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THE WHITE HOUSE
REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
WITH THE
NATIONAL NEWSPAPER ASSOCIATION
THE STATE FLOOR

3:37 P.M. EST

THE PRESIDENT: President Branen, and members of the National Newspaper Association, and guests:

It is a privilege to welcome you to the East Room, and at the conclusion of the question and answer period I ask all of you to join me in the State Dining Room for some refreshments.

Before getting to the question and answer period, I would like to make two comments.

First, early this year, in its ruling on the campaign reform laws, the Supreme Court said the Congress had 30 days to correct a small defect in the Federal Election Commission or the commission would lose most of its powers.

Three weeks ago, because the Congress had not yet acted, the court granted a 20-day extension. Now some 50 days have passed since the court announced its original decision, and this Congress is still engaged in inexcusable and dangerous delays. Time is running out.

On midnight Monday, the watch-dog set-up to protect our elections will be stripped of most of its authority. The American people have a right to ask, just as I am asking, why won't the Congress act immediately to extend the life of the commission through the November elections?

This is the proposal that I have made repeatedly, and it is a sound and sensible approach. Why are some Members of the Congress still trying to impose massive changes on the campaign laws right in the midst of a campaign? It is clear that such changes would create greater chaos, and uncertainty, that in good conscience I could not accept the bill.

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Finally, why do some Members of the Congress seem to be retreating from our commitment to fair and clean elections? No one can ignore the fact that the American people have had enough of politics, as usual. These are the questions to which the Congress must be held to account as we approach Monday's deadline.

I urge the Congress to act with dispatch in re-establishing the Federal Election Commission so that the democratic process in 1976 will be truly worthy of our great nation.

Then, one other comment. Friday has been especially good to the American people for the last month or six weeks. The Bureau of Labor Statistics made an announcement this morning that affects all of us, but I think it affects the homemakers in the home much more dramatically.

The cost of living figure for the month of February was .1 percent, which is the lowest increase in four years. If you annualize that, that is an increase in the cost of living of 1.2 percent per year. Now, that is great, and we are encouraged by the trend.

I am not forecasting that that will inevitably be the trend, but it certainly is indicative of the fact that we are on the right track and that the handle on the increase in the cost of living is getting firmer.

I might add, we are also encouraged by the announcement this morning that the new orders for manufactured goods went up 2.4 percent, which is another very sizeable increase in things that produce jobs. And with the increase in jobs, a decrease in unemployment and the better picture as far as inflation is concerned, should make all of us, regardless of where we live or what we do, very happy.

With that, I will be glad to answer any questions.

QUESTION: Mr. President, in the field of revenue sharing, what do you predict will be the outcome of that?

THE PRESIDENT: I am slightly encouraged that the House Subcommittee of the Committee on Government Operations is moving on the legislation. I recommended a five and three-quarter year extension last summer. The present law expires on December 31, 1976.

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If the Congress doesn't act promptly, many cities, many communities, will suffer very, very seriously, and many States will as well.

In the five plus years that we have had general revenue sharing, the Federal Government has given to the States and 39,000 local units of Government about \$28 billion for them to use as they decide at the local level.

The extension I recommended would take that up to some \$30 plus billion over the next five and three-quarter years. But, the practical problem is that many cities--and I think some States--if this law is not passed by July 1, they can't include in their budgets for the next 12 months revenue that is not established as a matter of law.

So, Congress has dilly-dallied for almost a year, and many mayors, many Governors and many other public officials are deeply concerned that there has been this lack of action.

Any help you can give would be very, very important because otherwise, your communities will not be getting the money that they have gotten for five plus years and they will either have to cut back on services or increase taxes at the local level.

There is no excuse for the delay. I am always an optimist, but I have been so sorely disappointed in the performance so far that I am very apprehensive, so we have got to get not only the mayors and the Governors and other public officials pressing the Congress, but all of you in your publications can be immensely helpful.

Otherwise, we will wake up some morning and 38,000 or 39,000 communities and 50 States will have potential fiscal chaos on their doorsteps.

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QUESTION: Mr. President, as newspaper people, we have a growing concern about the health of the U.S. Postal Service. Can you enlighten us? (Laughter)

THE PRESIDENT: Well, I share that concern. (Laughter) I share it for two reasons.

