

PRESS CONFERENCE NO. 16

of the

PRESIDENT OF THE UNITED STATES

5:00 P.M. EDT

June 25, 1975

Wednesday

On the South Grounds

At the White House

Washington, D.C.

THE PRESIDENT: Please sit down.

I think this is a delightful place to have a press conference, and I hope all of you feel the same way.

I do have an opening statement.

I commend the House of Representatives for its vote to sustain my veto of the housing legislation. This vote demonstrates a growing sense of fiscal responsibility in the Congress and a realization by an increasing number of Congressmen that economic recovery need not be bought at the price of unwise legislation and costly inflation.

I am prepared to work with the Congress in reaching our common objectives -- a revitalized housing industry, more jobs in construction and a sound economy.

I again urge the Congress to extend for another year the Emergency Home Purchase Assistance Act of 1974, and to expand it by another \$7 billion 750 million as quickly as possible.

To head off the foreclosure of homes whose owners are temporarily out of work, I again ask the Congress to act expeditiously on legislation introduced by Congressman Lud Ashley of Ohio and Garry Brown of Michigan and others to provide mortgage payment relief and co-insurance for lenders who refrain from such foreclosures.

I am confident that we can and will meet to solve these problems.

Miss Thomas?

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QUESTION: The United States, as a matter of policy, has consistently disavowed the first use of nuclear weapons. Is that still our policy in view of recent developments?

THE PRESIDENT: Well, the United States has a policy that means that we have the maximum flexibility for the determination of what is in our own national interest. We had a change of some degree about a year and a half ago.

When I took office, or since I have taken office, I have discussed this change to maximize our flexibility and to give us the greatest opportunity for our own national security, with Secretary Schlesinger, and I can assure you that it is a good policy, and it is a policy that I think will help to deter war and preserve the peace.

QUESTION: Well, may I follow up, sir?

THE PRESIDENT: Sure.

QUESTION: You haven't said whether you will use the first strike, in terms of tactical or strategic, and don't you think the American people should know?

THE PRESIDENT: I don't think it is appropriate for me to discuss in a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interests, and I don't believe under these circumstances that I should discuss how, when or what kind of weapons should be used.

Mr. Cormier?

QUESTION: Declaration of candidacy, the completion of the Middle East reassessment is getting closer every day. I wonder how close is it now and does it look more like a return to step-by-step diplomacy, or a move to Geneva?

THE PRESIDENT: The reassessment that we are undertaking in regard to the Middle East has not been concluded. We have met with a number of heads of government in the Middle East. We have discussed the alternatives and options with a number of other people who are knowledgeable in this area, but I cannot give you a date as to when that reassessment will be concluded.

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Obviously, it is getting closer and closer because we must not permit, to the degree that we can affect it, a stalemate or stagnation, because the longer we have no movement toward peace in the Middle East, the more likely we are to have war and all of its ill-ramifications.

I can only say we are working on the problem with countries in the Middle East and with others, and that the reassessment will be concluded in an appropriate time, and it will provide for movement, as far as we are concerned.

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THE PRESIDENT: Mr. Cormier.

QUESTION: Is it more likely to be in the direction of Geneva, or more shuttle diplomacy?

THE PRESIDENT: The options are still open.

QUESTION: Mr. President, your popularity in the public opinion polls has risen rather dramatically recently, and I know you have discussed this matter with pollster Louis Harris. To what do you attribute your improvement in the public opinion polls recently?

THE PRESIDENT: Naturally, I am pleased that the polls have shown improvement. I think this is a reflection of the fact that we have had a consistently strong policy, domestically, aimed at doing something affirmatively about inflation and showing our concern and compassion in the field of finding a remedy to the recession. I think it also reflects some of the hard decisions we had to make in the area of foreign policy.

Obviously, the MAYAGUEZ incident and the way it was handled has had a good reaction, but we have done other things in foreign policy. The trip to Europe, I think, was effective in that it showed the Alliance is strong and we are committed to the Alliance, and, of course, the Alliance has contained aggression and maintained peace in Western Europe.

So, there is a whole series of things that, in my judgment, have been good for the country, and when something is good for the Nation, people, who have something to do with it, do benefit to some extent.

QUESTION: Mr. President, on the subject of foreign policy, Secretary Kissinger spoke in Atlanta the other night, and he had something to say about our alliances, that "...no country should imagine it is doing us a favor by remaining in alliance with us..." Is this a signal of a new attitude towards our allies?

