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THE WHITE HOUSE

INTERVIEW OF THE PRESIDENT

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THE OMAHA HILTON HOTEL

2:00 P.M. CDT

QUESTION: Mr. President, I have been talking with some grain farmers who are very upset because your Administration has urged full production, your Secretary of Agriculture talks about a free market, and yet, when push comes to shove, they feel that they are being blocked by the grain embargo.

THE PRESIDENT: We have to look at that problem in the long-range and still be very cognizant of the short-term difficulties. What we want are stable, substantial markets abroad. We have one with Japan. We are in the process of negotiating one with Poland. We have others that are in being with European countries.

But, the big potential market on a long-range basis for substantial annual sales is with the Soviet Union, and we are very close. I believe that we will end up with at least a five-year program that will mean firm, sizeable sales -- five million tons or more per year -- with a possibility of more sales and all at free market prices in the marketplace in the United States.

The problem in the past has been in the last five years. One year we sold to the Soviet Union 74 million bushels of grain. Another year we sold 550 million bushels. This year, so far, we have sold 320 million bushels.

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These wide fluctuations, peaks and valleys, they aren't good for the farmer. They aren't good for the country, so we are trying to stabilize a huge market on a firm basis over a period of time, and if my good farmer friends will just be a little patient, I think we will do something they will be very happy with.

QUESTION: Mr. President, John Dunlop says he now favors extending the tax cut. What will you recommend, and are you prepared to at this time?

THE PRESIDENT: We are in the process right now of finalizing my recommendation in that area. I cannot on this program tell you what the decision is, but we are trying to coordinate a potential tax reduction program with a rigid restriction on expenditures.

I think this combination, if we can come up with the right formula, will give our taxpayers a greater opportunity to spend their own money and will cut down Federal expenditures so that we will have a better fiscal situation for the Federal Government.

Now, that is one possibility, and hopefully within the next week or so I will be in a position to submit a specific recommendation to the Congress.

QUESTION: To follow up, how does Alan Greenspan feel about that at this time?

THE PRESIDENT: I don't think I ought to reveal his recommendation to me. Until we finalize this whole package and the timing of it, I don't think I should indicate how any one of my advisers do feel.

John Dunlop, of course, as Secretary of Labor, was in a position to publicly state his view because he is Chairman of our Labor Management Advisory Committee, and that committee, under his leadership, did recommend that these tax reductions that were put into law earlier this year should be extended, so that is why he was in a position to indicate his personal view.

QUESTION: Mr. President, on the grain deal, you indicate that if the farmers will be patient, that they will be happy. They have, to a great degree, been patient with Secretary of Agriculture Butz, and they have been calling for him being taken out as Secretary and many times saying he might be, and there has even been talk of former Nebraskan, Clayton Yeutter, being put into that office.

Can you give us any indication of whether there is any offing in the future of replacing the Secretary, and could you also tell us the value of the Secretary in that position?

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THE PRESIDENT: First, let me indicate that I selected Clayton Yeutter, who I think is an outstanding individual, to be one of our top people in our foreign trade negotiations.

I think that is an indication of my great feeling for Clayton Yeutter. I happen to believe that Earl Butz has done an excellent job of defending the interests of agriculture across the board. He has been a great exponent of the free marketplace. He has fought Government restrictions so that farmers can run their farms as they see fit.

I think Earl Butz has done a fine job, and I have asked him to stay and he has agreed to stay until the end of this term. I think most farmers support him. I fully back him.

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QUESTION: Mr. President, recent disclosures about the Central Intelligence Agency seemed to have weakened our entire intelligence gathering and interpreting apparatus. As a result, it weakened our defense posture.

If this is true, what is being done to shore-up our intelligence and our defense?

THE PRESIDENT: I am disturbed about the actions that are being taken by some to expose some of the past operations of the Central Intelligence Agency, and our intelligence gathering capability generally.

On the other hand, I think the Congress has a responsibility in a proper way to investigate the intelligence communities of the Federal Government. I have been disappointed in some respects.

On the other hand, you may have heard that this morning I came to an agreement with Chairman Pike on a method by which we can handle declassified material. The vote was 10 to 3 in that committee, which shows we are working together to handle these delicate matters together, in a proper way.

In the meantime, or prior to that, I appointed the Rockefeller Commission that investigated the allegations of improper domestic spying by the Central Intelligence Agency. They made some recommendations to me. The Murphy Commission did the same.

The net result is some time in the very near future I will make specific recommendations to improve the internal workings of the Central Intelligence Agency and the other intelligence groups, and they will not only be administrative but legislative proposals.

