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THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

August 24, 1974

Mr. Robert T. Hartmann
Counsellor to the President
The White House
Washington, D. C.

Bob
Dear Mr. ~~Hartmann~~:

I enclose a copy of a memorandum I just sent to
Sid Jones, supplementing other information forwarded to
him for possible use by the President.

Sincerely,

John K. Tabor
John K. Tabor

Enclosure



THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

August 24, 1974

MEMORANDUM TO: Mr. Sidney L. Jones
Deputy to the Counsellor
for Economic Policy

SUBJECT: President's Press Conference -- Economic Data
-- Supplement

I recommend that the President make a point of commenting on the employment situation in the United States, no matter what economic question he is asked at the press conference. He should note:

1. The June and July figures show that there are more people at work, in jobs, than ever before in America's history.
2. The same figures show that the "percent employed of working age population" is the highest in our history, being greater even than during World War II or the Korean War.
3. Unemployment has risen just over $\frac{1}{2}\%$ in the last eight months.
4. Prospects for employment to continue strong are good because real corporate profits continue quite strong. (People aren't laid off while companies are making profits. That happens when profits decline or disappear.)
5. Two caveats: (a) Unemployment will increase because the slow growth of the economy doesn't enable it to absorb new entrants to the labor force; and (b) A coal strike of more than two weeks duration will severely increase unemployment through its pervasive impact on steel and utility operations and rippling effect throughout the economy.

J.K.T.

~~John K. Tabor~~

bcc: Mr. Robert T. Hartmann

THE WHITE HOUSE
WASHINGTON

From Mort Allin

FYI

RADIO-TV MONITORING SERVICE, INC.

3408 WISCONSIN AVENUE, N. W.

WASHINGTON, D. C. 20016

244-8682

PROGRAM:	DATE:
PRESIDENTIAL PRESS CONFERENCE	WED., AUGUST 28, 1974
STATION OR NETWORK:	TIME:
CBS TELEVISION	2:30 PM, EDT

CBS COMMENTATORS ON PRESIDENTIAL PRESS CONFERENCE

ERIC SEVAREID: Well, I suppose maybe the style and the way he comported himself was really more interesting in this half hour than actually what he said.

Unless I completely misunderstood him on the pardon for Mr. Nixon problem--I don't think I did--there's no real news that's really new news out of this half hour. He's finessed the questions on Cuba, for example, and the defense budget, and that sort of thing. And what he said about inflation and wage and price controls, which he absolutely has ruled out, that's not new. The way he's gone around the White House is not new.

He repeated his personal sentiments about the President, and echoed those of Mr. Rockefeller, who thought maybe he'd suffered enough. He seems to make it perfectly clear that his own inclination at this time is to go easy on the ex-President. He's trying to promote that point of view, obviously. He has said that he won't make that decision, as to whether to grant clemency or pardon, until legal steps are taken and the matter comes to him. He could, of course, do it at any time. He could anticipate that.

I assume he must allow Special Prosecutor Jaworski to do what he has to do. He's got to do his thing. He can't stop it.

BARRY SERAFIN: In effect, he said that today, that Jaworski should go ahead and do what he thought was fit.

SEVAREID: And that at some stage I think one guess has to be that, on the basis of what he said, that he will pardon him.

SERAFIN: All right. Now, how about the style?

He's known to have wanted to make this a less imperial sort of session than Richard Nixon might have had.

SEVAREID: They set it up a little more informally. He came in rather quickly, in a breezy way, but that was planned, too. Even an impromptu thing has to be prompted, structured, to some degree. But he always seems to me to be the same in public as he is in private. He doesn't have that difficulty that Mr. Nixon had.

And as a matter of fact, any confident President who knows his information, is not frightened, can handle the Washington press pretty well. It's been done many times.

SERAFIN: CBS News White House correspondent Bob Schieffer was in the East Room during the news conference, and is now outside the White House. Bob?

BOB SCHIEFFER: Well, you know, Barry, the first thing that strikes you is just how different all of this was. Eric talked about the style of President Ford as compared to the style of President Nixon. You really had to be in that room this afternoon to feel the difference.

First, it was completely rearranged so everybody was much closer to the President. The President was very cool and calm throughout. He did not gesture very much. He often spoke with his hands behind his back, much like a Congressman would do who would be running for reelection and perhaps he'd have some people in for a coffee, and talk to them about the issues.

There was none of that tension in the air today that we saw so much of before, when they used to refer to these things as going down to the bear pit. I must say it seemed to be a pleasant experience for the reporters, and President Ford himself also seemed to enjoy it.

Correct me if I'm wrong, but it seems to me during his confirmation hearings for Vice President, when Mr. Ford was asked how he felt about a pardon or something of that sort, should something like that occur, or that situation develop with President Nixon, he said that he did not think that the country would stand for it; yet today he seemed to say that that was very much an option on his mind.

SERAFIN: Bob, that's right. He did say, in effect, the American people would not sit still for it, although today he says he thinks the majority of the people don't want to see it carried any further.