THE PRESIDENT: I don't think it is a signal of a new attitude. Any bilateral agreement is in the mutual interest of both parties, and any alliance, such as the North Atlantic Alliance, is also in the mutual interest of all of the participants.

Now, occasionally, I suspect, some partner gets the impression that his country is getting less out of an alliance than another. We think it is important to keep them on a mutual basis, and we intend to do so. But there was nothing in Secretary Kissinger's comments in Atlanta the other night that was aimed at any one country or any one alliance.

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QUESTION: Well, if we might have had Turkey in mind as one country, I am just wondering if this is a diplomatic thing to say at this time when our bases are at stake and the welfare of NATO?

THE PRESIDENT: Secretary Kissinger's comment, as I said a moment ago, was not aimed at any one country or any one Alliance. We are concerned about the conflict in the Mediterranean, which has resulted from the Cyprus difficulty of about 18 months or more ago, which has resulted in differences between Turkey and Greece.

I can assure you that we are going to work as we have in the past to try and find an answer to that problem, but I don't think the Secretary's comment in Atlanta was aimed at either Greece or Turkey or any particular Alliance.

QUESTION: Mr. President, your aides say that unemployment next year, an election year, will be very high, perhaps as high as eight million Americans. Yesterday, George Meany charged your Administration with callous disregard for human misery.

My question is this, sir: Why should the American people vote to put back in office a President whose policies accept such a high rate of unemployment among the American people?

THE PRESIDENT: We don't accept that as a figure that we want. We have to be realistic in that with the high inflation we had a year ago 12 to 14 percent. We have to do something affirmatively in regard to inflation, and we have cut the inflation rate in the last six months by 50 percent.

As you bring down inflation, we may have to suffer for a short period of time higher unemployment than we like, but I am convinced that with the policies we are pursuing, we can gradually increase employment and gradually decrease unemployment.

I am glad to indicate that in the last two months, according to the statisticians, we have had an increase of about 550,000 more people gainfully employed. This is a good trend, and I think you are going to see it increasing. I hope in the process that we will go down from the 9.2 percent unemployment -- I think we will -- that we reported several weeks ago.

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QUESTION: If I may follow up, sir, your own Administration's forecasts say that unemployment won't go down to 5 percent until 1980.

My question is: Don't you consider this to be a potent political issue next year?

THE PRESIDENT: I think it is an unacceptable figure. I hope they are wrong. I can only point out that six months or a year ago some of my advisers were telling me that inflation in 1975 would be 8 or 9 percent. It is down to 6 percent.

So, I think we can hopefully expect the same kind of improvement over the speculation in unemployment that we had in forecasting inflation.

QUESTION: If the economy has not shown a significant upturn sometime late this fall, would you consider asking Congress to extend for another year the tax reduction that is now in effect?

THE PRESIDENT: If the evidence shows that the tax reduction measures that were approved early this year were beneficial in moving the economy forward, and if we are convinced that the tax reductions would not create a deficit of a sizeable magnitude, more than we can afford, and if we have an economic situation that is not moving ahead and not improving, yes, I would consider recommending to the Congress that the tax reductions be extended for another year.

QUESTION: Have you discussed this with Congressional leaders as a possibility?

THE PRESIDENT: I have not discussed it with Congressional leaders. We keep a close check on economic indicators within the White House, and we have analyzed the alternatives in this situation.

If the conditions prevail that I indicated a moment ago, we would consider this as an option.

Yes, Mr. Brokaw?

QUESTION: Mr. President, are you concerned that the Congressional budget office is concerned that if the Middle East oil producers raise the price of oil this fall, as they have threatened to do, it will prolong the American recession and delay the recovery?

If the Middle East oil producers do, in fact, increase the price of oil, would you expect the American people to just swallow that increase, or would you have a definitive Administration response to an increase from the Middle East, and if you do, what would it be?

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THE PRESIDENT: First, any increase in foreign oil would be, in my judgment, very disruptive and totally unacceptable. As you know, I have been trying to get the Congress to pass an energy program that would make us less vulnerable to any price increase by foreign oil sources.

Unfortunately, the Congress has done nothing, but we are going to continue pressing the Congress to act.

Now, our program, which I hope the Congress will pass eventually, would produce more domestic oil and make us less dependent on foreign oil.

