

PRESS CONFERENCE NO. 19

of the
PRESIDENT OF THE UNITED STATES

8:01 P.M. EDT
October 9, 1975
Thursday

In Room 450
The Old Executive Office
Building
Washington, D.C.

THE PRESIDENT: Good evening. Won't you sit down, please?

Miss Thomas?

QUESTION: Mr. President, it now seems pretty certain that Congress will approve sending American civilians to the Sinai. My question is: Will any of these Americans be drawn from the military establishment, CIA or the intelligence agencies, and is recruiting underway now?

THE PRESIDENT: I can only tell you that the American technicians will be American civilians. They are highly qualified, very technically-oriented individuals who have to operate very sophisticated electronic equipment. The actual recruiting, I assume, will begin very shortly. I am certain they will not be in the military.

QUESTION: They may not be in the military after they go to the Sinai, but are they being drawn from that area?

THE PRESIDENT: I can't give you the specifics on that, except that I can assure you that they are civilian technicians and will have no relationship to our military.

QUESTION: Mr. President, we are well aware of your opposition to a Federal bail-out of New York City, but does that necessarily mean that you would veto any legislation you might get from Congress that would aim in that general direction?

THE PRESIDENT: I don't think any legislation that I have ever heard people comment about or any legislation that I have read about would justify approval by myself. The legislation that I have heard about is a long way from getting through the Congress.

Every place I go, I check with Members of the Congress--Democratic or Republican--and I check, as some of you may know, with people in various communities, and I find no substantial sentiment for any legislation of one kind or another in the Congress to bail out New York City. So, I think it is very premature to make any comment other than nothing I have seen so far seems to fit the bill.

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QUESTION: Mr. President, you have said that or have indicated, or some of your people have, that you would veto a tax bill if it is not tied to this budget ceiling. My question is would you really shoot Santa Claus in an election year?

THE PRESIDENT: Mr. Lisagor, I have said with great emphasis that the American people want a \$28 billion tax cut and a \$28 billion reduction in the growth of Federal expenditures. They know that that is the right way to meet the problem of getting our long-term reform in tax legislation and to achieve a responsible program in spending limitations.

I absolutely, without any equivocation, say that if the Congress plays politics by sending a tax reduction bill to my desk without any responsible restraint on Federal spending, the answer is, as I said the other night, I would not hesitate to veto it.

QUESTION: Mr. President, could I follow that and ask you, have you taken any polls to find out whether the American people really support this program because you and others have said that the American people want this? How do you know they want this?

THE PRESIDENT: I have been watching some of the polls taken nationally for the last several months and there is a general consensus that Federal spending ought to be controlled, and I believe there is a strong feeling that the Federal Government should take less out of the taxpayer's pocket so the taxpayer can spend it himself.

QUESTION: Mr. President, to stay with the tax and spending program, critics of the program say that since your \$28 billion in tax cuts would start on January 1, about nine months before the spending cuts, that what you really have is a highly inflationary fiscal policy for the first part of next year. What is your response to that, sir?

THE PRESIDENT: I don't want any misunderstanding on that. Our tax cut proposal tied in with a spending limitation was not aimed at affecting the economy in any significant way whatsoever. On the other hand, if the Congress is critical and wants to put a spending limitation on the first or the last six months of fiscal 1976, I will be glad to cooperate with them. I think that might be very wholesome in that the present spending limitation that the Congress has imposed for fiscal 1976 is too high, so if they want to cooperate for the last six months of fiscal 1976, I will be right there helping them.

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QUESTION: Mr. President, to follow that, would you say why you went as high as \$28 billion at a time when your economic advisers suggested that economic recovery was not only on schedule but ahead of schedule?

THE PRESIDENT: Well, as I indicated a moment ago, the proposal for a tax cut and a spending cut was not aimed at necessarily affecting the economy. It was aimed primarily at getting a meaningful tax reduction on a permanent basis to get us straightened out in where the burden of Federal taxes should fall on individuals, giving a bigger tax break between the incomes of \$8,000 to \$25,000.

In addition, the proposal was aimed at getting a handle on this tremendous growth in Federal spending. As I indicated the other night, if we don't pass one new law, if we don't make any change whatsoever in eligibility or rates, the increase in Federal spending in the next 12 months, from July 1, will be \$50 billion -- an increase in spending of \$50 billion.

We picked the figure of \$28 billion as a reduction in that \$50 billion in order to get some of these escalation programs under control.

QUESTION: Mr. President, on another subject, the Vice President says that high-level Administration critics of your \$100 billion energy plan should either support the plan or resign. Do you agree?

THE PRESIDENT: I haven't seen any public statements by any of my advisers that they are not in accord with the recommendation that I am submitting officially to the Congress tomorrow.

