

PRESS CONFERENCE NO. 23

of the

PRESIDENT OF THE UNITED STATES

7:30 P.M. EST
November 26, 1975
Wednesday

In the East Room
At the White House

THE PRESIDENT: Will you sit down, please.

Good evening. Before we go to questions, I would like to comment briefly on recent developments in New York. Since early this year and particularly in the last few weeks the leaders of New York State and of New York City have been working to overcome the financial difficulties of the City which as a result of many years of unsound fiscal practices, unbalanced budgets and increased borrowing, threatening to bring about municipal bankruptcy of an unprecedented magnitude.

As you know, I have been steadfastly opposed to any Federal help for New York City which would permit them to avoid responsibility for managing their own affairs. I will not allow the taxpayers of other States and cities to pay the price of New York's past political errors. It is important to all of us that the fiscal integrity of New York City be restored and that the personal security of 8 million Americans in New York City be fully assured.

It has always been my hope that the leaders of New York, when the chips were down, face up to their responsibilities and take the tough decisions that the facts of the situation require. That is still my hope and I must say that it is much, much closer to reality today than it was last Spring.

I have, quite frankly, been surprised that they have come as far as they have. I doubted that they would act unless ordered to do so by a Federal Court. Only in the last month after I made it clear that New York would have to solve its fundamental financial problems without the help of the Federal taxpayer has there been a concerted effort to put the finances of the City and the State on a sound basis. They have today informed me of the specifics of New York's self-help program.

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(OVER)

Because the private credit markets may remain closed to them, representatives of New York have informed me and my Administration that they have acted in good faith, but they still need to borrow money on a short-term basis for a period of time each of the next two years in order to provide essential services to the eight million Americans who live in the Nation's largest city.

Therefore, I have decided to ask the Congress when it returns from recess for authority to provide a temporary line of credit to the State of New York to enable it to supply seasonal financing of essential services for the people of New York City.

There will be stringent conditions. Funds would be loaned to the State on a seasonal basis, normally from July through March, to be repaid with interest in April, May and June, when the bulk of the City's revenues come in. All Federal loans will be repaid in full at the end of each year.

There will be no cost to the rest of the taxpayers of the United States.

This is only the beginning of New York's recovery process, and not the end. New York officials must continue to accept primary responsibility. There must be no misunderstanding of my position. If local parties fail to carry out their plan, I am prepared to stop even the seasonal Federal assistance.

I again ask the Congress promptly to amend the Federal bankruptcy laws so that if the New York plan fails, there will be an orderly procedure available. A fundamental issue is involved here -- sound fiscal management is imperative of self-government.

I trust we have all learned the hard lesson that no individual, no family, no business, no city, no State and no nation can go on indefinitely spending more money than it takes in.

As we count our Thanksgiving blessings, we recall that Americans have always believed in helping those who help themselves.

New York has finally taken the tough decisions it had to take to help itself. In making the required sacrifices, the people of New York have earned the encouragement of the rest of the country.

Mr. Cormier?

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QUESTION: Mr. President, I notice that you don't put any dollar figure on the amount of the loans that you would be offering. I wonder if you could supply us with a figure and, also, why were loans necessary rather than loan guarantees?

THE PRESIDENT: The amount in the proposed legislation, which is a maximum ceiling, not necessarily would they have to go up to the ceiling, but the figure is \$2 billion 300 million per year, all of it to be repaid at the end of each fiscal year.

The reason we made it a loan rather than a loan guarantee is very simple. It is a much cleaner transaction between the Federal Government and the State and/or the city. If you have a loan guarantee, you involve other parties, and we think it is much better, we have better control over it if we make it a direct loan from the Federal Government.

QUESTION: Mr. President, in view of recent revelations, are you fully satisfied that you are aware of everything that the CIA does since you became President, and do you accept full responsibility?