SEVAREID: Well, that's obviously going on. There's a play for time, and Mr. Jaworski and all these people now are sitting with a wet finger in the wind, feeling all the breezes from all over the country, from every sector of opinion. They want to give this thing some time, and I would assume that his calculation, maybe his hope, is that people will begin to relent more and more about the ex-President so it'll be politically possible for him to do what he obviously wants to do.

SERAFIN: It's a tough position for Leon Jaworski right now, too, isn't it?

SEVAREID: Yes, but he can go through with the formalities he's got to go through with. There's no way he can cut it off, and then it's up to the President; and he says he'll assert that responsibility.

But what is--a little bit surprised me in this press conference--and maybe Bob Schieffer has some thoughts on the matter--is that he did not start off his first formal press conference in front of not only the press, but the whole country, with some solid piece of real, new, news. I had thought that he would. Can Bob hear me?

SCHIEFFER: Yes, Eric, that's right. In fact, he started off much as John Kennedy would start off sometimes when he had his news conferences, and I suppose he was the one who really started the televised press conferences, with sort of just a little personal story. And he talked about his wife, and he said that she had scheduled a news conference today, and she had agreed to postpone hers. But he said because of that he'll have to fix his own breakfast for a time.

One other personal note, one change in style that maybe you did not notice on television--as far as I know, this is the first President to hold a news conference wearing flared trousers. Mr. Ford was wearing a new suit, or it appeared to be new, with slightly flared trousers; and he certainly seemed to enjoy himself during this news conference.

SERAFIN: And Bob, we might add, for the first time in quite a while the President had a televised news conference wearing no makeup.

Well, for Eric Sevareid and Bob Schieffer, this is Barry Serafin, CBS News, Washington. Good day.

August 28, 1974

QUESTIONS LIKELY TO COME UP AT THE PRESS CONFERENCE

ECONOMIC

Question: Do you intend to have the Cost of Living Council operate a wage-price guideline system as well as monitor wage-price actions?

Question: Do you favor creation of a public service job program? The POST this morning says the Administration is thinking of an 800,000 job program in this field.

Question: Do you really expect you can solve the nation's problems of inflation and the high cost of living through the Economic Summit meeting ? It seems like a lot of window dressing to many people.

ECONOMIC (Continued)

Question: Is it true that you failed to get the Bi-Partisan leaders of Congress to agree on your proposed statement that neither you or the Congress would favor wage-price controls?

Question: ^{How} Are you going to make the budget cut that you need to get the 1975 Budget under \$300 Billion? Will the cuts come out of domestic programs, leaving the Pentagon untouched?

Question: Secretary Simon and others in your Administration seem to be keeping alive the possibility of a 10¢ per gallon increase in the gasoline tax, supposedly to reduce further consumption and thereby save energy. Are you planning such a tax?

NATIONAL SECURITY AND FOREIGN POLICY

Question: Reports from Cyprus are that your Administration did not stop the Turks from seizing a good part of the island, and that therefore the Administration is anti-Greek on this issue. Is this true?

Question: The cease-fire between Israel and Egypt and Syria is very fragile and both sides seem to be threatening to fight again. What are you going to do about it?

Question: Besides your plans to go to Japan late this year, do you have any other foreign travel plans this year or next?

NATIONAL SECURITY AND FOREIGN POLICY (Continued)

Question: The French President has criticized the United States, particularly your Administration for not showing sufficient concern about our European allies? Do you have a response?

Question: Were you aware that Defense Secretary Schlesinger and the Chairman of the Joint Chiefs apparently shortened the lines of Command at the Pentagon to prevent your predecessor, or his aides at the White House, from bypassing them in some military way?

GENERAL

Question: How long is General Haig staying on and other Nixon holdovers?

Question: Do you think former President Nixon should be immune from prosecution on Watergate matters and would you grant him clemency if he were indicted?

Question: Should the Nixon tapes and records be considered his property or governmental property? If they are his, why is your White House holding them? -- Or, do you plan to send them to San Clemente?

GENERAL (Continued)

Question: Will you be campaigning for Republican candidates to Congress and the Senate, and for Governors this year?

Question: How can an "Open Administration" be against the Freedom of Information Bill now before Congress?

Question: Your Administration appears to be against the Consumer Protection legislation pending in Congress. You appear to have taken the pro-business side. Why?

GENERAL (Continued)

Question: Do you plan to appoint a woman to your Cabinet? -- Or a Black? --

Or a Democrat?

Question: We all know how much you like to swim. Do you plan to build a new pool at the White House or do away with the Press Room so you can reclaim the old one?

Question: Your new Veteran's Administration Director, Mr. Roudebush, is supposed to have been a member of the Ku Klux Klan and is reported to have been anti-Black. Were you aware of this when you appointed him last week?

GENERAL (Continued)

Question: What will Governor Rockefeller's role be in the Ford Administration?

Do you agree with his views on abortion and clemency for Mr. Nixon?

Question: You have said you probably will run for the Presidency in 1976 --

will Gov. Rockefeller be your running mate?

Question: Your Transition Team has given you recommendations for reshaping

the structure of the White House. Can you tell us how you plan to do this?

GENERAL (Continued)

Question: You like playing golf at the Burning Tree Country Club. Are you aware that the Club discriminates against women and minorities? Do you plan to continue to use the Club?