We have some differences in an Administration where I have a number of very able, articulate individuals. They don't always agree on every subject. But I know of no public statement attributed to any one of them where they officially disagree with my decision.

QUESTION: Isn't Secretary Simon a persistent critic of this plan?

THE PRESIDENT: I haven't heard him say anything to me directly in contravention of my decision and, although he did raise some questions during the consideration of it, as far as I know he has not publicly come out and condemned it.

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QUESTION: Mr. President, there are reports tonight that you have decided not to go to Louisville, Kentucky for a Republican dinner next week. Is that a sign for security reasons that perhaps you are going to be held hostage in the Oval Office?

THE PRESIDENT: Well, I was advised by local officials, as well as others, that under the current circumstances I should cancel the trip to Louisville and, as a result, it is being cancelled, but I would like to add that there are some unusual circumstances in Louisville at the present time.

I am going, however, to several other places -- to Detroit tomorrow night and to Connecticut next week -- and under no circumstances does this decision involving Kentucky have any impact on my decision to travel where I think it is the right thing to do, bearing in mind any security problems that might be raised.

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QUESTION: What are the circumstances in Louisville and does it have anything to do with the busing problems they have had there?

THE PRESIDENT: There ~~has~~ been some turmoil in Louisville as a result of court-ordered forced busing to achieve racial balance in the public schools, and I think all of you know that I have consistently and vigorously opposed court-ordered forced busing to achieve racial balance.

I think there is a better answer to quality education, and this problem in Louisville, at the present time, has created some local disturbances, and rather than involve any potential injury to anybody else and for other security reasons, I have decided to cancel the trip.

QUESTION: Mr. President, some of your political allies, Lee Nunn and others, have criticized Bo Callaway recently about his direction of your election campaign. They say he is too reluctant to spend money and that he has not built the kind of organization that is needed for a Presidential campaign.

My question is this: Has this criticism been conveyed to you? Do you have any plans for shoring up your campaign organization, and do you expect to retain Bo Callaway for the duration of the campaign?

THE PRESIDENT: Let me answer the last question first.

I have great faith and trust, and I fully support Bo Callaway. The criticism that I have heard -- and I understand that Lee Nunn wrote a letter to the White House. I have not seen it. I have heard about it. Lee Nunn is a very dedicated person. He is a good personal friend of mine. For various reasons, I guess he didn't fit in comfortably with the organizational structure and the decision-making process of Bo Callaway. It is an honest difference of opinion as to organization, so Lee took the step that he did.

I certainly will examine his comments and criticisms and will bear them in mind as we proceed ahead.

QUESTION: I have a follow-up. Specifically, do you have any plans for improving your campaign organization, or are you satisfied with Mr. Callaway's organizing effort?

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THE PRESIDENT: I think we have a very, very good campaign organization, and if you will go around the States, we have an excellent one in California. We have an outstanding one in Illinois. We have a good one in Michigan.

We are putting together a first-class one in Pennsylvania. New York State is in excellent shape. In my judgment, we have established in many, many States excellent organizations. I think we are really moving exceedingly well in the nomination process.

Bo Callaway has worked hard. He has done a fine job. Our organization, with a few exceptions, is in good shape, so I have no specific plans to make any substantial changes.

QUESTION: Mr. President, if I might, the Associated Press today reported that the President Ford Committee has taken in \$700,000 for your campaign. The story also says that one-third of that money came in the form of the maximum \$1,000 check. Most of the rest, almost all of the rest, came in the form of very large donations of checks over \$250 or more. Many of those donations came from corporation executives, bank presidents, real estate offices and so on.

So, my question is: Does this confirm the allegations of your critics that your Administration is overly friendly with big business?

THE PRESIDENT: Nothing could be sillier. The net result is that people who want to contribute, contribute voluntarily, and I welcome those contributions. I can assure you that we are going to get a very broad-based contribution from many, many people all over the country, and there is just nothing to it. It is a silly accusation.

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QUESTION: Along that line, a report published this week says the new political director of your campaign ran a school for dirty tricks several years ago -- displaying wiretap equipment, teaching campaign workers to make phoney telephone calls to disrupt the opposition. Since that has never been your style of campaigning, do you intend to ask Mr. Callaway to investigate and take appropriate action if it is warranted?

THE PRESIDENT: It is my understanding that Mr. Spencer has categorically denied those charges. He is an honorable person. I believe him. And as you indicated, I have never, under any circumstances, in any of my campaigns, permitted or participated in such activities. There will be none in my campaign for nomination and for election as President and so there is just no further comment needed.