In the meantime, we have to work with our allies, the oil-consuming nations, to bring our policies closer together so we can act in negotiations with the oil-producing countries. The international energy agency which was formed by the oil-consuming nations has made some progress in this area.

I hope that through this organization and our domestic energy program, we can meet the challenge, or the prospective or possible challenge, of the OPEC nations.

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QUESTION: Is that what you mean when you say an increase from the Middle East would be unacceptable, or do you have something else in mind, and could you spell that out? What does unacceptable mean?

THE PRESIDENT: It means that it is unacceptable in the sense that we as a Nation, individually, and we as a Nation, in conjunction with our allies, are going to find some answers other than OPEC oil.

QUESTION: Mr. President, in response to your comments to Helen at the beginning of the news conference, let me just ask you this question point blank: If North Korea attacked South Korea, would you use nuclear weapons to stop that?

THE PRESIDENT: I don't think, Mr. Schieffer, that I ought to, in a news conference like this, discuss what I might or would do under the circumstances you describe. We have a strong deterrent force, strategically and tactically, and, of course, those forces will be used in a flexible way in our own national interest, but I do not believe it is in our national interest to discuss how or when they would be used.

Under the circumstances ---

QUESTION: You are flatly not ruling it out, though?

THE PRESIDENT: I am not either confirming it or denying it. I am saying we have the forces and they will be used in our national interest, as they should be.

QUESTION: Mr. President, your old sidekick, the former Secretary of Defense, Melvin Laird, has written in a magazine article that the Russians had repeatedly violated the SALT agreement and have mocked detente, and he also had some things to say about what they are doing in Portugal and the Middle East.

How concerned are you about these charges?

THE PRESIDENT: I have investigated the allegations that the Soviet Union has violated the SALT agreements, that they have used loopholes to do certain things that were intended not to be done under the agreement.

I have found that they have not violated the SALT agreement, they have not used any loopholes, and in order to determine whether they have or they have not, there is a standing consultative group that is an organization for the purpose of deciding after investigation whether there have been any violations, and that group, after looking into the allegations, came to the conclusion there had been no violations.

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Now, as I indicated in Brussels at a press conference, we are concerned about developments in Portugal. We do not believe that a Communist-dominated government in Portugal is compatible with NATO.

Now, it has not reached that stage yet, and we are hopeful that it will not, and some of the developments in the last several days are somewhat encouraging. We certainly have a concern, and a care, and a great friendship for the Portuguese people, and we will do what we can in a legitimate, proper way to make sure that the rights of the Portuguese people are protected.

QUESTION: Can I also ask you in brief connection with this, do you then see that the European Security Conference is likely to come off as the Russians would like to have it come off, in late July, in Helsinki?

THE PRESIDENT: There have been rather protracted negotiations involving the European Security Conference. It didn't look, a few months ago, that there would be any conclusion this summer, but there have been some compromises made and there may be some others achieved that would permit a summit this summer in Helsinki, but it has not yet reached the stage where I could say there will be a summit because the compromises have not been finally achieved.

QUESTION: Mr. President, there has been a good deal of curiosity about your recent meeting with Governor Connally. Do you expect him to take part in the campaign next year, or is he going to run himself?

THE PRESIDENT: Well, John Connally is an old and a very dear friend of mine. He is a man who has had vast experience in Government. He was Governor of the State of Texas for four or six years, Secretary of the Navy under President Kennedy; he was Secretary of the Treasury under President Nixon.

He is the kind of person with this experience who can be very helpful in giving advice, and we had a very broad discussion on a number of matters involving domestic affairs and foreign policy.

I hope in the months ahead that I can have future meetings of this kind with John Connally because I admire him as a person and I respect his experience, and ability in Government.

I don't know whether he is going to run for any office or not. He didn't indicate that to me, but he does have a great interest in Government and he said he was going to be interested in all aspects of policy, both domestic and foreign.

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QUESTION: Mr. President, would you update us on your own campaign plans; when and how you plan to announce for the nomination and how much money your committee intends to raise in the primaries; whether you expect to face any primary opposition?

THE PRESIDENT: I did authorize, a few days ago, the filing of the necessary documents for the establishment of a committee so that money could be collected and disbursements could be made. Dean Burch was indicated as the Chairman, and David Packard was indicated as the Treasurer.

