" rather than headline grabbing collapse of a major financial institution. Is the economy continuing this slide or are there hopeful signs?

A. The economy is continuing to decline and we do not expect an upturn before mid-year. We expect to see some advance signs and evidence before mid-year that the economy is beginning to turn-around but it is still too early for these to appear.

There are several encouraging bits of evidence but they are obviously less than conclusive. Retail sales and final demand have held up fairly well in the past two months and the heavy overhang of excess inventories is now being liquidated and this will help the recovery later in the year. Nor should we forget that interest rates have declined sharply and inflation has shown signs of weakening both at the wholesale and the retail levels. One result will be a much smaller erosion of purchasing power in the months ahead.

The need to support the economy and to help initiate a recovery later in the year underscores the need for prompt action to reduce taxes. I proposed a comprehensive set of tax reductions in January. The Congress should be working around the clock in order to speed their passage so that tax relief can be provided as soon as possible. If this legislation is quickly enacted tax reductions could begin to boost incomes and purchasing power during the second quarter. The need for swift action is urgent and that is why I hope that the Congress will not encumber the tax reductions with more controversial tax reform measures. These can be worked on later in the year.

AGRICULTURAL TARGET PRICES

Q. The House Agriculture Committee is currently considering sharply higher target and nonrecourse loan rates for the 1975 crop. What do you think of this approach?

A. The Administration is firmly opposed to the proposed or any other increases in target prices and loan prices for farm commodities. Such increases would put the U.S. Government back in the commodity business and restrict the competitive position of U.S. crops in world markets.

The current version of the proposed bill contains target prices and loan rates similar to those proposed recently by the Democratic heads of States' Agriculture. These proposed target price levels far exceed USDA's estimates of cost production for major crops including returns to land investment. The proposed loan rates would establish a market price floor that would restrict growth in export demand for agricultural commodities, while maintaining high feed costs to the U.S. livestock sector. In addition, the potential budget costs for deficiency payments if market prices go below target prices becomes substantial. For example, if corn prices average \$2 per bushel this fall, direct deficiency payments under the corn program alone would approach \$1.5 billion in fiscal 1976. Cotton program costs would also add an additional \$.5 billion.

Summary of Current House Agriculture Committee Target Price Proposals--1975

	<u>\$/bu.</u> <u>Corn</u>	<u>\$/bu.</u> <u>Wheat</u>	<u>\$/lb.</u> <u>Cotton</u>
Target prices			
Current	1.38	2.05	.38
Proposed	2.25	3.10	.48
Loan rate			
Current	1.10	1.37	.25
Proposed	1.87	2.50	.40
Cost Production*			
Total	1.79	2.50	.48
Ex land cost	1.12	1.54	.34

* USDA estimate provided to committee

NOTE: Secretary Butz is making a major speech in Honolulu today (3/17/75) outlining your opposition to the target price increase bill.

FOOD PRICES

Question:

How fast do you expect food prices to rise this year?

Answer:

Indications are that food prices are not going up as fast as we had expected. Preliminary indications--and I stress that world preliminary--are that food prices may be rising by no more than about 4 or 5 percent this year, and most of that rise could be over by mid-year.

Background:

From 1973 to 1974, food prices rose about 14 percent, but most farmers' prices were falling. About 80 percent of that rise was from built-in escalator factors such as wage contracts, cartel floors under energy costs, and resulting higher transportation and processing charges.

M. Duval (N.R)
3/14/75

FARM CREDIT

Question:

What is the outlook for cost and availability of credit for farmers?

Answer:

Credit is available and its cost should be declining. There are loan funds available for credit to worthy farmers through the commercial banking system and the farm credit system. With the general loosening of credit throughout the entire economy, farmers should expect slight reductions in the cost of credit, at least during the first half of the year.

M. Duval (N.R.)
3/14/75

TAB B

BUDGET DEFICIT

- Q. What is the current status of the estimates of the budget deficits?
- A. The current official estimate of the deficit is \$37.9 billion, an increase of \$3.2 billion beyond the amount which I projected in the budget less than two months ago. I should add that these changes incorporate only those actions already taken either by my Administration or by the Congress.

The tax bill which is before the Senate now, differs from my original proposal in several regards and the Congress has yet to act upon my request that some \$17 billion in expenditures be deferred or rescinded. The Congress is also considering a number of additional programs and measures that would make further large additions to expenditures. The result of these actions, when the final details do become available is going to be a substantial increase in the deficit.

We cannot tell for sure yet what the additional expenditures will total but unless the Congress cooperates with my earlier proposals the end result will certainly be less revenues and more spending and a substantial increase in the deficit. At this point, and I must emphasize that this is still partly guesswork based upon things already in sight, the deficit for FY 1976 must realistically be put in the \$65 to \$70 billion range.

SOCIAL SECURITY TRUST FUND

- Q: There are reports that the Social Security trust funds will run out of money in a few years. Why will this happen, and what can be done about it?
- A. When unemployment rises, tax revenues from wage income--including social security payroll taxes--fall below what is required to meet spending commitments. It is primarily to provide a cushion against this that the combined old age and disability trust funds contain a "liquidity reserve"--currently about \$46 billion, equivalent to less than one year's outlays. But this reserve is insufficient to sustain the System through more than a brief period of high unemployment. The problem can be partially eased by holding down this year's increase in social security benefits to five percent (as proposed in January).

I considered proposals to supplement the trust funds from general revenues. However, this plan would violate the "earned right" principle on which the system has always been based.

SOCIAL SECURITY

Question:

The Social Security Advisory Council has issued its report. What actions will you be taking to avert a crisis in the system?

Answer:

First, let me say that there is no crisis in our social security system. It is secure. And the Advisory Council concurred in this judgment.

What we have is a situation where, over the next 75 years, there will be a need for additional social security revenues. This is due mainly to the projected decrease in workers vs. retired persons. While our existing reserves are sufficient to maintain the system's integrity for the next several years, I want to insure the integrity of the system into the 21st century. That is why I have agreed to one of the Council's technical recommendations and have asked the Vice President to have the Domestic Council make further financing recommendations to me.

Background:

In your statement issued upon the release of the Council's report you came out flatly against their recommendation to finance Medicare partially out of general revenues.

PGN
3/14/75

SOCIAL SECURITY

Question:

Given the cost of living these days, how does the Administration justify holding down social security benefit increases for our Nation's senior citizens to just 5 percent?

Answer:

You must realize that it is very difficult for me not to be able to recommend a 9 or 10 percent social security increase this year. But in my judgment it is essential that we keep a hold on Government expenditures until we get our economy back on its feet. That is why I have asked for a one year limit on all Federal cost-of-living benefit increases and have asked that social security increases be held to 5 percent.

Also, you should be aware that social security benefits have been rising steadily over the past several years. In fact, they have increased at a rate that has more than equaled the increase in our cost of living. By this June, the cost of living will have increased 51 percent since 1970 while average social security benefits will have gone up 77 percent.

PGN
3/14/75

3/14/75

ENVIRONMENTAL PROTECTION AGENCY
(Water Pollution Funds)

Q. With the present state of the recession, why did you release only \$4 billion of the \$9 billion of impounded funds in January? Why did the many municipalities who need sewage treatment facilities have to wait for a Supreme Court decision to obtain these additional funds?

A. I released the \$4 billion in January trying to balance environmental considerations with overall fiscal policy.

But it should be pointed out that over \$14 billion is now available and a substantial portion has been available for some time.

\$5 billion has been available from unobligated balances from prior years, \$4 billion has been allotted in January and \$5 billion has been released as a result of the Supreme Court ruling.

Of the \$5 billion in unobligated balances, \$1.3 billion has been available for over 2 years and \$3.8 billion has been available for over one year.

To put this amount (\$14 billion) in perspective, it is useful to note that this is over three times the amount of money obligated in the program over the 15-year period from 1957 through 1972 (\$3.6 billion) and is twice the amount of the largest single-year authorization (\$7 billion.)

Overall, these funds will help to provide jobs, but only over a 3-5 year period, during which time economic conditions may substantially change. Also, the expenditure of these funds may add to future budget deficits.

TAB C

ENERGY - CURRENT STATUS

Question:

Will you reach a compromise with the Congress and energy policy?

Answer:

I am encouraged that we are making progress in our efforts to move my comprehensive energy program through the Congress. My energy advisors have spent long hours working with the appropriate committee chairmen in Congress, particularly Mr. Ullman, Chairman of the House Ways and Means Committee.