QUESTION: Mr. President, since you got back from Europe in early August, you visited nearly half of the States in the Union. You have made dozens of public appearances on the road and in many, if not most, of those public appearances have been speeches at Republican fund raising events. Yet, you and your aides have said repeatedly that none of these appearances have any relation at all to your campaign for election in 1976. Wouldn't it be a little more candid to concede the obvious?

THE PRESIDENT: As President and as a member of the Republican Party and the leader of the Republican Party, I have an obligation to try and strengthen and rebuild the Republican Party organization in many, many States. That is what I have been doing. As I recall in the various appearances before State Republican fund raising dinners, I have raised something over \$2 million, most of which goes to the State organization, part of it goes to the national organization to pay the expenses of the trip that I take to that particular community. As President and as the leader of the Republican Party, if I am asked to participate in one of those meetings, I am glad to do it because I firmly believe that the strengthening of a State organization is very helpful for all Republican candidates including the candidate for President. I think that is a part of the function that I have as head of the Party.

QUESTION: Nevertheless, Mr. President, don't these appearances at these fund raising events inevitably have some favorable impact on your candidacy?

THE PRESIDENT: I wouldn't necessarily say on my candidacy, I hope on my election.

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QUESTION: Mr. President, a two-part question: Is there any delay in the formal announcement of our negotiations with the Soviets on the wheat sale and, as a companion question, are we also negotiating with the Russians on the sale of their oil at a favorable price to us?

THE PRESIDENT: We have coming out tomorrow, I think at 3:00 or 3:30, an announcement as to the status of our wheat, corn, soybean crop reports. When we put on the temporary suspension of the sale of these commodities overseas to the Soviet Union and to others we said we would await that crop report. As soon as we get that report I presume there will be some announcements as to further sales to one or more countries.

Now we are negotiating right at the present time with the Soviet Union for a five-year sale of grain of an annual amount which is very substantial with an option, perhaps, for them to buy more. It will be a very good agreement if some of the final details are worked out.

At the same time, there are some negotiations going on involving the purchase by the United States of Soviet oil. Whether or not the two will be tied together is not firmly decided yet. We are more likely to have one announced and then continue negotiations on the other but, on the other hand, it is possible that we will be successful in both.

QUESTION: Mr. President, will the price, do you hope, be lower than the established price by OPEC?

THE PRESIDENT: Well, as far as grain is concerned, of course the Soviet Union will buy our grain in our open American markets at the market prices. You don't buy in an open market in the Soviet Union; you pay what the Government decides.

Now we hope that in the negotiations we can negotiate a favorable price, but we have not concluded those negotiations at the present time.

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QUESTION: Mr. President, in Knoxville earlier this week you were asked by an interviewer for your thoughts on your son's use -- or saying that he smoked -- marijuana, and you said that you admired his candor, but you sort of stopped there.

I was just wondering, Mr. President, could you tell us what are your thoughts about young people using marijuana?

THE PRESIDENT: I disapprove of young people using marijuana. I believe the preponderance of the evidence so far is that it is not a healthy habit to have. I personally disapprove of it, and on the other hand, I think it is a very honorable thing for a son to frankly admit that on a very limited basis had done so.

As I said in Nashville, (Knoxville) all of our children have been brought up to be honest with their parents and honest otherwise, and I respect them for that and I hope they continue that very fine trait, but I repeat, as far as I am personally concerned, I do not approve of the smoking of marijuana.

QUESTION: Mr. President, to return to New York City for a moment, Secretary Simon --

THE PRESIDENT: My wife is up there tonight.

QUESTION: I hope she has a good time, sir.

Secretary Simon and Chairman Burns have testified that if Congress does decide to do something to help New York, it should contain tough provisions to make sure that New York City balances its budget and to discourage other cities from following the Federal route.

Should legislation come to you containing these tough provisions, might you then consider it?

THE PRESIDENT: I always consider any legislation passed by the Congress, but I certainly have to look at the small print on any legislation that is aimed at bailing New York City out when their financial or fiscal record has not been a good one.

As I recall, what Chairman Burns said the other day in testimony, that if a city came up with a balanced budget and if a State guaranteed to provide necessary revenue to keep that in balance, and if there was a long-time responsible fiscal policy, then he would recommend such legislation.

If you have all of those factors -- a balanced budget, the State guaranteeing the payment of the money by additional State taxes, and the other factor -- it hardly seems needed or necessary for the Federal Government to get involved.

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QUESTION: Well, sir, the only question is the short-run and Congress is thinking of coming up with something to help New York over the short-run. If all of these other elements were there, might you support some help in the short run?

