

PRESS CONFERENCE NO. 17

of the  
PRESIDENT OF THE UNITED STATES

11:30 A.M. CDT  
July 12, 1975  
Saturday

In the Adams Room  
At the Palmer House  
Chicago, Illinois

THE PRESIDENT: Good morning. Won't you all please sit down.

I have one short announcement, a very important announcement.

I am deeply relieved at the report of the safe release of Colonel Morgan. Since his abduction on the 29th of June, the United States Government, with the close cooperation of the Government of Lebanon, has been trying to secure Colonel Morgan's return, and we are extremely glad to report that that has occurred.

At the same time, the United States is greatly appreciative of the extraordinary efforts of the Government of Lebanon in obtaining Colonel Morgan's release, and for the assistance of others who have worked toward this end.

At this point, I would be glad to recognize Mr. Neil Mehler of the Chicago Tribune.

QUESTION: Mr. President, the Republican leaders with whom you met for breakfast say you talked to them of your campaign and of unity of the party here. How can you insure that there won't be a reoccurrence of the 1972 situation, in which the Presidential campaign was competing for dollars in Illinois and competing for resources, especially when the party is at a low ebb here now?

THE PRESIDENT: The meeting we held this morning brought in all elements of the party in Illinois, and I outlined to them how my own personal campaign will work closely, not with a part, but all elements of the Republican Party in the State of Illinois.

We had this understanding at the outset, and I think it will improve rather than deteriorate. Under no circumstances will we have a repetition of the unfortunate developments in 1972.

Yes, Mr. Leubsdorf?

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(OVER)

QUESTION: Mr. President, last night you warned against the dangers of inflation from Congressional spending, but many economists in the Congressional budget office think the greatest single threat at the moment is the forthcoming decontrol of domestic oil prices.

With that in mind, are you prepared to accept the legislation that is being worked out to extend the control program to the end of the year?

THE PRESIDENT: This is a very complicated question. I would accept an extension of the existing legislation that permits some overall control and flexibility on the part of the President.

At the same time, we do have to move to stimulate additional domestic production of oil in the United States and I, early this next week, will submit to the Congress a responsible, well-timed decontrol of domestic oil so that there will not be a precipitous rise, but at the same time offer encouragement for those that are seeking to increase and improve our domestic oil production.

This, of course, would make it far better from the point of view of the United States because we would be less vulnerable to the foreign oil imports.

What I will try to do is to phase out control in a responsible and reasonable way under existing law, and if the Congress goes along with that program, I would welcome an extension of the existing law for overall control.

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QUESTION: As a follow-up to that, as you know, the price of gasoline is now in the mid-60's per gallon. How high do you think it can go and still be economically and politically acceptable?

THE PRESIDENT: If we don't increase domestic production of oil and become more and more vulnerable to foreign oil imports, then gasoline prices could rise substantially.

My program for a self-sufficient energy program in the United States will preclude any precipitous rise in domestic gasoline prices. So, the Congress has to work with me in trying to get an energy program that will increase production at home so we will not be held vulnerable to foreign oil price increases.

I believe that we are making some headway, but the Congress must move more quickly if we are to foreclose the kind of gasoline price increases that might occur if we stay vulnerable to foreign oil.

QUESTION: There is no specific figure you would like to hold to?

THE PRESIDENT: No, because the Congress hasn't acted. Until we know what the Congress does, I can't predict with certainty what the domestic production will be.

QUESTION: Mr. President, would you consider extending the pardon of former President Nixon to cover his recent testimony to the Grand Jury?

THE PRESIDENT: I don't think I should speculate on something like that. Nothing has happened. The decision I made in September was the right decision as to time and otherwise, and I don't think I should speculate on something that hasn't taken place and may not take place.

QUESTION: Mr. President, as you near the end of your first year in office and prepare to start campaigning for election to a full term, what do you consider your biggest personal accomplishments and failings as President?

THE PRESIDENT: I believe that we have done the following: One, we have restored public confidence in the White House and in the Executive Branch of the Government.

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On the economic side, we have made substantial progress in reducing the rate of inflation. A year ago the rate of inflation was 12 to 14 percent. We have cut it in half; it is now roughly six percent. We are not satisfied but it is going to be a constant struggle to reduce the rate of inflation in the months ahead, and I think we will be successful.

Secondly, in the economic field we are concerned about the rate of unemployment. We don't believe that an eight percent or nine percent rate of unemployment is acceptable. We are tailoring our domestic economic plan on reducing the rate of unemployment, and I believe that in the months ahead you will see a moderation and certainly a decline in the next 6 to 12 months.

I am encouraged -- and I think this is a good sign -- that despite the rate of unemployment, in the last two months the actual number of people employed in the United States has gone up by roughly 450,000. I think that is an accomplishment, bearing in mind the overall economic circumstances.