In that way, I think we can restore confidence in the public for the DIA and at the same time lift the morale of the CIA, which unfortunately has suffered in the last few months.

Under no circumstances -- and I want to be very clear on this -- will I permit the dismantling or the destruction of an intelligence agency or community because that does involve our national security.

QUESTION: Mr. President, do you believe that the United States should ever consider a position of using food as a weapon, or at least as a bargaining agent against the oil cartel countries in order to lessen this Nation's dependence on those countries?

THE PRESIDENT: I wouldn't put it that way. I think the great agricultural productivity of this country can be used affirmatively, one, for humanitarian purposes -- and if my recollection is accurate, we, over years, provided some \$20 billion of P.L. 48 nations in a humane way.

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In addition, we can use discreetly and properly our surpluses for other reasons--and I don't want to expand for other reasons -- but it is better to put it that way than to come out and say, yes, we are going to do it as a hard line bargaining principle.

We can use it effectively, and we have, and will.

QUESTION: Mr. President, you voiced your support for Secretary Butz and pointed to his support among the farm community. There has been some concern in connection with that that the Secretary has not been sufficiently involved in these grain negotiations as compared to State Department people. What input does Secretary Butz have?

THE PRESIDENT: We have a Grain Subcommittee of the Economic Policy Board, and on at least three occasions where I have attended those meetings Secretary Butz has been present and I have had several meetings with him personally.

I can assure you that Secretary Butz is an affirmative spokesman for agriculture in these areas. On the other hand, he does recognize that we have to look at it in the long-range and I am sure that when the results of these negotiations are published, Secretary Butz' part in it will be a big plus for agriculture as well as for the department.

QUESTION: As a follow-up on that, if I may, a large grain exporter in the upper Midwest contended that a mid-October lifting of the moratorium on the grain shipments will come too late; that the Russians will have gone elsewhere. Is this being taken into consideration in your planning?

THE PRESIDENT: It certainly is. We keep a daily check on world grain supplies and from our point of view, fortunately we are about the only grain supplier left in the world and if anybody really wants to buy sizeable amounts of grain in the future in 1975 they will have to come to the United States.

QUESTION: Mr. President, I am told 100 years ago today President Grant visited Omaha. I don't have a question related to that but I thought you might like to know that.

THE PRESIDENT: That is interesting and, as you all know, I was born in Omaha, not quite 100 years ago.
(Laughter)

QUESTION: My question is this: You have adopted Vice President Rockefeller's plan for an energy independent authority which involves about \$100 billion over a 10-year period. This is a mammoth Federal intervention in the capital marketplace, which is the exact opposite, really, of what you have always said -- as a Government policy you wanted hands off. Does this mean you have given up on the idea the oil companies can come up with alternate sources if you decontrol oil prices?

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THE PRESIDENT: That authority is primarily for the purpose of undertaking the financing of the synthetic fuel programs which are new, where there could be some failures, where there is a certain degree of uncertainty as to whether they will be productive, whether they will be financially responsible, you have to have, in my opinion, this kind of authority to get those synthetic fuel programs underway.

And there are some other areas in addition to synthetic fuels, but it is basically an instrument like the RFC back in the 1930s and 1940s; for example, the synthetic rubber program which was financed by RFC. This is not an attempt to take over the private financing of ordinary and regular programs and projects, but it does aim at helping us exploit breakthroughs in the scientific world so that synthetic fuels can be more readily made available to the public.

QUESTION: I don't think anybody would disagree with that goal but my question was more to the point of, won't this really create another huge bureaucracy whereas your whole thrust has been to shrink the bureaucracy?

THE PRESIDENT: This is an exception but if you recall my State of the Union message, I said I would advocate no new programs except those related to energy. This falls within that exception.

QUESTION: Mr. President, you have been urging the Senate Foreign Relations Committee to report out on the Sinai agreements by Friday. What is the rush? Is Sadat beginning to waiver?

THE PRESIDENT: The problem there is that the two parties -- Israel and Egypt -- had agreed by, I think, early next week to sign the necessary documents and start the implementation of the withdrawal and the change of lines and so forth. Israel has said that it won't start the implementation until the Congress approves the utilization of up to 200 American technicians.

So we want it through by the time of the signing so that Israel and Egypt will both sign. Egypt has already signed but Israel has this reservation, so time is of the essence, so we can get both of those parties to move toward the actual implementation.

QUESTION: You have said you would like to see the orderly developments of nuclear power and this would certainly be a help in gaining our independence as far as energy is concerned. Right now, going toward nuclear power looks anything but orderly. What do you see in the future so we can look at it as a hopeful sign?