THE PRESIDENT: Miss Thomas, I certainly hope that I am fully aware of everything the CIA is doing. I can assure you that if I am not fully informed, I will welcome any information that people may have that I don't know about, but I have specifically asked for all information that I think I need concerning matters of the CIA.

QUESTION: Can you say what steps you are taking to guarantee that the American people will never again learn that a Federal agency plotted on the life of a foreign leader or tried to defame a domestic leader like Martin Luther King?

THE PRESIDENT: I have issued specific instructions to the U.S. intelligence agencies that under no circumstances should any agency in this Government, while I am President, participate in or plan for any assassination of a foreign leader.

Equally emphatic instructions have gone to any domestic agency of the Federal Government and/or the CIA, or intelligence agencies, that they should not violate the law involving the right of privacy of any individual in the United States.

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QUESTION: Mr. President, in a nationally televised speech before the National Press Club on October 29, you said, and I quote, "I can tell you now that I am prepared to veto any bill that has as its purpose a Federal bail-out of New York City to prevent a default," end of quote.

What has happened in the interim, sir, to make you change your mind? And secondly, do you regard your proposal as a Federal bail-out of New York City?

THE PRESIDENT: The answer is very simple. New York has bailed itself out because on October 29, when I made the speech before the Press Club, it was anticipated that on June 30 of 1976 there would be a cash deficit of \$3 billion 950 million in the New York City situation.

Under the plan that I have embraced, on June 30, 1976 New York City will have a zero cash balance so New York City, by what they have done in conjunction with New York State, with the noteholders, with the labor organization, the pension fund people, they have bailed out themselves.

Yes, sir.

QUESTION: The private sector will not invest in New York City apparently because they think it is too great of a gamble to invest any longer in New York City. Can you tell us why you are willing to risk Federal money in investing in New York City when the private sector thinks the risks are too great?

THE PRESIDENT: Unfortunately, because a period of 10 or 12 years where the finances of New York City have been badly handled there has been a loss of confidence in the private money markets.

In order to get New York City to restore their credibility in the money markets, they have taken these steps which have eliminated \$3.95 billion cash deficit and by the fiscal year that begins July 1, 1977, they will be on a balanced budget basis.

Therefore, in the interim while they are restoring their credit credibility, I decided that it was needed and necessary to give short-term financing on a seasonal basis. This, I think, is what we can do without any loss of taxpayers' money, and let me show you what the precautions are that we have taken.

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We have said that the money will be loaned to New York City at a rate no less than the Federal Government borrows itself and with the option of the Secretary of the Treasury to impose an additional up to one percent on the City when they do borrow from us.

And secondly, we include in the legislation a lien for the Federal Government so that the Federal Government has a priority claim against any other creditor for the repayment of any seasonal loan made by the Federal Government.

The net result is the Federal Government will be held harmless and the taxpayers won't have to lose a penny, and the City of New York will straighten out its fiscal situation.

QUESTION: That is a pretty good deal -- one percent loan. What will you do tomorrow when other mayors around the country call up and say, "Mr. President, how do we get in on that?"

THE PRESIDENT: Mr. Schieffer, I think you misunderstood. They will have to pay the same interest rate that the Federal Government pays when it borrows money, plus up to one percent extra, so they are in effect reimbursing us over and above what the Federal Government has to pay to borrow its money.

QUESTION: That is still a good deal.

THE PRESIDENT: Well, if the Federal Government is paying six percent, then the City of New York will have to pay whatever the difference is. Now other cities, we hope, won't have to be in that situation.

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QUESTION: Mr. President, have the Soviets offered any kind of proposal that could be considered enough of a breakthrough in the SALT talks to justify a visit to Moscow by Dr. Kissinger after the China trip?

THE PRESIDENT: Well, we are, of course, in communication with the Soviet officials trying to narrow the differences between our last proposal and their last proposal. I can't say this evening that the differences have yet been sufficiently narrowed to justify that the Secretary go to Moscow but I think it is worthwhile to continue the process, and if we decide that it looks reasonably optimistic, the prospects are that the Secretary will go to Moscow.