One difficulty which remains is that the Democratic majority does not have a single, comprehensive energy proposal. The outline which the majority leadership submitted to me still remains general with no details or specifics. However, the Ways and Means Committee and other committees in the House have developed specific proposals and I am encouraged by the progress they are making.

While we work toward possible agreement with Congress, I will remain firm in my insistence that this Nation face up to the realities of this energy crisis and adopt programs and policies which, in fact, will solve it. As I said in my State of the Union Address, there is no costless or painless solution to this problem.

The days of cheap energy are over and we must adopt a strong, tough conservation program. We are also going to have to face up to the difficult decision which will permit us to substantially increase domestic energy production.

I will hold firmly to the principles which guided my original energy decisions. I will insist upon equity for all Americans and among the various regions of the country. I will not permit anyone or any business to reap windfall profits while the rest of us sacrifice. I will reject unwarranted government intrusion into the choices of individuals and the incentives and conduction of American businesses. I will not be a party to imposing an energy program on the country, such as long-term, full scale rationing, which will ultimately cause serious harm to our nation's economy.

M. Duval
3/15/75

3/14/75

SENATE ACTION ON ENERGY EMERGENCY STANDBY LEGISLATION

- Q. Senator Jackson is making rapid progress on Title XIII--emergency standby authorities--of your Energy Independence Act. Are you pleased with his response and how do you feel about the changes that his committee has made to your original proposal.
- A. Although the Senate Interior Committee has moved quickly on this particular title of my Energy Independence Act, I do have major concerns with several aspects of their effort:
1. They have dramatically changed the nature of my bill from an emergency standby bill to be used in case of embargo type situations to a general purpose energy bill requiring a host of regulatory actions to achieve energy conservation. As you well know, I do not believe such an approach is the appropriate way to reduce our imports.
 2. I am also troubled by the Committee's attempt to modify my ability to decontrol oil and by similar efforts of others to suspend that authority. I see no reason for the Congress to change a provision they once put into the bill after considerable debate and discussion, particularly in the absence of hearings on this matter and the fact that I have agreed to postpone any decontrol actions.
 3. My greatest concern, however, lies in the fact that these actions on the emergency bill are being taken in a piecemeal fashion. No attempt has been made in the Senate Interior Committee to date to work on this bill in conjunction with other parts of my energy program. In addition, it is not clear how the Committee's action relates to either the Wright-Pastore plan or the Ullman plan. I would urge the Interior Committee to think and act more comprehensively if we are to achieve an adequate solution to our complex energy problem.

AIRLINES

Q. Many airlines claim that increased fuel costs will bankrupt them. What do you plan to do to help the airlines?

A. We have already taken action to help airlines by increasing the proportion of higher costs passed through on gasoline and reducing the pass-throughs on other products such as jet fuel. This should considerably reduce the airline problem.

I have also asked the Department of Transportation to provide me with any further recommendations for coping with increased airline fuel costs within the next week.

3/14/75

FARMERS

- Q. At your Topeka, Kansas press conference you announced an intention to help the farmers. What will you actually do?
- A. We have just about completed all the details on the actions we will take to help farmers cope with increased energy costs. The basic approach will be to rebate the increased gasoline and diesel fuel costs for all offroad use up to a maximum rebate, but not to cover all increased costs of large and corporate farms.

TAB D

TERMINATION OF WARTIME BENEFITS

Question:

Do you plan to issue an Executive Order and propose legislation terminating certain veterans' benefits such as GI Bill benefits for members of the All Volunteer Force?

Answer:

Yes, I do. However, you should understand that this will not affect the veterans benefits due any veteran or any serviceman now in service. Rather, this will affect only those who may enter service at some future time. There is, of course, ample precedent for adjusting entitlement to veterans benefits as we move from a wartime to a peacetime situation. Action terminating wartime veterans benefits has been taken by the President and Congress in the period following both World War II and the Korean Conflict.

March 14, 1975
R. D. Semerad

ADMINISTRATION PROGRAMS FOR THE ELDERLY

Question:

Some Older Americans have charged that you are against the aged. They refer to your policies that would cut Medicare benefits, limit food stamps and deprive them of their right to a social security increase based on the cost of living. Why are you cutting back the very programs that help them the most?

Answer:

Nothing could be further from the truth than to say I'm anti-elderly. These are difficult times for all Americans, including our aged citizens, and, if we are going to be successful in winning the battle against both inflation and recession, every one of us will have to make a contribution.

I know some of my proposals have called for adjustments in programs for the elderly. But I think we must keep in mind -- as I did when I made these decisions -- that we have substantial efforts underway to help the elderly.

For instance:

- This year we have proposed spending \$202.6 million in programs under the Older Americans Act -- a sixfold increase over the level in 1971.
- Between 1970 and this summer, inflation will have gone up an estimated 51 percent, while the average social security benefit will have increased 77 percent.
- Last year SSI provided, for the first time, a federally-guaranteed income floor for older persons. This resulted in more than \$2 billion more in benefit payments to the elderly in 1974 and 1973.
- We have over 665 projects serving about 220,000 meals a day to Older Americans.
- We have proposed limits for Medicare recipients of \$750 on physician and hospital costs. This would provide important protection against catastrophic medical costs: Currently Medicare beneficiaries could be liable for up to \$4,000 in hospital costs alone.

PGN
3/14/75

MEDICAL MALPRACTICE INSURANCE

Question:

As medical malpractice suits increase, more and more doctors in a number of States are finding that medical malpractice insurance policies will no longer be written by their insuring companies. The adverse effect has been twofold. First, older doctors are retiring prematurely and, secondly, health care costs are going up because added tests and procedures are being ordered as a defensive measure. Is the Federal Government going to do something about this?

Answer:

While we think this is a situation that can be best solved at the State level through State laws, the Administration has been willing to play the role as catalyst in reaching possible solutions both in the long and short term. Secretary Weinberger, for instance, has been meeting with groups of physicians, hospital administrators, insurance company executives who write malpractice insurance, and State insurance commissioners in an effort to resolve this serious issue.

We would hope that in the meantime no insurance company would take precipitous action that would limit any group of physicians' capacity to practice medicine.

Background:

A two-track effort is underway:

1. We have encouraged States to pass legislation providing for the immediate availability of medical malpractice insurance; and
2. we are looking at long-term solutions to the problem such as possible changes in legal practices involving medical malpractice, necessary medical practice reforms, better insurance data, etc.

PGN
3/14/75

MEDICAID

Question:

The States are already strapped financially and operating under an austerity budget. What makes the Administration think that they will be receptive to plans for the States to take on more of the cost of Medicaid?

Answer:

Let me point out that our Medicaid proposal would ask that only the 13 highest income States pay more. Under the current Medicaid matching formula, 6 of the highest income States receive over 50 percent of all Federal Medicaid money. By requesting that the floor on Federal matching be lowered to 40 percent from 50 percent, we are trying to target funds toward the low-benefit, low-income States.

PCN
3/14/75

CONSUMER PROTECTION

Question:

Congress is once again starting to discuss the issue of a Consumer Protection Agency. Your Administration has not yet taken a position. How do you stand on this?

Answer:

First of all, let me say that we are acutely aware of the needs of consumers and right now we think that the most important action this Administration can take on behalf of consumers is to get the economy on the right track.

Second, I have proposed that a substantial review of our regulatory agencies be undertaken by a special commission. Because I think such reforms are essential, I will shortly be offering my own reform proposals that I hope can be undertaken immediately.

Until the review commission completes its task, I think it would be inappropriate to establish yet another independent regulatory agency such as a Consumer Protection Agency would be.

However, because I am opposed to a Consumer Protection Agency at this time does not mean that this Administration is not pro-consumer. Working with my Cabinet and Virginia Knauer, my Special Assistant for Consumer Affairs, I intend to take a number of steps so that consumer views are fully considered in Government.

PGN
3/14/75

HEALTH INSURANCE FOR THE UNEMPLOYED

Question:

What is the Administration's position on proposals to provide health insurance protection for the unemployed?

Answer:

With a projected budget deficit of over \$52 billion in 1976, there are many worthwhile programs which the Administration cannot endorse at this time. The Administration has increased drastically unemployment assistance with spending close to \$19 billion in 1976, and has undertaken other key steps to stimulate employment. Unemployment for many is a temporary situation and the major steps toward providing assistance to the unemployed must be designed to make more jobs available.