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THE PRESIDENT: We have had too many cancellations of plants of nuclear power in the past few months -- very few for safety reasons, most of them for financing reasons. We expect there will be a resurgence of these projects in the months ahead. In the meantime, of course, we are spending vast amounts of money in the Federal Government to make even more certain the safety of nuclear power plants.

It is interesting to point out, however, of all of the nuclear power plants in operation today in the United States there has never been one fatality, not one. But that doesn't mean we shouldn't continue to find safer and better ways for the developments of nuclear power, and I am optimistic as we try to make ourselves less vulnerable to foreign oil cartels that nuclear power plants will come on the line in greater numbers.

QUESTION: They are starting to question what the amount of uranium is at this point. While we are talking about millions and millions going into these plants, there is no question there is a shortage already.

THE PRESIDENT: I have recommended to the Congress what we call a Uranium Enrichment Program that will take care of that contingency. That problem will not arise for four or five years -- through either diffusion process -- so we can take care of that difficulty when it arises in five years or thereabouts.

QUESTION: Mr. President, your airplane landed today -- just a short distance from the Strategic Air Command. Fifteen years ago, this country's strategic superiority stood unchallenged in the world. Today, instead of superiority we talk of equivalency.

There has been a slide on our side at the same time the USSR has become more and more powerful and is continuing to do so. Do you expect to see the trend stopped and perhaps reversed?

THE PRESIDENT: Either through the Vladivostok agreement, where we set the 2,400 limit on launchers and 1,320 limit on MIRVING, either through that process, setting a cap which will provide equivalency, or through us maintaining our program to meet the challenge of the Soviet Union, we will maintain, I can assure you, as far as I am concerned, an adequate equivalency in strategic capability.

I would prefer to do it through a SALT II agreement if we can get one. That is fair to both sides and sets a cap. But if we can't, I can assure you that I will recommend whatever the budget requirements are -- adequate fundings for SAC operations and for all other related strategic programs.

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QUESTION: Do you believe that the B-1 will continue at full speed in spite of the problems in Congress with the budget?

THE PRESIDENT: I can't guarantee what Congress is going to do. I can only doubly guarantee you what I will do.

We are going to keep the B-1 program going to the maximum capability productionwise, trainingwise, deploymentwise. I get very upset when the Congress slows it down for one reason or another. I think it is wrong. But, we are going to keep after them because it is vitally important.

QUESTION: Mr. President, is your Administration proposing any new means to lessen the welfare red tape and expenditures in this country?

THE PRESIDENT: Yes, we are, on an almost daily basis, trying to do it in HEW. I have my domestic Council now working on a way to try and remedy some of the defects in the food stamp program -- and there are many of them, not only cost, but bad management.

In the meantime, we hope to -- well, we are, we are not hoping. Vice President Rockefeller is going to have a series of meetings around the country where all people, those who want more or those who want less in the field of welfare, can come in and testify and make specific recommendations so we will have the benefit of people at the local level.

But, in the meantime, we are working -- I mean literally working -- to try and improve, cut down the mistakes and the cost of welfare so that we can get more deserved welfare to the people who ought to have it and cut out those that shouldn't qualify.

QUESTION: It is my understanding, Mr. President, you will be meeting with Mrs. Caroline Stenderwick, a local representative of the MIA organization, before your departure from Omaha.

The families of these missing men tell us they are seeking a more aggressive attitude from your Administration, especially from Secretary Kissinger, in determining the fate of their husbands and fathers.

Is there anything especially hopeful you will be able to tell Mrs. Stenderwick when you meet with her today?

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THE PRESIDENT: I have met at least once as President and once as Vice President with the representatives of the MIA. In addition, on several occasions, in other communities -- Dallas, for example -- I have met with either parents or widows of MIA's.

I can assure you that the Defense Department, the State Department and myself have made every possible effort that we can to get the North Vietnamese to permit us to move in and check on the sites or the locations where we understand there is some possibility a crash might have occurred, or a person might have escaped.

But, the North Vietnamese have totally violated the January 1973 accords by failing to permit us to carry out these investigations.

The House of Representatives has just approved and appointed a committee to investigate the whole subject. We will give that committee, under Congressman Montgomery of Mississippi, our full cooperation, lay out in detail what we have done and what the problem is which, in this case, is North Vietnam.

I can assure her, as I am saying here, that we have made and will continue to make a maximum effort in this regard.

QUESTION: I was going to ask a very light question, Mr. President, but now I am afraid to after that heavy answer.

Some people feel that there is a lack of leadership, or perhaps I should say a lack of inspirational leadership, from the top in the energy crisis situation, and I will tell you what I mean by that.