QUESTION: Then if he goes to Moscow, it will signal a breakthrough, is that correct, Mr. President?

THE PRESIDENT: It will signify there has been significant progress.

QUESTION: Mr. President, you do leave for China on Saturday. Do you foresee making any progress on any substantive matters there and, if so, in what areas?

THE PRESIDENT: I believe that it is always advantageous for the heads of Government of two nations, our Nation with 214 million people and the Chinese leaders of a country with 800-plus million people, to sit down and talk about our areas of agreement and to discuss how we can eliminate any areas of disagreement. It is vitally important that we consult rather than confront and I can't tell you particularly what the outcome will be on a substantive basis, it will depend on how the talks go, but I think it is very worthwhile for those meetings to be held.

QUESTION: Would you say it is worthwhile from a symbolic standpoint because you have set a meeting and must follow through with it or can it amount to more than that?

THE PRESIDENT: I think it is definitely a meeting that can have far more meaning than symbolism. I think that the meetings, the talks, can and will be constructive.

QUESTION: Mr. President, will you agree to a debate with Ronald Reagan during the Republican primaries?

THE PRESIDENT: I have always found that debates are helpful when the views of the participants are not well-known. In my case, my views on matters are known virtually every day. I have to make decisions where the public knows how I feel on this issue or that issue or any other issue, and, of course, between now and February 24 I have a fairly busy schedule. I am going to be preparing for the State of the Union Message, I will be putting together the Federal budget, and in the meantime, I will be signing or vetoing a lot of legislation, so my views will be very well-known by everybody. So at the present time I can't make any commitment as to whether or not there should or should not be any such debate.

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QUESTION: Mr. President, Mayor Beame in New York was asking as long ago as September for short-term Federal assistance. How is the plan that you propose tonight different from what he was seeking then?

THE PRESIDENT: Significantly different. As I pointed out a minute ago, when the Governor and the Mayor were asking for any kind of help, short-term or long-term, there was the anticipated deficit for the current fiscal year in New York City of \$4 billion.

In the meantime, the Mayor and the other public officials in New York City, along with the help of private citizens, have reduced that fiscal deficit for this current year to zero. So there is quite a different circumstance.

QUESTION: Well, you seem to be suggesting, Mr. President, that your opposition earlier to assistance for New York was based primarily on a tactical maneuver to get them to make the hard decisions that you say they have now made. Why could you not have said then that the aid would be forthcoming if they did all those things?

THE PRESIDENT: Well, we have always felt that they could do enough, but only because we were firm have they moved ahead to accomplish what they have done now which is a bail out of New York City by New York officials. If we had shown any give, I think they would not have made the hard decisions that they have made in the last week or so.

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QUESTION: Mr. President, will you be submitting your nomination to fill the Douglas vacancy on the Court before your departure for China?

THE PRESIDENT: I will not submit it before I go to China. I will submit it as quickly as I possibly can because I think it is vitally important that that vacancy on the Court be filled, if at all possible, by the time Congress adjourns in this session.

So, we are expediting the process, and we will submit the name as rapidly as possible.

Yes?

QUESTION: Mr. President, the Senate Intelligence Committee has documented widespread efforts by the FBI to discredit Dr. Martin Luther King before he was assassinated, as you know.

I was just wondering, do you think the Federal Government and you, as President, have any responsibility now to see that those who were responsible for that are either purged from Government service if they still are in Government service, or prosecuted if the statute of limitations has not run out on them?

THE PRESIDENT: I certainly condemn those actions which were taken regarding Martin Luther King. I think it is abhorrent to all Americans, including myself. Whether or not we can identify the individuals, if they are still alive, is difficult, but I certainly will consult with the Attorney General regarding that matter.

QUESTION: You think an effort should be made, though, to identify those people?

THE PRESIDENT: I think so.

Yes?