Moreover, the design and administration of a health insurance program solely for the unemployed raises major equity and administrative problems that are extremely difficult to overcome. Also, when the competition for limited resources is so great, only the most compelling initiatives can be funded. It is by no means clear that insurance coverage is the priority need of the limited group of eligible workers who would be covered. What they need are jobs and financial resources, such as our tax rebate proposal would make available.

Finally, no well-documented data is currently available that analyzes the extent to which those unemployed are unable to receive needed health care solely because of lack of insurance coverage.

PCN
3/14/75

WELFARE CUTS

Question:

At a time when the recession is forcing more and more people to turn to welfare, why has the Administration decided to cut family welfare grants by \$97.2 million for the first quarter of this year.

Answer:

The Administration has not proposed cuts in welfare payments to families who are eligible for them.

The process of cutting welfare grants to the States was set in motion at the Department of Health, Education, and Welfare over 18 months ago. Its goal is to prevent Federal taxpayers' funds from going to people who are ineligible or overpaid.

Background:

The Federal Government is aware of the amount of overpayments and ineligible people in each State through a statistical sampling process which has been validated by an independent polling organization.

PGN
3/14/75

NATIONAL HEALTH INSURANCE

Question:

Does your policy of no new programs mean that you will not be requesting the Congress to enact a national health insurance program?

Answer:

That's right. I will not be asking Congress to enact national health insurance legislation this year. The new Federal cost of the comprehensive health insurance plan that was before the previous Congress was \$5.8 billion. Latest calculations indicate that that estimate is now over \$7 billion. Until we have a better grip on our economy, I cannot propose a new program with such an impact on Federal, State, and corporate expenditures.

PGN
3/14/75

WELFARE REFORM

Question:

We understand that Secretary Weinberger has been working on a welfare reform program based in part on a negative income tax for the last two years. Is that proposal killed by your statement that you will propose no new Federal spending programs?

Answer:

Let me say that I want to do everything possible to reform the Nation's welfare programs including food stamps, the supplemental security income program, and the aid to families with dependent children. During the months ahead, HEW and other departments will be taking additional steps to reform these programs. While I do not plan to ask the Congress for any new basic welfare program, I have asked the Domestic Council to continue to work on reviewing various alternative plans for possible submission after the corner is turned on the current economic situation.

PGN
3/14/75

ABORTION

Question:

What will your Administration do about the Supreme Court's 1973 ruling in favor of abortion?

Answer:

As you know the Supreme Court in 1973 ruled that State laws against abortion were unconstitutional. Because of that decision there is, at this time, no proper action for the Federal Government to take on this issue. While in Congress I did favor a constitutional amendment that would allow each State to make its own laws concerning abortion. I felt that this is a matter better decided at the State level, not in Washington.

Background:

As Minority Leader, the President co-sponsored a constitutional amendment which would permit the States to enact abortion legislation. He also opposed in 1972 a Michigan referendum that would have permitted abortion on demand in that State.

PGN
3/14/75

SUBSIDIZED HOUSING

Question:

If you are concerned with housing poor people, why not fund the old 235 and 236 programs?

Answer:

The new Housing and Community Development Act of 1974, which I signed on August 22, provides additional contract authority, deeper subsidy and cost benefits which will result in better housing for the low and moderate income family as well as for the elderly. The Act also contains authority to expand the cash assistance program and urban homesteading. The old subsidized programs (235 and 236) finally priced themselves out of the reach of the people who most needed their assistance.

Background:

The revised Section 23 in conjunction with Section 8 of the new Act establishes a new program of housing assistance for lower income families. The Section 8 program of housing assistance for lower-income families authorizes the Federal government to pay the difference between (1) the fair market rent and (2) the portion of rent - between 15 and 25% of his gross income - affordable by the tenant. This program would apply to 400,000 units of existing, substantially rehabilitated or new housing and has the following advantages over the old subsidized programs:

- Costs can be better controlled through the use of market-determined rents, competition between private developers and local housing authorities, payments only for units which are occupied and a twenty-year subsidy term.
- The lowest-income families can be reached since the formula will always pay the difference between what the family can afford and what it costs to rent the unit.

HOUSING STARTS

Question

Building permits reached an all-time low last month in the homebuilding industry. What do you plan to do to assist this vital segment of our economy?

Answer

The Federal government has pumped over \$22 billion into the housing industry in the last 12 months and in many cases the effects of this money have not yet been seen. Additionally, there are signs in the economy such as an increased dollar inflow to S&Ls and the drop in interest rates that indicate that the housing industry will turn around.

January housing starts unexpectedly increased for the first time since September; however, homebuilding permits fell to a record low. I'm not convinced that the increased starts signal the long awaited turnaround in the housing industry; however, I am confident that the housing industry will turn around in the months ahead.

Background

Housing starts last month were at a seasonally adjusted annual rate of 987,000 units, up 13% from December's near-record low rate of 874,000 units. The January rate, however, was off 31% from the year-earlier pace of 1,437,000 units.

The issuance of building permits was at an annual rate of 661,000 units in January, down 20% from December's rate of 822,000 units and off 48% from the year-earlier pace of 1,282,000 units. The January permit rate was the lowest since the government began keeping housing statistics in 1946.

Through the use of an expanded GNMA Tandem Plan and through the Emergency Home Purchase Assistance Act, over \$22 billion have been pumped into the housing industry in the last year. Also, the FHA/VA mortgage insurance rates were dropped to 8 1/2% in an effort to lead the mortgage interest rates.

COMMUNITY DEVELOPMENT

Question:

What is being done to rebuild the inner city?

Answer:

For the first time the new Housing and Community Development Act of 1974 gives Federal money to cities based on a needs formula. Locally elected officials will make the decisions as to how this money will be spent. Federal bureaucrats in Washington, D. C. will no longer be establishing local priorities. Additionally, the six-year life of this bill will enable your Mayor to better manage the Federal monies received in that he will know the amount of money to be received over a six-year period which is a vast improvement over the present system which forces communities to wait for annual Congressional appropriations.

Background:

The Act authorizes the following total entitlement and/or hold-harmless funding (whichever is larger) for municipalities and urban counties: \$2.5 billion in FY 75; \$2.95 billion in FY 76; \$2.95 billion in FY 77.

In the past, funds were allocated to cities on an application basis through seven categorical programs. Each application was considered separately and the city with the best grantsmanship won.

Under the 1974 legislation, the amount of money for each city of over 50,000 people is determined through a needs formula. The formula weighs the factors of poverty, population and overcrowding. As the formula basis eliminates grantsmanship, certain cities will receive decreased overall funds. To prevent hardships, there is a three year "hold-harmless" provision which prevents decreased allocations for that period.

With the block grant approach each city has virtual discretion as to how its annual entitlement is to be spent. A city may chose to spend its funds for items covered under the old categorical programs or it may chose to spend that money for such noncategorical programs, as it sees fit.

There is one requirement which bears mentioning. Under the Housing Assistance Plan each development proposal is required to contain a housing component. This is designed to alleviate the critical housing shortages found in most inner urban areas.

OPIUM SUPPLY

Question:

What are you doing about the alleged shortage of codeine for medicinal use? Does the Administration plan to authorize the domestic growth of opium poppies to alleviate the shortage?

Answer:

Currently, there is not a shortage of codeine at the user level, and we do not intend to let one develop. We have recently taken steps to avert a shortage in the second half of 1975, and are prepared to take further steps if required. However, our immediate plans do not include domestic growth of opium poppies.

Background:

A number of recent press reports and separate hearings held by Senator's Kennedy and Bayh have indicated that we face a severe shortage of codeine for medical use. This is not correct. Supplies of opium gum, which is the raw material, are tight, but your Administration has taken steps to avert any actual codeine shortage.

These steps have included the release of approximately 60% of our strategic stockpile of opium gum in December 1973, and a very recent decision by the Attorney General to allow the importation of an alternative raw material -- concentrate of poppy straw.

Domestic growth of opium poppies is not a desirable option except as a last resort, because of the turbulence it would cause in international control efforts.

An Executive Office task force, led by OMB with representatives from the interested Federal agencies, is following the developments closely, and is prepared to recommend further steps if they become necessary.

FLM

3/14/75

OVERALL DRUG ABUSE

Question:

What is the current status of our efforts to control drug abuse?