We have had a couple of unfortunate incidents recently where material was sent out from the President Ford Committee that had to get to a certain location by a certain time and to a certain place, and I understand there was a misdelivery on one and a long delay on another. (Laughter)

I understand the problem but I also have to look at it from the point of view of how much Federal general funding will go in to subsidize the operations of the Post Office -- the Postal Service. The deficit, under the current circumstances, has gotten over \$1 billion and I have to be careful as to what money we take out of the general fund to put into the Postal Service, and I am very, very concerned about the lack of the Postal Service to meet their operating costs.

It is a tough problem. I believe in the concept but I think we somehow have to find a better way for them to get the results all of us want, and there are some studies going on in the Executive Branch independent of the Postal Service itself and the several commissions, or committees, that help to manage it.

Believe me, if we can find an answer we are going to come up with one. We just can't afford to have these kind of deficits on a year-to-year basis.

QUESTION: Mr. President, as long as most of us in this room are in the newspaper business, and your daughter Susan served on the newspaper in Kansas, how has your opinion of the newspaper business changed?

THE PRESIDENT: I love the newspapers (Laughter) and I love the people that do the reporting, too. (Laughter) We get along very well and I am an avid reader of newspapers, to tell you the truth. I think they do a fine job and I also think that the people who cover the White House do a fine job. We don't always agree. I like some headlines better than the others, but they have a responsibility and I have one and I think we understand each one and our respective responsibilities.

QUESTION: Mr. President, other than the economic recovery, what would you say is the major problem confronting your Administration?

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THE PRESIDENT: Of course, the main one is to make certain and positive that we have an economic recovery without reigniting inflation, and I think we are on the right track and all of the signs indicate that we will make more progress in the months ahead than we have in the months behind us.

Other than that, I think trying to get the Congress to move with us on an energy program. We have to do more than has been done. We have to somehow enact legislation that I can sign that will stimulate domestic production.

I saw some figures just a day or so ago that, in the month of February, the imports of foreign crude oil were at the highest rate in the history of the United States -- something over 7 million barrels per day -- and it is going up.

Now, what does that mean? It means with domestic production going down and a greater dependence on foreign oil, we are really subject to the whims and fancies of other countries. So we have to move in this area very, very importantly.

Secondly, in the international scene, number one, we have to convince the Congress that the military budget that I submitted in January for the next fiscal year of \$112.7 billion be approved with, I hope, every program and every policy that I included without change. Now that is too optimistic, but at least we are going to fight to prevent the kind of cutbacks and slashes that Congress has imposed on the Defense Department for the last 5 to 10 years.

If we have that kind of a military program with an improvement in our strategic as well as conventional forces, we can then negotiate from strength for whatever purposes we want, whether it is a SALT II agreement, whether it is in any of the other areas here it is in our national interest.

So if we get that kind of a defense budget through, many of our other problems, both from a national security point of view and from a foreign policy point of view, will be in good shape.

QUESTION: Mr. President, we have been hearing for the last couple of days now in our meetings about the possibility of the consideration of a \$3 minimum wage with 2-1/2 times pay for overtime. Knowing your feelings and your activities regarding inflation, would you comment on that proposal?

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THE PRESIDENT: Those recommendations did not come from this Administration. (Laughter) Those recommendations were generated on Capitol Hill. We are trying to work with the Congress to find an answer. The bill that has been floating around up there I think would have a substantial impact in reigniting some of the fires of inflation, so we are doing our very, very best to find an equitable solution.

The one that I have heard about up on Capitol Hill, in the House and Senate, would not contribute to a stabilization of our economy. It would, in many respects, be harmful.

QUESTION: Mr. President, the other day I expressed to Senator Muskie, Chairman of the Senate Budget Committee, the urgent need for long-term financing for the middle level entrepreneur, such as an RFC, to stimulate production and employment. What are your reactions to such a proposal?

THE PRESIDENT: Of course, we do have a number of Federal loaning agencies that do try to help. For example, the Small Business Administration has an important role, but it has a limited scope.