All of the accent seems to be put on -- how can we become independent of foreign sources--and obviously we have to do that--but shouldn't more emphasis be put on conserving because this is probably only the forerunner of a number of world shortages, and we don't have any feeling of crisis about it.

Do you really think, for instance, this country should continue to use 30 to 35 percent of the world's energy?

THE PRESIDENT: We have always said the answer to the energy problem for the United States is, one, stimulation of new sources and conservation of the energy we have. Every document I have ever sent to the Congress, every statement I have ever made, emphasizes both new sources of energy and conservation of those that we have.

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In my energy program that I submitted in January of this year, we put a considerable amount of emphasis on conservation. The United States has squandered energy, we squander energy today, and we have to convince people they should drive less, they should use less energy in their homes, not quite as cool in the summer or hot in the winter.

We have urged the automotive industry to build automobiles that have a higher degree of efficiency, and I am glad to report -- you may have seen the new models -- I think increase the energy use, or they will cut back on gasoline to an average of 13 percent. This is a response which is good.

I couldn't agree with you more, but you know it takes a crisis sometimes to get people to do what they should.

QUESTION: But we are really in a crisis, are we not?

THE PRESIDENT: We certainly are.

QUESTION: Then what I was trying to find out is, don't you really think a direct appeal to the people -- I think people would sacrifice, I really do.

THE PRESIDENT: We have tried it. We have made some headway, obviously, because the use of energy is down, whether it is gasoline, whether it is heating oil, whether it is any of the other sources of energy.

But, it is not enough, and I continue to urge it and, of course, the increase of price by the OPEC nations ought to make people more conscious of our vulnerability and make Congress more responsive to passing a better -- or any -- legislation.

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QUESTION: Mr. President, in the wake of the recent attacks on your life--in some cases maybe an alleged attack on your life--has it caused you to take second thoughts, or your family ask you to take second thoughts about running for re-election, and are there any conditions under which you would not seek re-election next year?

THE PRESIDENT: I can foresee no circumstances that would preclude me from seeking election in 1976. My family fully supports my candidacy. They are enthusiastic about it. My wife thinks I ought to be a little more careful and cautious as I travel around the country, and she isn't the only one, obviously.

But we are using, I think, greater discretion and prudence and, on the other hand, for me to sit in Washington and just go through papers making decisions when I can do that and at the same time come to Omaha or to Chicago or to other places, I think it is important.

The American people ought to have an opportunity to see first hand or to listen more directly with their President, and we aren't going to let unusual circumstances deter us from a responsible effort to travel in this country.

QUESTION: Many Presidents lately have made declarations concerning crime and the problems of crime and that something has to be done about it. Certainly, this is an area you must have given a lot of thought to lately.

If you could point out the biggest need you think needs to change today to help stop the pattern that crime has taken in the Nation, what would it be?

THE PRESIDENT: I set that forth in a crime message to the Congress where I said, "Our concern to date ought to be for the victims of crime." The crime message that I sent to the Congress calls for mandatory sentences for those that participate in a crime of violence using a gun, and we have urged the courts to increase their confinement of convicted criminals.

Too many criminals today, after they have been convicted, are put off on probation. There ought to be a penalty for the committing of a crime and that means confinement. Whether it is six months or some other term, I believe mandatory sentences are required in certain crimes.

I believe the courts have to be firmer and I think they -- you know, it is unbelievable, but a very, very high percentage of crime today is done by a very limited number of people, professional criminals, and they ought to be behind the bars.

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QUESTION: Mr. President, there has been -- from time to time there have been reports of controversy between Dr. Schlesinger and Dr. Kissinger, the latest being the question of the Pershing Missile for Israel. Is there indeed disharmony in your Cabinet in that regard and, if so, what are you doing about it?

THE PRESIDENT: I don't think there is any disharmony. On some occasions two very able people have some disagreements but there is nothing that has seriously jeopardized the execution of our foreign policy or the carrying out of our national security program.

In the case of the Pershing missile, the shopping list that was given to us by Israel was known to the Pentagon. There is no question about that. Whether Secretary Schlesinger saw it or not I can't guarantee, but the Pentagon had that shopping list, no question about it.

But that was only a minor incident, really. I have two fine Secretaries and, if there are any differences, I make the choice and sometimes it is healthy to have a different viewpoint as long as somebody can make a decision.

QUESTION: On that note, we say thank you very much, Mr. President.

THE PRESIDENT: It was a pleasure and I appreciate it.

QUESTION: Thank you, sir.

END (AT 2:28 P.M. CDT)