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THE WHITE HOUSE

QUESTION AND ANSWER SESSION  
BY THE PRESIDENT

HYATT REGENCY HOTEL

PHOENIX ROOM

2:35 P.M. EST

THE PRESIDENT: Please sit down.

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

Mr. Cutts of the Atlanta paper.

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

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

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

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

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

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

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

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

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

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

QUESTION: Was it FBI Director J. Edgar Hoover?

THE PRESIDENT: It was not.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Would you comment, please, on Senator Jackson's assessment of the 94th Congress? He said "it could possibly be the most dangerous in history in terms of the willingness on the part of some Congressmen to relax our defense posture."

THE PRESIDENT: I had not seen Senator Jackson's description of the potentials of the 94th Congress. I hope that that description is not an accurate one, and I am going to wait and see whether they do take the kind of action that might destroy our military capability. I usually agree with Senator Jackson on national defense appropriations, policies, et cetera. If this Congress does slash, without rhyme or reason, the military budget that I have submitted, it could jeopardize our national security. I think it is premature to say they will. I certainly hope they don't. But I can say, without any hesitation, that I will vigorously oppose any attempt to slash without rhyme or reason, our military strength as represented in the budget that I have submitted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By your own statistics, sir, unemployment will be 7.9 percent next year, and that is higher than it is now. The Gross National Product will drop, I believe, 3.3 percent now, which would be a bigger drop than last year, and we will continue to have double-digit inflation.

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

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

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

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

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

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

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

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

There has been in the last several weeks a very interesting development, and the changes in our economy in the last two or three months have shown certain sudden actions that most people did not forecast nor anticipate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE PRESS: Thank you, Mr. President.

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