This organization is the foundation of what we intend to do, and within a relatively short period of time, I will make a formal announcement that I will be a candidate. I have said repeatedly for some time that I intend to be one.

We have taken one step, another step will be taken very shortly and we expect to raise sufficient money to put on a good campaign. It will be run exactly according to the law, and I don't know whether we will have pre-convention opposition or not.

It has always been my philosophy in politics that you run your own campaign, you run on your record, and you do your best to convince delegates they ought to vote for you.-- and the people, that they ought to vote for you. I never really predicate my plans on what somebody else might do.

QUESTION: Mr. President, I would like to ask you, sir -- you said if the Arabs hike their oil prices, or there were another embargo, it would be very disruptive for the economy. You have also said recently that the recession has bottomed out, or is bottoming out.

May I ask you, what will happen to your predictions, that the recession is bottoming out, if the oil producing nations hike the price of oil by \$2 to \$4 a barrel, as they are threatening to do this October?

THE PRESIDENT: If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economies of Western Europe, Japan and, probably, an even more adverse impact on the economies of the developing nations. It would have an adverse impact world-wide.

I think that it would be very unwise for OPEC to raise their prices under these circumstances, because an unhealthy economy in the United States and world-wide is not in their best interest.

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QUESTION: Are you making any current efforts to persuade the oil producing nations not to increase their prices ~~this~~ autumn, as they have threatened, and are you meeting with any success?

THE PRESIDENT: We are seeking to solidify our consumer nation organization so that we can act in concert when we have to meet with the producing nations.

Equally importantly, I am trying to get the United States Congress to do something affirmatively in the field of energy so we don't have to worry about OPEC price increases.

QUESTION: Mr. President, on energy much of the country does not seem to think that we have a real energy crisis. People are acting as if there is no tomorrow.

Part of the problem may be that our leadership should show in a personal way how we can save energy. Could you tell us, sir, what you personally are doing, what the White House is doing, and what the Administration is doing to lead and show how we can save energy?

THE PRESIDENT: Secretary Morton, who is the head of the Energy Council in the White House, has been working with every department of the Federal Government to get them to reduce the consumption of energy -- electricity?

We have taken other steps that are probably less significant, but I think in the overall are helpful. In the White House, we try to be as conservative as possible in the utilization of electrical energy. I haven't checked the figures, but we do our best in that regard.

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QUESTION: Sir, in this line, would you endorse something that might save a great deal of energy and also strike a blow for male liberation; for example, endorse something like sport shirts for summer wear in Washington D.C. and other hot climates?

THE PRESIDENT: Well, I am a great believer in that attire, but I am not sure that that would be too significant in the saving of energy, the kind of energy we are talking about.

QUESTION: Mr. President, the Rockefeller Commission was told about extensive electronic surveillance by Soviet intelligence agents and American ability to piggy-back on to that monitoring. Can you tell us how long that has been going on and what is being done about it?

THE PRESIDENT: I don't think that I should comment on a matter of that kind. I can say very emphatically that we have an expert intelligence gathering community in our Federal Government, and we have a first-class counterintelligence organization in the United States Government.

I have full faith in their responsibilities in any field, such as that that you mention.

QUESTION: Mr. President?

THE PRESIDENT: Mr. Knap?

QUESTION: You said, in answer to an earlier question, that the unemployment rate projected by your chief economic advisers is unacceptable. That projection is that unemployment would remain at about 8 percent through most of next year, and you said you would consider asking for an extension of the tax cut.

Is it your present thinking that you probably would recommend extending the tax cut if unemployment is that high; that is, about 8 percent at the start of next year?

THE PRESIDENT: I think you have to take into consideration not only the unemployment rate, but also the impact, an increase in the budget deficit of some \$20 billion on inflation.

We have two very serious problems. One, we are licking inflation, and one, we are working on unemployment and as we move ahead, we have to be most careful that we don't reignite the fires of inflation because every economist with whom I have talked tells me that if in our efforts to do something quickly in the field of unemployment we could end up with a new round of inflation, and if you have a new round of inflation of the magnitude of 10, 14, 15, or 20 percent, you will have another recession, and unemployment at that time will go to about 14 to 15 percent.

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So, what we have to do is very carefully, very judiciously, look at both sides of the coin. We are, and I believe that we have made great strides in doing something about inflation.

I am optimistic that we can do something about more employment and less unemployment.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much. I hope you had a good time out here.

END (AT 5:30 P.M. EDT)