Answer:

We are better off than we were at the peak of the heroin epidemic. Federal resources have been greatly increased, many more addicts are receiving treatment, fewer citizens are dying of drug related deaths, and hard drugs are more difficult to find. Lately, however, there have been disturbing indications of some slippage, indicating that the problem is far from being solved and that the high priority this Administration and Congress places on the fight against drug abuse cannot be diminished.

Background:

After two to three years of steady improvement, indications are that the drug problem is intensifying. Key indicators -- price and purity data; drug related deaths -- which have been going down steadily have flattened or turned up. There is some evidence that the heroin problem has shifted geographically away from the Northeast toward the West and Southwest, and that addiction might be on the upsurge in small and medium sized cities. Demand for treatment has increased sharply. But there is cause for long-term optimism, since the results achieved over the past several years have demonstrated the Government's ability to slow, stop, and begin to reverse the trend toward massive drug abuse.

FLM

3/14/75

ILLEGAL ALIENS

Question:

What do you intend to do about the increasingly serious illegal alien problem facing this country?

Answer:

I have recently appointed a Domestic Council Committee to develop policies to deal with the illegal alien problem and my Administration is currently examining the need for additional resources for this effort. We are also actively supporting the passage of a bill that would outlaw the knowing employment of illegal aliens.

Background:

Recent estimates suggest that there are upwards of five million illegal aliens in this country. They have an adverse impact on our society in a number of ways. Since they are willing to work for lower wages, they displace U.S. citizens from jobs and thereby create unemployment. They create a substantial drain on State and local community services including schools, welfare systems and health services.

FLM
3/14/75



PRIVACY

Question:

Recently you signed legislation that establishes measures to protect the privacy of individuals whose records are maintained in the files of Federal agencies. Does your Administration plan any other privacy initiatives?

Answer:

I have named Vice-President Rockefeller as Chairman of the Domestic Council Committee on Privacy. Under his direction, the Committee will continue to propose legislation and administrative action to establish privacy safeguards for our society.

Background:

The Domestic Council Committee is currently considering privacy protections in the following: Criminal justice information, consumer information, use of the social security number, IRS records, financial and banking records, welfare records and statistical data.

FLM

3/14/75

NATIONWIDE CRIME RATE

Question;

The FBI released figures recently showing crime for the first six months of 1974 was up 6 percent over 1973. What do you plan to do about the rising crime rate?

Answer:

The FBI Uniform Crime Report clearly demonstrates that crime, especially violent crime, is a continuing major problem for all of America. I have discussed this with the Attorney General and with the Chiefs of Police. This is a problem area where Federal, State and local governments must work together to better utilize existing resources and to assure that criminals are brought to justice.

Background:

There are no easy answers to combatting crime, but it is clearly the major responsibility of State and local governments. The Law Enforcement Assistance Administration was set up in 1968 to provide Federal aid and has spent over \$3 billion so far. The answer is not more money, but better use of the money already being spent and better utilization of police, courts and corrections to deter criminal conduct.



FLM
3/14/75

BUSING

Question

What is your position on busing?

Answer:

Americans of all races have felt great concern in recent years over the busing issue. This has been an emotional, divisive issue in many communities. It is an issue that has confused parents, educators, courts, and government officials.

The basic goal should be quality education for all Americans. Like most Americans, I believe in the neighborhood school. I am against busing to achieve racial balance, and I am against excessive busing under any circumstances. I believe that what has been most lacking on both sides of the issue has been a spirit of compromise -- what the Supreme Court, in deciding Brown v. Board of Education, called "adjusting and reconciling public and private needs."

Background:

In the Equal Educational Opportunities Act of 1974, which I have signed recently I agree with the Congressional declaration that it is the policy of the United States that "all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and (that) the neighborhood is the appropriate basis for determining public school assignments." (Sec. 202(a))

I am also encouraged by the Chief Justice's statement in the Supreme Court's Detroit decision, which limits busing across school district lines, that "without an inter-district violation and inter-district effect, there is no constitutional wrong calling for an inter-district remedy."

The policy of this Administration will continue to be to avoid whenever possible federally imposed busing requirements in cases under the jurisdiction of federal executive agencies. Second, it will continue to be our policy to seek fair and workable remedies for unlawful denials of equal educational opportunity, and to work with school authorities and civil rights advocates in a cooperative, non-adversary spirit. Finally, it need hardly be stated that the law, as determined by the courts, must and will be obeyed. I believe that within this framework, we can begin to come to grips with the busing issue in a constructive way.

MARIJUANA

Question:

Do you think marijuana use should be legalized, or decriminalized as the Marijuana Commission recommended?

Answer:

I am opposed to the legalization of marijuana, especially since medical evidence on its effects is still being explored. I do think that penalties for simple possession have been far too harsh in the past and am pleased that over 35 states have now adopted our Model Statute on Drugs which makes these penalties more realistic.

I am also opposed to the decriminalization of marijuana because I believe this Nation learned during prohibition that such an answer is really no answer at all.

Background:

Advocates of legalizing marijuana claim it is no worse than alcohol or tobacco, but that is hardly sufficient reason for the government to encourage its use through legalization. Marijuana may well be a passing fad of the 60's, but legalization would assure it being a problem far into the future.

The Marijuana Commission recommended, near the end of its report, that simple possession of small amounts of marijuana be decriminalized. Under the Model Drug Statute such possession remains a misdemeanor. Measures permitting the possession of small amounts of marijuana to be legal without decriminalizing the production or sale of it would create an ostrich effect in the law in this area. Lawful possession would necessarily entail unlawful trafficking.



FLM
3/14/75

CIVIL RIGHTS

Question:

The U.S. Commission on Civil Rights has issued recent reports on the civil rights records of Federal agencies in areas like fair housing and education. The reports call for greater civil rights efforts by these agencies. What are you going to do about this?

Answer:

I have received initial summaries of the reports and have directed the agencies in question to furnish me their comments.

Background:

The Commission, established as an independent, bipartisan agency in 1957 to investigate civil rights violations, is currently publishing a series of reports entitled the "Federal Civil Rights Enforcement Effort - 1974," which deals with Federal civil rights activities in the areas of regulatory agencies, housing, education, employment, Federally-assisted programs and policy making. Reports on the first three topics have been published.

FLM
3/14/75

CIVIL RIGHTS

Question:

You say you intend to be President of all the people. What will be your civil rights enforcement policy?

Answer:

The Administration is firmly committed to ensuring equal rights and opportunity for all Americans, regardless of race, color, religion, sex or national origin.

I expect the Civil Rights Division of the Department of Justice to continue vigorous enforcement of the civil rights statutes enacted in the last decade. We need to insure the right of all Americans to the opportunity to achieve his or her best, and to be judged solely on the merits.

Background:

Civil rights laws state a firm national policy of equal opportunity -- in education, employment, housing, voting and other fields. The law must be enforced to the end that all citizens in our society should have an equal chance to vote, equal opportunity in jobs, equal access to decent housing, equal opportunity to a good education. Particularly in these difficult economic times, the field of equal employment opportunity is of major importance. Access to jobs on a fair and meritorious basis, without either racial bias or favoritism, is critical to insuring everyone's access to a full and rightful place in our society.

While we have made progress in the field of civil rights in recent years, there are still many areas, where Americans are the victims of unequal treatment because of their color, national origin, or sex. In my view, even one such instance is too many, and I expect the Civil Rights Division to use its resources to help make the American ideal of equal treatment for all a reality.



GUN CONTROL

Question

What is your position on gun control and what proposals will you make?

Answer

So far I have seen no comprehensive gun control legislation which I could support. However, I realize there is a serious problem, at least in certain communities, involving so-called "Saturday night specials" and I have asked Attorney General Levi to consider and report to me on possible new legislative approaches to this problem. I also understand that the Congress is now focusing on proposals to restrict the distribution and possession of "Saturday night specials".

["Saturday night specials" are generally defined to include a broad category of inexpensive and easily concealed handguns which are produced by both foreign and domestic manufacturers. A bill to proscribe the possession of these weapons passed the Senate in the last session of Congress but died in the House.]

TAB E

CAMBODIAN NEGOTIATIONS

Q: Are we really doing everything possible to get negotiations started on Cambodia? Would it not help if Lon Nol stepped down at this point? Will you consider sending Senator Mansfield, or some other envoy to explore possibilities for negotiation?