In addition, we have taken some other steps aimed at making the United States energy self-sufficient and less vulnerable to foreign oil imports. In addition, we have promoted what I think is very important -- some constructive steps to deregulate the American economy, getting rid of those regulations that are no longer needed and necessary, and progress in this area, I think, will be more significant in the months ahead.

When I look at the overall, concerning the problems we had on our doorstep when I took office last August, I think whether it is in foreign policy, where we have strengthened our relationship with the NATO countries, handled our disengagement in Indochina, took forceful action in the MAYAGUEZ case, or whether you look at the overall domestically, in my judgment, considerable progress has been made.

QUESTION: What do you consider your major failings?

THE PRESIDENT: I will leave that to my opponents. (Laughter) I don't think there has been many.

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QUESTION: Mr. President, can you tell us what was the negotiation in order to obtain the release of Colonel Morgan?

THE PRESIDENT: Our representatives in Lebanon worked very closely with the Government of Lebanon and with other elements in order to make sure that Colonel Morgan was returned. We have a policy -- and I think it is the right policy -- that we will not as a Government pay ransom, and as far as I know it was not done in this case by our Government.

But by working closely and firmly with all parties, we were, thank goodness, able to return Colonel Morgan safely.

QUESTION: Sir, your aides tell us this is a non-political trip, but as mentioned earlier you did meet with local Republicans, as you have done on several non-political trips in the past.

Now, other Presidents have done the same thing. But my question is: Since you have talked of setting high ethical standards for your campaign, do you think it is being totally candid to call these trips non-political?

THE PRESIDENT: Yes, if you look at the schedule we have followed so far on this trip and things we are doing later, such as the Commencement Address to Chicago State University, this press conference, the activities in Michigan, in all honesty I think it is a non-political trip.

QUESTION: And you will continue to conduct some political business paid for by the Government?

THE PRESIDENT: I don't think it is political business. If we have an early morning breakfast at roughly 8:00, and spend maybe 25 to 45 minutes, I don't think that can be construed to be political in the overall sense of the other things that we do.

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QUESTION: Mr. President, is Vice President Rockefeller going to be on the ticket with you, or is he out of the campaign now?

THE PRESIDENT: The delegates to the Republican National Convention will make that decision, just as they will make the decision as to whether or not I will be the Presidential candidate in 1976. Both Vice President Rockefeller and myself are going to be campaigning for delegates to the Republican National Convention next year, but the final judgment will be made by those delegates.

QUESTION: But he won't be part of your campaign, this will be separate?

THE PRESIDENT: I think Vice President Rockefeller clarified that himself in a comment to the press several days ago when he indicated that he expected me, as a candidate, to try and get a majority of the delegates to the 1976 campaign and he, in effect, would do the same.

He disavowed any differences between me or himself in our efforts in the months ahead.

QUESTION: Mr. President, several major American corporations have recently acknowledged large bribes to Government officials overseas to get business. Northrop Corporation paid \$450,000 for two Saudi Arabian generals in a military sales contract that was negotiated by the Defense Department.

The question, sir, is: Does your Administration tolerate this conduct, particularly in the military sales program, or is it necessary to meet the competition?

THE PRESIDENT: If the payments are legally construed to be bribes, I forcibly condemn such payments.

I am not going to discuss the legal ramifications of these payments. Some people have one view and some another, as lawyers often do, but if they are determined to be bribes, I forcibly condemn them.

QUESTION: Sir, under American law, there is no American law to prohibit these practices, and I am just wondering if you see a need for a change in the law, particularly as it relates to defense contracts.

THE PRESIDENT: If there isn't a law that covers a bribe in these circumstances, then I think such legislation should be enacted.

QUESTION: Mr. President, some of your critics say that your Administration is insensitive to the urban crisis. I know that you met last night for about 20 minutes with Mayor Daley. Did you discuss the urban crisis with him, and what about the criticism?

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THE PRESIDENT: First, I don't think there is legitimate criticism that this Administration isn't compassionate. This Administration, on the record, has an achievement of compassion. And let me quickly illustrate.

We have made available for the cities, for individuals, in the budget that I submitted for the current fiscal year, more money to meet the problems of the less fortunate in our society and for the cities that need help and assistance.

We have recommended to the Congress, for example, the extension of general revenue sharing, and instead of limiting the amount of money, we have provided for an annual increase that would go to the cities, providing, of course, the Congress approves it.

We have made some other recommendations which would make it easier for the cities to meet the problem with general revenue sharing.

Now I also pointed out to Mayor Daley -- and it was a very friendly and I think very constructive discussion -- that the general revenue sharing program plus the multitude of categorical grant programs will be helpful in the solution of the financial problems, the human problems in our cities, and that we had to get together, the mayors, the White House, and the Congress, to make sure that these programs and these dollars are available. And too much tinkering with the existing law in the general revenue sharing might be harmful rather than helpful.