QUESTION: What reaction, sir, do you have to the statement of Senator Mathias that he may be forming a third force movement, and who do you think that would hurt or help if he does?

THE PRESIDENT: I strongly believe, Mr. Cannon, in a two-party system. It has served our country very well over a long period of time and, therefore, I would hope that all Democrats would participate in their party convention and run as a candidate in their primaries.

I would hope that we would have a similar situation in the Republican Party. The two-party system is so valuable, has served us so well, I can't believe that a multiplication of political parties will be beneficial.

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QUESTION: Have you attempted to communicate this personally to Senator Mathias, or do you plan to do so?

THE PRESIDENT: I have not communicated with him, and I would just hope that Senator Mathias would continue to be a good Republican, as he has been over the good many years that I have known him.

QUESTION: Some Congressional leaders are saying it may not be possible to enact New York City legislation in time to avert a default by December the 11th. Does the Administration have a plan to respond if this does occur?

THE PRESIDENT: The bill I am submitting to the Congress is about a two- or three-page bill. It is very simple, I think Congress can take it, hold hearings, and act within a very short period of time, and I see no reason for any delay whatsoever, and I am confident they will.

QUESTION: Is there a contingency plan, sir, in the event Congress does not act in time to avert default on December 11?

THE PRESIDENT: I asked earlier, as I'm sure you know, for a change in the Federal bankruptcy law. That legislation is in the House and Senate committees; hearings have been held. If they want to take a precautionary measure -- I don't advocate it -- they could enact the change in the Federal bankruptcy law.

I would rather have them take what I am sending up the day they get back from recess so we don't have to go through the process of Federal bankruptcy.

QUESTION: Mr. President, may I follow up on the Mathias question? Do you share Senator Mathias' concern that there is a Republican drift to the right, away from the central center voters, and that this might cost you the election?

THE PRESIDENT: I am certainly not drifting away from my traditional position, which is in the middle of the political spectrum in the Republican Party.

QUESTION: You will recall, I am sure, the days when the -- the football days when Stagg used to fear Purdue. My question is, do you fear Ronald Reagan, that he might beat you?

THE PRESIDENT: I don't think so at all, and I am looking forward to a good campaign between now and November of 1976.

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QUESTION: Do you think that he is doing you a favor by running against you in the primaries, or is this likely to be divisive?

THE PRESIDENT: I am not going to speculate on that, Mr. Sperling. I am a candidate, I'm going to run it on my record -- I think it is a good record -- and I look forward to the campaign between now and next November.

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QUESTION: Mr. President, it is reported that Mrs. Ford is pressing you to appoint a woman to the Supreme Court, and I wondered if you could tell us what luck she is having and what influence she has on the positions that you take in Governmental matters such as this and others?

THE PRESIDENT: She does propagandize me on a number of matters. She obviously has a great deal of influence. We have discussed this but I don't think I should indicate in any way whatsoever any individual that I might be considering.

As you may have noted in the list that was submitted by the Attorney General, there were two women -- the Secretary of HUD, Carla Hills, and Judge Cornelia Kennedy of the District Court in the City of Detroit. They are being considered. I am sure that Betty would be very pleased but I am not making any commitment at this time.

QUESTION: Mr. President, does she lead you to a more "liberal" position on things?

THE PRESIDENT: She, I think, has the identical political philosophy that I have.

QUESTION: Mr. President, are you willing to take the pledge that Governor Reagan has not to speak ill of other Republicans, to observe the so-called 11th Commandment?

THE PRESIDENT: You are speaking of the 11th Commandment?

QUESTION: Right.

THE PRESIDENT: I have always thought that the first 10 Commandments were pretty good guidelines for most Americans and I am going to abide by the first 10. I think they will take care of the situation.

QUESTION: Mr. President, there has been increased speculation that there may be another Ford-Brezhnev get-together in the works in either December or January, perhaps when and if Secretary Brezhnev goes to Cuba. Can we expect a Ford-Brezhnev get-together in the next two months?