A: The basic problem in getting talks started in Cambodia is the Communists' adamant refusal to negotiate. As long as they see success militarily, they have no incentive to negotiate. Only if they realize a military victory is not within their reach will they consider talking. That is why we must support our friends.

We recently released a record of our numerous attempts to seek a compromise settlement in Cambodia. All have been rebuffed. The Cambodian Government has indicated that it would enter into talks unconditionally at any time and place. That offer has never been accepted and the Khmer Communists have refused to negotiate not only with Lon Nol but also with any of the leaders of the Cambodian Government.

I stated in my press conference last week that we are willing to support any negotiations and accept any outcome that the parties themselves will agree to. And as far as the United States is concerned, the personalities involved will not themselves constitute obstacles of any kind to a settlement.

U. S. INVOLVEMENT IN VIETNAM

Q. The North Vietnamese have resumed fighting in South Vietnam, and you have already asked for \$300 million in assistance for that country. When will we be able to extricate ourselves from involvement in Vietnam, and do you believe that this assistance can really provide meaningful long-term support to Vietnam?

A. First, let me say that we have already extricated ourselves from Vietnam. We have fully complied with the terms of the Paris Agreement. American troops no longer fight in Indochina. Compared to the massive expenditures of the 1960's, the levels of assistance now being considered are very small. The American forces sent to Indochina achieved our aims. They helped our allies to preserve independence and the freedom to choose their own future.

The problem that we now face is a different one. It is that North Vietnam, in violation of the Paris Agreement, has resumed large-scale military action in South Vietnam. It has done so although the South Vietnamese Government has repeatedly offered to negotiate a political settlement that would have given all political elements in South Vietnam a full opportunity to participate in free elections and the political life of the society.

We now must decide whether to help our friends defend themselves and whether we will do what is necessary to sustain the peace agreements that we helped to negotiate. It is not a question of involvement, but of assistance. This is a problem that we face not only in Vietnam, but elsewhere, including the Middle East. That is one reason why our policies in Indochina must be seen in a wider context.

FYI: Under a Memorandum of Understanding between the U. S. and the Saudi Government in March 1973, we agreed to help the Saudis modernize units of their National Guard. The approved program involves the construction of headquarters, maintenance, supply and training facilities, establishing a logistics and communications system, modernization of equipment and training four mechanized battalions and one artillery battalion in the use of maintenance of new equipment. The program is expected to last almost six years. As it stands now, the program overall is in excess of \$300 million; all of it paid by Saudi Arabia. Vinnell is one of several companies involved in the modernization program. The U.S. Army Corps of Engineers is responsible for the planning, design, and construction of the headquarters facilities, and for development of criteria for the vehicle maintenance program. The Saudi National Guard has about 36,000 men.

VIETNAM -- ONLY THREE MORE YEARS?

Q: You have said you would be willing to accept a three-year terminal date for aid to Saigon if Congress would vote enough funds to insure its survival that long. Have you formally proposed such a program? How much would it cost to secure South Vietnam's survival?

A: My comments to the Tribune represented an attempt to respond constructively to the concerns of Congress about the extent and duration of the American involvement in Indochina. I have met already with Senators Church and Pearson to explore with them responsible strategies for ending that involvement in a way consistent with our commitment to help provide South Vietnam the means to defend itself.

South Vietnam has the will to defend itself and a viable economy which gives that country the potential to feed its people and purchase its own arms if only it can survive in the short run.

The additional \$300 million in assistance that I have requested will enable the South Vietnamese to defend themselves without abandoning further positions simply to conserve ammunition and fuel. If, however, a terminal date is imposed appropriations would naturally have to be substantial enough to do the job over that 3-year period. I am ready to work with the Congress to determine the precise amounts and time frame.

MIDDLE EAST NEGOTIATIONS -- SOVIET ROLE/GENEVA

Q: How do the Soviets relate to the current U. S. diplomatic initiatives and how do you see them becoming more involved? When will the Geneva talks be resumed?

A: We share with the Soviets the objective of an overall peace settlement in the Middle East. This is implicit in the fact that we share with the Soviet Union a role as Co-Chairman of the Geneva Peace Conference. We are not trying to exclude them and we do not envisage any final settlement which excludes them.

As far as steps toward peace, the parties have invited our diplomatic efforts. The Soviets are informed of our continuing efforts and the Secretary had useful talks with Foreign Minister Gromyko in Geneva. The Communique issued after that meeting reaffirmed the need for an overall settlement based on Security Council Resolution 338. In it we also indicated that we are ready for Geneva to resume when the parties deem it appropriate.

MIDDLE EAST SETTLEMENT -- GUARANTEES
DEFENSE PACTS

Q: There has been discussion about guarantees for a final settlement and other security arrangements. What is your thinking about U.S., Soviet or other power guarantees and/or a defense pact, either bilateral or in the NATO context, with Israel?

A: There have been many ideas put forth recently on the subject of guarantees and other security arrangements as part of an overall final settlement. These issues will need careful review in all considerations of a final peace. We will, of course, need to know the views of the parties themselves on the role of any guarantees in an overall settlement.

We are concentrating now on another step forward; it would be premature to speculate on the content of a final settlement or what kinds of security arrangements would be appropriate.

MIDDLE EAST NEGOTIATIONS -- THE PALESTINIANS AND PLO

Q. Do you have any comments on President Asad's statement that Syria will not be willing to sign a final peace treaty with Israel until the U.S. recognizes the PLO?

A. We continue to believe that an eventual overall Middle East peace settlement must pay due attention to the legitimate interests of the Palestinian people. The solution to the Palestinian problem and the means to achieving it, is, however, a matter for the parties to decide in the negotiations. As far as negotiations between the PLO and Israel, or so-called U. S. recognition of the PLO, the issue is academic since the PLO does not recognize Israel's right to exist.

MIDDLE EAST NEGOTIATIONS -- SINAI PROGRESS

Q: What are the chances for a new Egyptian/Israeli agreement on the Sinai during the Secretary's trip and what will this agreement involve? Is the Secretary making sufficient progress with Israel and Egypt during his trip to ensure that a new agreement can be reached? What about progress on the Syrian front?

A: Secretary Kissinger is meeting with key leaders to discuss ways in which they may be able to reach agreement on further progress toward peace in the Middle East. This trip is of course at the invitation of the parties and is in keeping with our continued commitment to do all we can to assist them in the negotiating process. We very much hope that the Secretary's trip will lead to some concrete, positive results.

The U.S. has felt that the interests of all parties in an overall peace settlement can best be met by dealing with the many complex issues in a pragmatic fashion, in the hope of achieving progress on all fronts. We will be making determined efforts in the next few weeks, but in the current complex and sensitive period I am not going to get into the substance of delicate negotiations.

ARAB DISCRIMINATION

Q: What is the US doing to prevent the application of discriminatory economic practices by Arab or other countries to US businesses and institutions? And, can you explain the allegations that Jews have been excluded from service in US Defense Department missions in the Middle East?

A: As I made clear in my February 26 statement, such discriminatory practices are totally contrary to American tradition and principles. The appropriate agencies are currently looking into the matter. If there is any infraction of US law, it will be dealt with firmly. If it is determined that further protective action or legislation is required, it shall be proposed by this Administration in consultation with Congress.

Let me add that there is no agreement whatsoever between the US Government and any foreign country to exclude American citizens from service in that country on religious or ethnic grounds. Foreign entry policies of sovereign nations may be selectively applied, and in certain cases may exclude foreign citizens, including US citizens. This is not a policy of any branch of the US Government, however. Our views on discriminatory policies are well known and understood by other countries.

ARAB DISCRIMINATION

Question

Last month we had news accounts of Arab attempts to utilize their financial base in this country to promote secondary boycotts of Israel and to discriminate against Jews. What has your Administration done about these allegations?

Answer

First, let me restate my position that any such discrimination would be totally contrary to my own principles and to the policy of the United States. Second, I have directed the various Departments to investigate these allegations and to recommend to me any remedial action necessary to correct the situation. Third, we are currently stepping up efforts to enforce existing statutory sanctions such as the Export Administration Act which requires exporters to report any requests for participation in international trade boycotts or other restrictive trade practices. Finally, we are attempting to exercise our moral leadership both at home and abroad to discourage any cooperation with such practices.

FYI:

In your February 26th statement, opening your Florida press conference, you said: "I want there to be no doubt that such discrimination is totally contrary to the American tradition and repugnant to the American principles. It has no place in the free practice of commerce as it has flourished in this country and in the world in the last thirty years."