I also was glad to tell Mayor Daley -- I think he knew it maybe a few hours before -- but to say that we had sympathy for the transit system here -- there was an award made by the Department of Transportation of \$107 million to help and assist at the local level in improving transit operations in this city.

QUESTION: By the way, it was announced prior to yesterday that Mayor Daley would not greet your plane, and then he did meet it. Was there pressure brought from the White House for the Mayor of Chicago to come to meet you?

THE PRESIDENT: There was no pressure brought from the White House. I can only say I have seen Mayor Daley on a number of occasions. We have a good personal relationship. I was delighted and pleased that Mrs. Daley and the Mayor met Mrs. Ford and myself, and we were especially pleased that they had the time to come to our suite in the hotel and sit for roughly a half an hour and talk about family matters, business matters, and I think that kind of relationship is wholesome for the City of Chicago and it is certainly beneficial to me.

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QUESTION: Mr. President, the United States is apparently prepared to approve negotiations of a multi-term wheat and grain sale with the Soviet Union. Other countries are facing drought and may ask for sales, too.

My questions are: How much can we sell without dipping in too much into our harvest this year, and won't this increase costs of bread and food later this year to our consumers?

THE PRESIDENT: First, we should thank the farmers of this country for their tremendous productivity. We are fortunate in America to be the breadbasket of the world. Our farmers do a tremendous job in the production of food for us and for the world as a whole.

We are anticipating the largest corn crop, the largest wheat crop in the history of the United States, but there are some uncertainties.

We hope that there will be a sale to the Soviet Union. It will be helpful to the American farmer and will be a reward for his productivity. We hope that there will be ample supplies of corn, and wheat, and feed grains so that we can help other nations around the world through our Food For Peace program.

And if there is this sizeable crop in the variety of areas, it will mean that we can expand our Food For Peace program and act in a humanitarian way to the less fortunate.

I have no idea at this point what the amount will be of the sale to the Soviet Union, if it does materialize.

But I think the fact that we can make one is a blessing, and I hope we do make one, but I want to assure you, as I do the American consumer, that we are alert to the danger of too big a sale or too much shipment overseas because the American consumer has a stake in this problem as well.

So we have to find a careful line to tread, of selling all we can, but protecting the rights of the American consumer and utilizing the productivity of the American farmer to help our balance of payments, to improve our humanitarian efforts overseas and to indirectly help us in our relations with other countries.

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QUESTION: But a sale of any substantial size would mean some increase in a loaf of bread here, wouldn't it?

THE PRESIDENT: I don't think I am in a position-- or anyone else is in a position--to define what a substantial sale is. A big sale with big wheat and feed grain and corn production would have a minimal effect on consumer prices in the United States.

I can only assure you and the American people that we are watching all aspects of this problem, and we will keep alert to any pitfalls or dangers that might result.

QUESTION: Mr. President, the Equal Rights Amendment has had an extraordinarily difficult time getting passed here in Illinois. At one time, your wife made several calls here. In the next session of the legislature, would you get on the phone and call some local Republicans, asking, urging them to pass the ERA?

THE PRESIDENT: I think Betty does a fine job in this effort. I, of course, voted for the Equal Rights Amendment when I was in the Congress. My record is clear.

She is an effective spokesman, and I see no decrease in her enthusiasm for this. So, come next year, I suspect she can speak for both of us.

QUESTION: A follow up. What about your own personal effort, and just how important is the issue of sex discrimination going to be in terms of your campaign?

THE PRESIDENT: Well, I have appointed to the Executive Branch of the Government a number of outstanding women to serve in positions of great responsibility.

We have a member of my Cabinet, Mrs. Carla Hills, who is Secretary of HUD. The head of the National Labor Relations Board is a woman, and an outstanding person in that area of great responsibility.

We will continue to recognize women of talent and experience because they have and will contribute significantly in the Executive Branch of the Government.

Obviously, in our campaign you will see a lot of fine, attractive, able, articulate women out there selling the candidacy.

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QUESTION: Mr. President, the Federal Energy Administration suggested this past Thursday that 12 big oil companies may have inflated oil costs by \$165 million. The FEA also recently accused a big company in Virginia of overcharging the State utility.

My question is whether you think Americans can trust the oil companies today, or whether they might logically conclude the companies have been manipulating recent events to drive up their prices and profits.

THE PRESIDENT: I am very pleased that the Federal Energy Agency has taken the action that you indicate. It proves to me that they are on the job, and they are protecting the consumer's interests, and I expect them to continue such efforts.

They will do it under the law, and they will do it with emphasis.

I am not going to pass judgment on the oil companies, whether they are conspiring or not. The Department of Justice, the Federal Energy Office, will make sure that they live up to the law.