We have two proposals up on Capitol Hill that focus in on two of our major problems and they relate to the question of energy. One is a proposal for the Federal Government to loan or guarantee loans in the synthetic fuel area. I think there is a \$6 billion proposal in that area.

Then we also have the Energy Independence Agency which is a proposal of Federal financing of major breakthroughs in the energy field where, at the present time, the know-how, the expertise is not sufficient for the private sector to put up the necessary capital and the Energy Independence Agency would fill that gap during the interim as they were pushing ahead in some of these exotic fuels. Those two programs have a particular focus on the energy problem.

Other than that, plus the Small Business Administration -- and there are several in the Commerce Department that are aimed at helping minority groups -- I know of no other proposed Federal financing agency that is either in being or recommended.

QUESTION: Would you concur?

THE PRESIDENT: I am hesitant about expanding the Federal Government's financing in the general across-the-board financing area. I vividly recall what the RFC did during the Depression but that met the problems of the 1930s, and the circumstances are quite different today.

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I think we have to pinpoint where the problem is -- small business, minority groups, the energy problem -- rather than across-the-board financing proposals.

QUESTION: Mr. President, the people of South Carolina are suspicious of the word "detente" and I wonder if you care to comment on whether or not the Secretary of State or whoever might be giving away more than we get?

THE PRESIDENT: I think it is categorically untrue that the United States has given away more than we have received. As a matter of fact, we have bargained like good Yankee traders and wherever agreements have been made the United States has come out well.

I strongly disagree with those who say that the United States has not held its own in any negotiations. As a matter of fact, if you look at where we have moved in foreign policy, I believe by any criteria we are ahead.

First, we have peace, and that is fairly important to most people. Number two, let's take some areas in the foreign policy field.

We, of course -- I say we, the United States has played a very major role in the Middle East. We achieved -- working with Israel on the one hand and Egypt on another -- a great breakthrough with the Sinai agreement. It was the second step in trying to hold peace in that area, a very volatile, complex, complicated area.

Another dividend that has come because of the trust that Israel and the Arab nations have in the United States is the fact that President Sadat just earlier this week cut off almost entirely his relations with the Soviet Union. He is no longer dependent on the Soviet Union for any military hardware. That is a tremendous change for the better, in our opinion, and we have, of course, hope and trust that that move of cutting off relations in effect with the Soviet Union will be responded to by the United States Government in any efforts that we can make economically and otherwise.

But you can go around the world and the United States is in good shape and we are in good shape because we are militarily strong, we have achieved peace, we are deterring any aggression that affects our national security.

So the word doesn't mean anything, but the process is important and we are going to continue the process, to continue the success we have had in the past.

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QUESTION: Mr. President, we have heard from Mr. Pike and we have heard from Mr. Bush about the CIA, and Senator Church has now announced he is going to run for your job. Do you feel you can reach a viable compromise with Congress so the CIA can remain effective in a hostile world?

THE PRESIDENT: I proposed about a month ago the necessary things that had to be done, one, to continue the CIA and the intelligence community in the United States strong and effective.

Also, I have approved the necessary limitations on the agencies' efforts as they affect individual rights in this country.

I believe that that proposal that is now in being, with George Bush as the Director, with the legislative recommendations that I have proposed to the Congress, is a good strong intelligence community program.

I hope that the Congress doesn't do things that will harm what we have now achieved.

What the Pike Committee will do--it is going out of business or has gone out of business, and the Church Committee will, I am told, shortly--if they will just approve the several pieces of legislation we have recommended, I think the intelligence community, including the CIA, could do the job that has to be done in peacetime as well as in wartime.

QUESTION: Mr. President, how are the negotiations going in the Panama Canal?

THE PRESIDENT: The negotiations are going on. They have been going on under Mr. Johnson, under Mr. Nixon and under ourselves. There are some very tough issues to be decided. We have not made progress in a meaningful way. We have a very good negotiator down there, and I can't tell you when there will be any conclusion of the negotiations because the issues are tough, but let me emphasize and re-emphasize that the United States, under this Administration, will not do anything to jeopardize the national security of the Canal or the operations of the Canal.

THE PRESS: Thank you.

END (AT 4:05 P.M. EST)