U.S. -- IRANIAN COOPERATION

Q. The U.S. and Iran have announced that they are entering into a substantial economic cooperation arrangement with Iran involving billions of dollars. These agreements also include large-scale purchase of nuclear technology by Iran in addition to arms purchases from the U.S. and Iranian investment in the U.S. In light of Iran's ambitious policies in the region and particular sensitivity of nuclear proliferation, is this close cooperation with Iran in the U.S.' interest?

A. We have long had a close, cooperative relationship with Iran, a country that is playing a constructive role in the security and economic development of its region. Our policy has been to encourage our friends in that area to assume regional responsibilities and to help them meet their own needs. Our mutually cooperative relationship with Iran in all fields is an outgrowth of this policy, an important aspect of which is a strengthening of mutually advantageous economic relations. The Joint Statement issued at the conclusion of the Joint Commission meeting last week clearly and publicly recorded the interest of both sides in respecting the rules and regulations of each country in economic cooperation and investment.

Our nuclear cooperation with Iran is for peaceful, constructive development. Progress has been made toward the signing of the formal bilateral agreement, including safeguards, to provide nuclear technology for peaceful purposes. The Non-Proliferation Treaty and all safeguards will be applied.

U. S. "MERCENARIES" IN SAUDI ARABIA

Q. Isn't there something contradictory in Secretary Kissinger's threat to use force against oil producers while at the same time the United States is contracting with a private U. S. firm to train Saudi Arabia's forces to protect those oil fields?

A. There is no contradiction. Secretary Kissinger and I have made clear many times that his remarks were addressed to an absolutely hypothetical situation in which the actual strangulation of the industrialized world was being attempted in a confrontation started by the oil producers. We do not anticipate that situation arising.

We have a number of on-going programs in the economic and military fields implementing our long-standing policy of cooperation with Saudi Arabia. This is consistent with our policy of helping our own friends meet their legitimate security needs and with our own concern for stability in the region. In 1973, we agreed with Saudi Arabia on a program to modernize the Saudi National Guard Forces and provide training for its security tasks. For this purpose, the Pentagon has contracted with qualified US firms to provide certain services, including training. The Pentagon last week released detailed information on these contract procedures.

SECRETARY KISSINGER'S MEETING WITH GOVERNMENT
LEADERS OF GREECE AND TURKEY

Q: Mr. President, in the past week, Secretary Kissinger met privately with both Greek and Turkish Government leaders to discuss the Cyprus situation. Have these meetings improved the prospects for achieving an early negotiated settlement to the Cyprus situation?

A: The meetings you refer to were another in a series of informal consultations between the Secretary of State and Greek and Turkish leaders for the purpose of reviewing the status of efforts to achieve a peaceful solution to the Cyprus problem agreeable to all -- Greece, Turkey and Cyprus -- and finding a general framework for discussions between the two communities on Cyprus. As you may recall, the Greek and Turkish foreign ministers met with the Secretary in December at Brussels for the same purpose. Last week's talks were most useful as we continue our willingness to assist all the parties involved in the Cyprus dispute to make progress toward a negotiated settlement of this difficult and complex problem.

We hope that the parties will be able to begin their negotiations again in the very near future.

CYPRUS SITUATION -- TURKISH MILITARY ASSISTANCE

Q. Mr. President, military assistance to Turkey was cut off on February 5 as required by the Congress. How has this action affected the Cyprus negotiations and our relations with Turkey?

A. As I have already stated, I deeply regret the action of Congress in cutting off military assistance to Turkey. I have been encouraged, however, by the legislation recently introduced in the Senate. I hope that the Congress will act quickly and favorably on the measure. Such action will do much to restore a proper relationship with an important ally and enhance our ability to work effectively with all parties to the Cyprus dispute in achieving a negotiated settlement of this difficult and complex situation at an early date.

PORTUGAL

Q. Mr. President, are you concerned over current developments in Portugal, particularly the abortive coup attempt in Lisbon?

A. This is an internal Portuguese situation and it would not be appropriate for me to comment on it. Our relations with Portugal are based on both friendship and alliance. We look forward to continuing that relationship.

CSCE

Q: Mr. President, there are a number of reports from Europe to the effect that there will be a summit-level meeting this summer to conclude the Conference on Security and Cooperation in Europe. What are your views on such a summit? Will you go?

A: The European Security Conference has made good progress. There are unresolved issues in several areas, including general principles and human contacts, but headway is being made in the negotiations. If the Conference is concluded along the lines that are now foreseeable, a summit conclusion is highly probable and the United States would participate. However, we need first to see the results of the negotiations still underway.

DETENTE

Q: Mr. President, in light of Soviet rejection of the 1972 Trade Agreement, some say that detente has been set back, and that US-Soviet relations may now enter a cooling period -- would you comment?

A: First, I would note that just this last Friday I met with a visiting Soviet food industry delegation, and there continues to be great interest in mutually beneficial trade.

Speaking more broadly, at the Vladivostok Summit, General Secretary Brezhnev and I reaffirmed the determination of the United States and the Soviet Union to further develop our relations and to continue the search for peace. With the Vladivostok agreement on offensive strategic arms we took another important step toward greater peace and stability. We will continue to approach our contacts and negotiations with the USSR with utmost seriousness and determination to achieve concrete and lasting results -- results in the best interests of the United States and in the interests of improved international stability.

I believe therefore that the prospects for further improvements in US-USSR relations -- the prospects for detente -- are good insofar as they depend on our actions. It is my impression that the Soviet leadership continues to share in this desire for further progress.

Nevertheless, we must recognize that the process of detente is based

upon mutual benefit and mutual confidence. Attempts to extract unilateral advantage or to condition cooperation on actions within the domestic province of the other side erode the confidence that must be present for the relationship to survive. Developments relating to US-Soviet trade relations must be viewed in this context.

ETHIOPIA

Q: Has a decision been made on the Ethiopian emergency resupply request?

A: In our exchanges with the Ethiopian Government, we have expressed our strong hope that the two sides in the Eritrean conflict will soon enter into direct negotiations to end the fighting and reach a settlement of their differences. In keeping with our historically close relationship and policy of providing assistance to Ethiopia, we have also agreed to a limited replenishment of depleted ammunition inventories on a cash sale basis.

CUBA POLICY

Q: In Miami you said that our policy towards Cuba was the same as it had been, that there had been no sign of Mr. Castro's change of heart and that we think it is in our best interests to continue the policies that are in effect at the present time. And yet, recently Secretary Kissinger said we had already taken some symbolic steps to indicate that we were prepared to change and that we would re-evaluate our policy if the OAS lifted its sanctions. How do you reconcile these two statements which appear to be at such variance?

A: Secretary Kissinger and I discussed his speech in some detail before he made it. Our statements are consistent and are very clear on two fundamental points. First, in my various statements on this subject and in Secretary Kissinger's speech at Houston, we have both said that we respect the decisions of the OAS by whose sanctions we are bound; and second, that any change in our policy will depend upon Cuba's policy toward us and would, of course, be in line with what we consider to be our best interests in the matter. We have indicated in various ways that we are serious in our willingness to review our policy contingent upon these essential prerequisites to change.

PANAMA CANAL NEGOTIATIONS

Q. Would you bring us up-to-date on the Canal negotiations? What are the prospects of getting Senate approval, even if you negotiate an agreement, after the resolution co-sponsored by 37 Senators opposed to transfer of sovereignty in the Canal Zone?

A. Ambassador Ellsworth Bunker, who is our negotiator on the Panama Canal, has been meeting on a regular basis with the Panamanian authorities since November, 1973. Substantial progress has been achieved, but difficult issues remain. Both the U.S. and Panama have vital interests in the Canal. We are hopeful of reaching agreement on a draft treaty that takes the interests of both countries into account, making us partners in the Canal operation. I am confident we can do this and protect our basic interests in defense and operation of the Canal.

Any draft treaty would, of course, be submitted to the Senate. I am aware of the expression of views by a number of Senators, but I know that the Senate will consider any treaty in its entirety, and make its judgment in terms of what is prudent and equitable for the U.S. and Panama.

TUNA BOAT SEIZURES IN ECUADOR

Q: Ecuador has seized U.S. tuna boats, imposed heavy fines and confiscated their catch. What is the U.S. doing to protect our fishermen and to resolve this problem?