THE PRESIDENT: Well, as I said earlier, at the present time on the SALT II negotiations we are making some headway but we have not come close enough to justify Secretary Kissinger going to Moscow and certainly not to justify a meeting between Secretary Brezhnev and myself.

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On the other hand, we are going to pursue as much as we can and maintain our own position of strength because I think it is in the national interest to put a cap on the strategic arms race, but I can't forecast at this time if and when any such meetings will be held.

QUESTION: Well, do you think it would be helpful to have a Ford-Brezhnev meeting to perhaps break the SALT deadlock or are we still insisting on an agreement in SALT as a prerequisite for any Ford-Brezhnev meeting?

THE PRESIDENT: I believe that Mr. Brezhnev and I should not meet until we make additional progress.

QUESTION: Mr. President, in the past the American Bar Association has had great input on the selection of Judicial appointees, and I was wondering how you feel about this, whether the ABA's Judicial Committee should have a veto on your Judicial appointments?

THE PRESIDENT: The ABA, the American Bar Association, has done a fine, fine job under very tough circumstances in analyzing the legal qualifications of some 15 or more names that have been submitted to them, and I thank the American Bar Association for their very, very great cooperation but I don't think in the final analysis they should have a veto over the person that I select.

QUESTION: Mr. President, has Secretary Kissinger talked to you recently or to any top officials in your Administration about the possibility of resigning? Has he complained to you or others in the White House that he felt he was not receiving sufficient support from the White House, particularly on the House contempt citation move and, if he has, are you in a position to say whether you -- to repeat your earlier promise, or your earlier statement, that you wanted him to stay on through the completion of this term?

THE PRESIDENT: Secretary Kissinger has not spoken to me about resigning. I continue to give him full and complete support because I think he is one of the finest Secretaries of State this country has ever had. I know of no criticism within the White House Staff of his performance of duty and I strongly -- and I want to emphasize and re-emphasize that I think he has done a superb job under most difficult circumstances. I certainly want him to stay as long as Secretary Kissinger will stay.

QUESTION: Mr. President, in view of the Congressional report on the CIA and the recent testimony about FBI activities and continuing doubt in the country, don't you think it would be in the national interest to re-open the assassination investigation of President Kennedy and now Martin Luther King as well?

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THE PRESIDENT: I, of course, served on the Warren Commission and I know a good deal about the hearings and the Committee report, obviously. There are some new developments -- not evidence but new developments -- that according to one of our best staff members who has kept up to date on it more than I, that he thinks just to lay those charges aside that a new investigation ought to be undertaken.

He, at the same time, said that no new evidence has come up. If those particular developments could be fully investigated without re-opening the whole matter that took us 10 months to conclude, I think some responsible group or organization ought to do so but not to re-open all of the other aspects because I think they were thoroughly covered by the Warren Commission.

QUESTION: Are you prepared, then, to take that step on the part of the Administration to appoint a task force from the Justice Department, say, to look into the new developments and to report on those as well, or would you rather have it done by an independent organization?

THE PRESIDENT: I think in light of my former membership on the Warren Commission, it might be better done by somebody other than I appoint.

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QUESTION: Mr. President, is it still your intention, sir, to veto any tax cut package that Congress might pass if it does not conform precisely with what you proposed a few weeks ago?

THE PRESIDENT: I intend to veto any tax cut measure that does not couple with it a comparable reduction in the growth of Federal spending.

QUESTION: Well, sir, that implies you might be flexible on the precise numbers, is that correct, so long as there is a balance?

THE PRESIDENT: I, of course, proposed a \$28 billion tax cut, coupled with a \$28 billion reduction in Federal spending. I think that is the right level in both cases.

The Congress, I hope, will accept it.