THE PRESIDENT: I do not think it is a healthy thing for the Federal Government to bail out a city, and I mean any city, that has handled its fiscal affairs as irresponsibly over a long period of time as New York City has. Now, I have great sympathy for the people of New York, the 6 or 8 billion people there. They have a terrible program. Their Government expenditures are out of control. Unless they come in with a balanced budget, unless they get some State aid from the State of New York by some means or other, I just am very reluctant to say anything other than "no" until I see the fine print, until I see what New York City has done.

It is interesting to note that the Big Mac Committee has turned down Mayor Beame's program as being not sufficient. So it hasn't gotten by the State yet much less come back down to Washington.

QUESTION: Mr. President, we hear you make lots of speeches about your determination to hold inflation down. I wonder if you could tell us why you signed a bill that gives Congress a vested interest in inflation and ties their salaries to the cost of living index?

THE PRESIDENT: Well, I think you know, Mr. Beckman, that instead of recommending that their salaries be increased to 8.66, I recommended that their salary increases be limited to 5 percent. I think that is responsible action on my part.

QUESTION: You don't find any problem with their salaries being tied to the cost of living?

THE PRESIDENT: I think that Judges, I believe that top officials in the Executive Branch and Members of Congress who haven't had a pay increase for six and a half years ought to get a cost of living pay increase. But I decided to make it 5 percent rather than 8.66 percent.

QUESTION: Mr. President, were you surprised by the Congressional vote to override your veto of the school lunch bill?

THE PRESIDENT: Not at all because it had a very fine label and the facts were not sufficiently exposed to the public interested in writing the Congress that they ought not to override. As you well know, my proposal took as good care of the children who need free lunches, if not better than the bill that was passed by the Congress. The only difference between the Congress and myself was the Congress said that free lunches could be paid by the Federal Government for families that had an income of \$9,770. I don't think that the taxpayers as a whole ought to subsidize with free lunches families who have that kind of income.

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QUESTION: Mr. President, was the veto useful then for the sake of making that point?

THE PRESIDENT: I hope so.

QUESTION: Mr. President, you have taken a number of political positions which are attractive to the conservative members of the Republican Party. I refer to tax and to the veto of social programs -- New York.

Is it your campaign strategy to keep to the right in your own party until after New Hampshire and Florida and then move back to the center when you are running against the Democrat?

THE PRESIDENT: I think if you look at my total record since I have been President, and certainly while I was in the House of Representatives, I was in the middle of the road both in domestic action as well as in foreign policy, and I intend to stay there.

I think it is the area where most Americans agree. It has been my record for 27 years in politics, and I don't intend to deviate for any temporary political advantage.

QUESTION: Mr. President, there has been talk about the great difficulty of combining the tax cut with the Government expenditure ceiling in one package and we asked Mr. Greenspan and Mr. Simon and they say, well, that is up to Congress.

Well, you are an expert in that subject as a former House Minority Leader. What would you suggest along that line?

THE PRESIDENT: Well, I would suggest to the Congress that they go back to December of 1967 where they will find that Congress for the next fiscal year passed a spending limitation and at the same time took action on taxes, and I would suggest they go back to June of 1968 and they will find that the Congress passed a spending limitation at the same time they considered a tax measure for the next fiscal year. They would learn from history and from precedents that it had been done.

If this new Congress, this reform Congress, can't use enough imagination to put together a tax reduction and a spending limitation, I think the American people ought to know about it because other Congresses have done it. And the American people believe in a tax reduction and a spending limitation, and I can't imagine Congress not having enough imagination to combine a spending limitation and a tax reduction. If they don't, there ought to be some changes up on Capitol Hill.

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QUESTION: Mr. President, your Agriculture Department people had indicated earlier this week that they would have this week your food stamp proposal. Well, they didn't.

Now there are reports that there is conflict within your Administration on this, that your people just can't get together. We understand the proposal won't be ready now until the Congress comes back from its recess. What is the story?

THE PRESIDENT: Well, Congress just left, or is just about to go on a 10-day recess and even if we had sent our food stamp control legislation up, there would not have been any Member of Congress here to consider it, so we are going to send it up the day that Congress returns from their recess and will have done some preliminary work with certain Members of Congress.

We have been working with Senator Buckley and with Congressman Michel, who are the authors of a very fine food stamp reform bill. So when we send ours up the day Congress comes back from recess, there will be ample time for the House and Senate to consider it.

QUESTION: Sir, can you give us a preview of what is in it and what you are trying to accomplish?

THE PRESIDENT: Yes. We are trying to save at least a billion dollars a year in the present food stamp program. What we are trying to do is to give more benefits in the food stamp program to those people who need them and to take away the benefits from people who don't need food stamps, and that legislation, which I am going to recommend, will save at least a billion dollars. It will do away with most of the abuses in the food stamp program, and I certainly hope the Congress does something about it.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you all very much.

END (AT 8:30 P.M. EDT)