A: We, of course, deeply regret the seizures. We have made our position known to the Ecuadorean government both in Washington and in Quito. All U.S.-owned boats have now departed Ecuadorean ports.

While Ecuador, and a few other countries, claim full sovereignty over the seas for 200 miles from the shore, the U.S. recognizes only a three-mile territorial waters zone and an additional nine miles for exclusive fishing. We continue to believe that the best way to settle differences of this kind is by international agreement in the ongoing international Law of the Seas conferences. Another session of the conference is convening today (March 17) in Geneva. Considerable progress has been made in these talks, and we are hopeful that a satisfactory solution to this and other difficult questions related to the use of the world's oceans and their resources will be possible this year. In the meantime we are continuing to discuss this matter with the Government of Ecuador.

LAW OF THE SEA CONFERENCE

Q: Mr. President, the second substantive session of the Third U. N. Law of the Sea Conference opens in Geneva on March 17. How do you view the prospects for reaching agreement on a treaty, and will you and Secretary Kissinger be personally involved in U. S. attention to the Conference?

A: I strongly support the work now underway in the U. N. Conference aimed at producing a timely, comprehensive and widely accepted treaty.

The establishment of an orderly legal regime for the oceans will lessen the prospects of confrontation and conflict and contribute to the prospects for international stability.

Both the Secretary of State and I have been and will remain personally involved in U. S. attention to this Conference and I can assure you that the United States will continue to take the lead in the effort to reach an agreement as soon as possible.

NORTHERN IRELAND

Q: Mr. President, do you anticipate the United States taking a greater part in efforts to end the violence in Northern Ireland and to work out a political settlement there?

A: The situation in Northern Ireland distresses men of good will everywhere. The United States has avoided direct involvement, our position being that if the parties directly involved agreed there is anything the United States could do that would be helpful, we would consider it. In the absence of such a request, any involvement on our part would be inappropriate.

The problems of Northern Ireland affect two of the United States' closest friends, the British and the Irish. We are hopeful that their governments will continue to consult with each other in their efforts to find a solution which will enable Northern Ireland to find peace, a real peace with justice.

TAB F

Buchen /tpd
3/14/75

CIA: BASIC POSITION AND PRINCIPLES

Intelligence collection and evaluation are essential to the defense of our country. Equally essential in a democracy is public confidence in its Government institutions, especially those which cannot operate in full public view. I intend to insure both a superb intelligence community and public confidence in that community.

PRESIDENTIAL KNOWLEDGE AND CONTROL RE FBI AND CIA

- Q. Were you surprised by the press exposure of the existence of FBI files on Congressmen? Are you confident that you know and can control what is done by the CIA and FBI?
- A. 1. No organization as large as the federal government can be entirely free of error or completely beyond challenge for its acts.
2. But I am clear that
- a) Government employees as a class are dedicated to serving the public interest.
 - b) The intelligence agencies perform valuable work that is indispensable for the national welfare.
 - c) That we are releasing information about occasional improprieties (as in the Attorney General's report on the counter intelligence program of prior administrations).
 - d) That I will continue to remind agency heads, as I have been doing, that I insist on scrupulous compliance both with the law and with the principles of our democracy.

COLBY REPORT-CHURCH COMMITTEE

Question

Are you going to respond to the Church Committee by furnishing it with a copy of the Colby report made available to you in December?

Answer

The materials requested by the Church Committee include, in addition to the Colby report, a variety of other documents, and my Counsel has the entire matter under review. The Colby report is before the Commission on CIA Activities within the United States, and the matters covered by the Colby report will be dealt with in the findings and recommendations of that Commission which will, of course, be available to the Church Committee.

Buchen /tpd
3/14/75

ASSASSINATION POLICY

Q. Is political assassination the policy of the United States Government, and is anyone in the White House or Executive Branch looking into such matters?

A. It is not the policy of my Administration to plot political assassinations, but as I have said before I do not believe it would be appropriate for me to comment on allegations of actions taken during the 1960's which may be the subject of pending investigations.

As far as investigations in the Executive branch on these matters, I do not think it appropriate to comment.

Q. What do you think about these alleged political assassinations?

A. (Answer used previously) "I am not in a position to give you a factual account. I have had a full report from Mr. Colby on the operations that have been alluded to in the news media (recently) involving such actions that may have taken place beginning back in the 1960's."

"I don't think it is appropriate for me at this time to go any further. We do have an investigation of the CIA, of our intelligence agencies, by the Congress, both covert and overt, going back from the inception of the CIA. And, of course, we do have the Rockefeller Commission going into any CIA activities in the domestic front."

"But for me to comment beyond that, I think, would be inappropriate at this time."

EXTENSION FOR CIA COMMISSION

Question

Recent news accounts have indicated that Vice President Rockefeller will seek an extension for his CIA Commission. Has he requested it yet and do you plan to give him more time? If so, how much longer?

Answer

The request has not yet been made, but it will be given due consideration when and if it is received. The length of the extension, if any, will depend on the circumstances presented to me by the Commission.

Buchen/tpd
3/14/75

FBI-ARMY SPYING

- Q. If domestic spying by the CIA is abhorrent, why doesn't your panel also inquire into Army or FBI spying on our citizens? How do you feel about FBI spying?
- A. I have singled out the CIA because it is not a law enforcement agency and because it must scrupulously comply with the laws limiting its domestic operations.

Second, and more generally, my commitment to individual privacy and liberty is well known--I will not tolerate improper invasions of such privacy.

TAB G

U.S. STEEL PLANT CLOSURE

Question:

In view of your concern for maintaining full employment, why did the Federal government require the U.S. Steel Gary Works to close down one of its hearth shops, putting some 2,300 persons out of work?

Answer:

The decision to close down Open Hearth Shop No. 4 was ultimately made by the U.S. Steel itself.

Background:

In November, 1974, after many months of negotiations, the steel company and the government agreed to settle a pending suit to abate air pollution at the Gary plant by agreeing to certain conditions for the continued operation of the plant. One of the terms of the consent decree required U.S. Steel to cease operating its No. 4 Open Hearth no later than December 31, 1974. The required closing was based upon the assumption by all parties to the suit that a new, less polluting facility would achieve maximum production by that date. As the December 31 deadline approached, U.S. Steel advised the government that its new facility was not capable of taking over the function of the No. 4 Open Hearth, and asked if the Open Hearth Shop could continue to operate.

After considering the matter carefully, the government decided that it could not, consistent with its obligation under the Clean Air Act, permit a facility to continue polluting -- merely because it suited the convenience of the company. Mindful, however, of the unemployment that might ensue, the government indicated that it would acquiesce in the continued operation of Open Hearth No. 4 if the company were to pay an appropriate penalty for its polluting activities. After a hearing on United States Steel's request to extend the closing date of Open Hearth No. 4, the U.S. District Court granted the request, but required U.S. Steel to pay \$2,300 a day that the shop operated after December 31. On that date, U.S. Steel instead closed the shop.

GERALD R. FORD LIBRARY
RDP
3/14/75

INDIANAPOLIS SCHOOLS -- BUSING

Question:

The Indianapolis school system is one of those big city districts that an appellate court delayed ruling on until the Supreme Court ruled in the Detroit case. In the light of that Supreme Court decision, what will the Justice Department ask there?

Answer:

The Department is asking the court to order the various defendants, including the city and surrounding school districts, to come up with a plan to desegregate the Indianapolis schools using the most practical means possible. The Department does not take the position, however, that the consolidation of school districts or interdistrict student transfers is necessary or appropriate in this case.

Background:

The essence of the Supreme Court holding in the Detroit case was that courts could not order the busing of students between city and suburban school districts, absent a showing of interdistrict violations or official constraints. In the Indianapolis case, however, the lower court has made a finding of official interdistrict constraint, in response to which it has ordered a consolidation of city and selected suburban school districts for the purpose of student transfers. The Department of Justice believes that there has been official action of an interdistrict nature, but does not believe that consolidation or interdistrict busing is the required or appropriate remedy. Rather, DOJ takes the position that before an interdistrict remedy may be imposed there must be an affirmative demonstration that it is the most practicable and least onerous one. No such showing has been made in this case.

RDP
3/14/75

WELFARE CUTS

Question:

Why is the Government cutting back on welfare payments for reasons beyond the control of the State of Ohio?

Answer:

HEW regulations provided for an 18-month period initiated two years ago, to enable States to reduce their rates of error in welfare eligibility and overpayments to recipients. States failing to meet this deadline were warned that fiscal sanctions would be imposed. As Ohio failed to reduce its error rate to the required tolerance levels, HEW therefore had no choice but to follow the regulations.