QUESTION: Do you think people should trust them, and do you trust that they have done everything possible to create as much domestic production as possible in these times?

THE PRESIDENT: I am convinced that the oil industry in this country is doing everything it possibly can under the law to increase domestic oil production. There is no question about that, in my mind. They are limited in some respects by law as to what they can do with the resources they have available.

I think we ought to applaud what they have done in the past and urge them to increase their efforts in the future.

But, we have to get some changes in the law -- and the Congress hasn't done anything here -- in order to increase very substantially our domestic oil production.

QUESTION: Mr. President, there is some talk that the people are losing control of the Government to the experts -- following up something he is saying -- the oil people are running the oil controls and the utility people are running the utility controls.

Who can we yell at? How can we hear the voice of the people?

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THE PRESIDENT: I think our system overall, when you compare it with any other system throughout the world, is running very well.

We have some problems. The problems, however, are complicated by legislation or nonlegislation, by the fact that we haven't in the past focused quickly enough on some of the problems that we now have on our doorstep.

But this Government, the Executive, the Legislative and the Judicial Branch can respond to meet those problems, and the American people do have faith. I think their faith will be justified as we make headway in our economic problems, energy problems, and the like.

I concede there may be some disappointment, but the American people have the opportunity under our system, fortunately, to make changes -- if they are not happy -- in a legitimate, proper way.

QUESTION: On the other side of that, perhaps, how are you doing on deregulating, on getting rid of this maze of red tape?

THE PRESIDENT: I will make two points. One, I have met with 24 Members of the Congress, House and Senate, Democrats and Republicans, working to get the various commissions and other regulators to reduce regulation, to give the American people a chance themselves to solve these problems.

Secondly, last week, I met with the chairman and the respective members of every one of the regulatory commissions and we pointed out very specifically that they had an obligation to reduce the burdens they have placed on people and the economy so that our free economy can do more for itself than they can with their regulations.

I think we will make some headway. If we don't, we will change some of the commissions.

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QUESTION: Mr. President, there have been reports that CIA agents have been working clandestinely in the White House and perhaps in some other Government departments or agencies. Is this true?

THE PRESIDENT: Well, as far as I know personally, there are no people presently employed in the White House who have a relationship with the CIA, of which I am personally unaware.

QUESTION: Do you know whether the report -- I think the reports concerned the Administrations before you, the Nixon Administration -- do you know whether there were CIA agents working clandestinely in the White House at that time?

THE PRESIDENT: That matter is being analyzed. As you indicated, the allegations concern not my Administration but the previous Administration.

I can assure you that the facts will come out, if I have anything to say about it. But I reaffirm what I said. As far as I know, personally, there are no people presently employed in the White House in this Administration who have a relationship with the CIA of which I am unaware.

QUESTION: Excuse me, sir, but who is looking into the allegations that they were there in earlier Administrations?

THE PRESIDENT: Well, the press for one. (Laughter) And I applaud that.

Secondly, I assume the Congress will make some investigation. And, of course, we, in a responsible way, will find out if we can, in a responsible way, of any such corrections in the past.

QUESTION: Mr. President, within the last week it became known that Governor Reagan was starting a committee, or a committee was being started in his behalf, looking toward the 1976 campaign. And Mr. Callaway, your campaign manager, put a good deal of distance between himself and Mr. Rockefeller.

He said he would do nothing to insure or promote Mr. Rockefeller's retention on the ticket. I wonder if there is any connection between those two events?

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THE PRESIDENT: I don't think there is any connection between the two events. We made our decision to actually and officially announce my own candidacy and, with the appointment of Bo Callaway to be the chairman of my campaign effort, he made some comments concerning how Vice President Rockefeller and I will conduct our efforts in the months ahead -- the Vice President seeking his delegates, and I seeking mine.

We, of course, had no liaison with Governor Reagan and his people. They made the judgment on timing, I assume, on their own basis.

QUESTION: Mr. President, what I meant was, is the fear of a Reagan candidacy one of the reasons why you are taking this unusual step of saying that Mr. Rockefeller is on his own to seek delegates?

THE PRESIDENT: No, I don't think there is any connection whatsoever. The tradition has been that a President announces his candidacy for the high office, or other candidates do, and I don't see any relationship at all between what I have done and what Governor Reagan has done, or people have done on his behalf, and what the Vice President's effort is.

QUESTION: Mr. President, to get back to that CIA thing for just a minute, I wonder in the analysis you have done so far, have you been able to determine yet whether Alexander Butterfield, who was mentioned so prominently in the news stories yesterday, did anything in an undercover way, or anything that leads you to believe he was doing something that former President Nixon didn't know about?

THE PRESIDENT: We have no specific information in that regard, and, until we get it, or it is made available to us, I think it is premature to make any comment.

THE PRESS: Thank you, Mr. President.

END (AT 12:01 P.M. CDT)