QUESTION: A follow-up question, if I could, Mr. President, to the earlier statement on the Central Intelligence Agency. As you know, there is a grey area in which the CIA might take an action which could eventually lead to danger or assassination of a political leader. Now, in your first news conference you indicated that you supported such covert activities, particularly in the case of Chile. Do you still support those activities and, if so, what kind of philosophy should the Constitutional Democracy of America taken into the situation?

THE PRESIDENT: I repeat, under this Administration, no agency of the Federal Government will plan or participate in any assassination plot of a foreign leader.

The United States, however, in many cases for its own protection, its own national security, must undertake foreign covert operations but I am not going to discuss the details of them.

QUESTION: Will you allow the country to involve itself in situations which could potentially be dangerous to other leaders?

THE PRESIDENT: The people in the intelligence agencies know what my instructions are. If they violate them, proper action will be taken.

QUESTION: Mr. President, in Angola the Soviets are reported to be heavily involved. Do you find this to be consistent with your understanding of detente?

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THE PRESIDENT: I agree with the content of the speech made by Secretary Kissinger in Detroit last night where he said that the Soviet actions in Angola were not helpful in the continuation of detente. I agree with that and I hope and trust that there will be proper note taken of it.

QUESTION: Do you intend to do anything about it other than making this statement?

THE PRESIDENT: I don't want to get into the method or procedure. I said that I agree with the statement made by the Secretary and I believe that the Soviet Union is not helping the cause of detente by what they are doing and I hope the message comes across.

Yes.

QUESTION: Mr. President, there is considerable pessimism these days as to whether peace progress can be maintained in the Golan Heights in the Middle East. The issues seem to be primarily those of land and participation by the Palestine Liberation Organization in negotiations.

On the issue of land, it has been reported that the U.S. has assured Israel that it need make only cosmetic changes in its present lines in the Golan Heights. Is that fact?

THE PRESIDENT: That is pure speculation and we do hope that the process of negotiation will continue in the Middle East and I hope and trust that we can get the parties together for a just and permanent peace.

QUESTION: On the issue of Palestine Liberation Organization participation, State Department officials suggested that the Palestinian issue was the core of the problem in the Middle East. Do you agree with that?

THE PRESIDENT: It certainly is a very important part of the problem because the Palestinians do not recognize the State of Israel and, under those circumstances, it is impossible to bring the Palestinians and the Israelis together to negotiate. So unless there is some change in their attitude, I think you can see a very serious road-block exists.

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QUESTION: Mr. President, tomorrow being Thanksgiving Day, I ask this not of Jerry Ford, individual, but as the President of the United States. What do you have, number one, to be thankful for?

THE PRESIDENT: I am primarily thankful for the fact that this country is at peace on this Thanksgiving rather than engaged in a war, as we were for four or five or six years.

QUESTION: Mr. President, thank you, sir.

As a New York reporter, I am very interested in something you said in your statement. Part of the package that you found to indicate progress on the part of New York officials involved \$205 million in taxes, which are a very onerous burden on the middle class in New York, on the working man and woman, including a 25 percent city income tax raise.

Now, are you concerned politically that these taxes, these new taxes on a very heavily taxed city, one of the most heavily taxed cities in America, that these taxes are going to become known as the Ford taxes and that you are going to have to kiss the voters of New York goodbye next year?

THE PRESIDENT: As I have said repeatedly, the only requirement that I imposed was that the financial situation in New York City be such that we could handle the problem at the Federal level in the way in which we are doing it today.

As I understand it, Governor Carey has taken the full responsibility for the total package, including the taxes that were imposed through his recommendation to the State Legislature.

I think that is a very courageous stand by Governor Carey.

Under those circumstances, since I didn't recommend any particular tax package, or any additional taxes, I don't see how those taxes can be labeled taxes of this Administration.

QUESTION: Although you do approve of those taxes as part of this package?

THE PRESIDENT: I approve of the financial plan of responsibility which the Governor and the city officials and others have put together.

THE PRESS: Thank you, Mr. President.

END (AT 8:08 P.M. EST)