Background:

A fiscal sanction of \$1.9 million is being imposed. It should be noted that the Ohio governorship has just changed, and the present governor might not feel responsible for something which occurred under a previous administration. Ohio is also in the throes of a severe fiscal crisis, and the sanctions compound the situation. The State of Ohio has filed a suit to prevent a prorated reduction of the welfare grant.

PGN
3/14/75



SOCIAL SERVICE CUTS

Question:

Why is HEW withholding \$103 million for matching of State of Michigan funds for social services rendered to welfare recipients?

Answer:

HEW has the legal responsibility to determine the accuracy and reasonableness of State expenditures under the various welfare programs of the Social Security Act. If HEW is not satisfied as to the propriety of State claims, Federal payments are deferred until sufficient documentation can be furnished. That is what is being done in the amount of \$103 million in Michigan's welfare programs.

Background:

At present, the State of Michigan claims that HEW owes it \$103 million for matching State expenditures for welfare services rendered under (Title IV-A) the Social Security Act. HEW has reviewed and denied these claims because the State was not able to provide adequate documentation and until it does, the claims will not be honored. In the meantime, the State is exercising the administrative remedies available to it.

PGN
3/14/75



MEDICAID FUNDS

Question:

Why is HEW considering holding back funds to Indiana under the Medicaid program?

Answer:

The issue is that all States are required to provide certain medical screening and treatment services to eligible Medicaid recipients under 21 years of age. A system for the delivery of these services was to be in place by July 1, 1974. States failing to meet this requirement are subject to a fiscal sanction. Indiana did not meet the full requirements for the first quarter of (fiscal) 1975.

Background:

The 1967 amendments to the Social Security Act require that States provide early, periodic, screening, diagnosis and treatment services to eligible Medicaid recipients. The deadline for having a program in effect was July 1, 1974. States failing to meet the deadline are subject to a one percent penalty of the Federal share of the AFDC allotment. In Indiana this would amount to approximately \$124,000 (for July-September 1974).

The State has not met the deadline but claims that it has met the requirements. Not only does HEW disagree, but the Federal District Court and the U.S. Court of Appeals have made a judgment against Indiana as a result of a suit brought by a group of welfare recipients. The Courts have ordered the State to devise an acceptable plan for implementation immediately. The decision to recommend withholding funds is now pending before the Secretary of HEW.

PGN
3/14/75

WATER POLLUTION FUNDING

Question:

Why is there a holdup on sewage grant funds that could be producing needed jobs?

Answer:

Due to my action and a Supreme Court decision \$9 billion in funds for sewage treatment plant construction has been made available since the start of this year. That brings the total available for obligation in the midwest to around \$3.9 billion. EPA is currently meeting and working with the States to expedite the processing of construction grants and the disbursement of these funds.

Background:

The Federal Water Pollution Control Act of 1972 authorized the sum of \$18 billion to finance the construction of sewage treatment facilities by States and municipalities. Of that amount, \$5 billion was authorized for fiscal year 1973, \$6 billion for fiscal year 1974, and \$7 billion for fiscal year 1975. The Administration released only half of that amount--a total of \$9 billion--for the three years. The U. S. Supreme Court recently ruled that \$9 billion in sewage construction grants impounded must be released.

Four Midwestern States -- Illinois, Indiana, Michigan, and Ohio are especially under the gun at the moment to obligate \$600 million in fiscal '74 funds by the cutoff date of June 30, 1975. Three major Metropolitan Sanitary District projects in Chicago, a major enlargement of the Detroit Metropolitan Treatment Plant and several Cleveland projects would use up the majority of that \$600 million.

The \$3.6 billion available to Midwest States includes \$1,001,774,682, for Illinois; \$359,621,760 for Wisconsin; \$1,021,108,689 for Michigan; \$515,619,146 for Indiana; \$818,159,299 for Ohio and \$216,610,257 for Minnesota. There is currently available \$149,660,108 for Kentucky.

M. Duval (N.R.)
3/14/75

NIXON MATERIALS

Question

Despite the law you signed last December covering President Nixon's tapes and documents, your counsel still controls the tapes and many of the documents. Why hasn't he turned them over to GSA as this law requires in order to permit public access to the records?

Answer

The White House is under a court injunction preventing the transfer or disclosure of the tapes, documents and other Presidential materials of the Nixon Administration. Of course, the White House will comply with such orders.

ELECTION LAW COMPLIANCE

Question

Have you registered as a candidate under the Federal Election Campaign Act and, if not, when do you intend to register?

Answer

My counsel has advised me that registration is not legally required in the absence of receiving contributions or making expenditures aggregating at least \$1,000 or authorizing a Committee to do so, or certain other actions specified in the law. None of these conditions has occurred. While I have made clear my intention to be a candidate, I do not think it would be appropriate for me, as President, to begin a formal candidacy so far in advance of the election. When the time comes, there will be a formal announcement and all the necessary registrations required by the law.

CAMPAIGN REFORM

Question:

Do you still oppose public financing for Federal campaigns?

Answer:

I remain opposed to the use of taxpayer's dollars to pay for political campaigns, other than the "dollar check-off", which allows individual taxpayers to decide this issue for themselves. The House-Senate conference has reported out a bill with significant and far-reaching reforms -- I look forward to signing it.

FLM
3/14/75

TITLE IX REGULATION: SEX DISCRIMINATION

Question:

Mr. President, Will you sign the Title IX Regulation which was sent to you on February 28, 1975, by Secretary Weinberger?

Answer:

I am required by statute to sign the final Regulation. My staff is currently analyzing the contents of the HEW Regulation which constitutes 125 pages of summary and text. My job is to be sure that the Regulation reflects the letter and spirit of the statute, as enacted by Congress.

Background:

On February 28, Secretary Weinberger signed final Title IX Regulation and transmitted it to the President for final review.

Title IX of the Education Amendments of 1972 bars discrimination on the basis of sex in educational programs or activities receiving Federal financial assistance. More than 9,700 comments were received during the comment period for the proposed Regulation which closed October 15.

The Education Amendments of 1974 require regulations of this nature to be submitted to Congress for a 45 day review period. Pending determination of the constitutionality of this requirement, all regulations would be sent under protest to the Congress.

Scope of Regulation:

The HEW final Regulation would assert the Department into nearly all facets of American education and the operations thereof.

The Department outlines the major issues as the following:

- a. Physical education classes and sex education.
- b. Domestic scholarships and financial assistance.
- c. Foreign scholarship.
- d. Exemption of private undergraduate professional schools.
- e. Pension benefits.
- f. Discrimination in curricula.
- g. Athletics.

At this time, the Regulation is not for public release. The transmission by HEW to the White House constitutes an interagency exercise which is exempted under Section B(5) of the Freedom of Information Act.

Lindh
3/14/75

WOMEN'S YEAR FUNDS

- Q. Several countries have already allotted \$2 million to their International Women's Year Commission. How can you explain our government's commitment of just over \$350,000 for the U.S. Commission?
- A. I understand that Australia and Canada have appropriated \$2 million for International Women's Year. Through the various departments and agencies over \$350,000 has been set aside for the operation of a National Commission. In addition, the U.S. government through a grant from the Department of State has established the U.S. Center for International Women's Year. Our commitment to improving the status of women is evident through our support of the Citizen's Advisory Council on the Status of Women, a new Advisory Council on Women's Educational Programs, a Federal Women's Program throughout the government, and a Women's Bureau in the Department of Labor, just to name a few of our activities.

Lindh
3/14/75

WOMEN'S YEAR COMMISSION

- Q. Since you signed an Executive Order establishing a National Commission for International Women's Year two months have elapsed. Can you tell us when you anticipate announcing the appointment of the Commission members?
- A. My Personnel Office has been working, as you know, for several months to finalize this Commission. We expect it to be announced very soon, probably within the next two weeks.

Lindh
3/14/75

EQUAL EMPLOYMENT

- Q. What response do you expect from the heads of departments and agencies to your March 6th memorandum regarding equal employment opportunity in the Federal government?
- A. As I stated in that memorandum I expect them to join me in providing strong leadership in their own organization to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement in the Federal government. I have asked Chairman Hampton of the Civil Service Commission to fully inform me on an annual basis of the progress each Federal department and agency is making in this regard.