Question: There are reports that you will Veto a Veteran's Benefit Bill that would give Vietnam Veterans the same kind of benefits that those of World War II and Korea received. Isn't this discriminating against men who happened to fight in an unpopular war?

*Press Conference
Wed., Aug. 25, 1974
2:30 pm*

THE WHITE HOUSE

WASHINGTON

August 27, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: PA TRICK J. BUCHANAN

Mr. President, I was told explicitly a week ago by the Press Secretary that you did not want me or anyone else to prepare a Briefing Book for press conferences in the style and fashion done for the former President -- further, that you preferred to be briefed in verbal, face-to-face sessions with Mr. terHorst and Mr. Hartmann. Ergo, I did not prepare one. This Briefing Memorandum on the "Questions" likely to occur, was done at the request of Al Haig last night. This is usually the final step in the process, not the first and only step. I have marked -- in red -- the questions that I think are the most likely, the Top Ten, as we used to term them.

If the President wishes me to start now drawing out the recommended responses from the White House staff, and NSC staff, etc. I would be more than delighted to get that done as soon as possible. Just let me know.

THE WHITE HOUSE

WASHINGTON

August 27, 1974

MEMORANDUM TO THE PRESIDENT

FROM: PATRICK J. BUCHANAN

SUBJECT: PRESS CONFERENCE MEMO

The areas of press interest can be narrowed perhaps to half a dozen categories. First among these is economics, where likely avenues of inquiry seem to be as follows:

ECONOMY

- * 1) Mr. President, in light of recent statistics showing inflation running at 15% annually, have you ruled out -- in advance of your economic summit -- all possibility of re-imposing wage and price controls. And if so, can you tell us why this option will not be considered?
- 2) Mr. President, are you concerned that the extravagant publicity surrounding your "Economic Summit" will raise public hopes for the economy -- that no conceivable set of policy recommendations can produce. In short, aren't you courting the danger of mass public disillusionment -- if this summit brings forth a mouse?
- * 3) Mr. President, is the Government actively considering, as reported a 10-cent gas tax, with concomitant income tax cuts to the poor and middle calss -- to discourage gas consumption. Is anything in the way of tax reform under active consideration in the White House?] - ?
- 4) Mr. President, does the Administration plan to decontrol the price of so-called "old oil" in order to encourage expansion of supply?
- 5) Mr. President, realistically, what can the Cost of Living Council, which you recently had revived, accomplish without the power of enforcement?

6) Mr. President, since you've been president, the stock market has been in a steady decline, totally -- I am unsure -- almost a hundred points on the Dow-Jones; last month's trade deficit was almost \$800 million; there are economic alarms going up all over the Western World. Can you tell us if you think it is possible for the United States and the West to avoid a serious recession, possibly, even a depression?

7) Mr. President, Can you specify the areas where you anticipate making the cuts in the budget -- to get the FY 1975 figure below \$300 billion?

8) Mr. President, do you agree with Vice President-designate Rockefeller that mass transit fares ought to be frozen and controlled?

9) Mr. President, do you share Secretary Butz's more sanguine view about the price of food not rising 15% in the coming year?

Orben

Would anticipate no more than three separate questions on the economy, even though it is the national issue today, and this fall. Most likely, I believe, is question Number 1, on controls. Some of the others can be easily answered or turned aside by indicating that they will certainly be subjects brought up in the framework of the economic summit, where every voice will be heard, and no point of view will go without an exponent.

A second area of intense press interest is Personnel & Politics.

PERSONNEL & POLITICS

Vice President

* Sir: Can you tell us specifically what role you have in mind in your Administration for Vice President-designate Rockefeller? Reports out of Seal Harbor indicated that he may be designed as over-all coordinator of Administration Economic Policy.

Cabinet

Sir: Any truth to reports that half the Cabinet will be replaced within six months?

Other Posts

* Sir: Is former Senator Kuchel being designated as your UN Ambassador as reports had it yesterday?

* Sir: There have been conflicting reports about the role of General Haig in the new Administration. Formally and publicly, he has been designated your chief of staff for the "duration." Privately and informally, top White House aides have said that there will be no chief of staff and Al Haig will be moving on -- after the transition. Can you clarify his role for us?

Campaign Plans

Sir: Can you tell us what, if any, are your campaign plans for Republicans this fall -- and what role you expect the new Vice President to play in the campaign of 1974?

Politics Per Se

Sir: Your press secretary indicated that the GOP Convention will nominate President Ford -- will it be, the President willing, Ford and Rockefeller in 1976? Do you have in mind a six-year or a two-year partnership with the former Governor of New York? *Orlen*

Sir: Are you at all concerned by the grumbling among the conservatives in your party about what they call your "opening to the left" since taking office. Do you think the problem is a politically serious one -- and do you intend to do anything about it?

Personal Per Se

* Sir: After three weeks on it, how do you like the new job?

Sir: Would you stand in the way, if a group of private citizens decide you needed a pool -- and to build it themselves?

THE FORMER PRESIDENT

* * Sir: Even if the evidence exists to bring in a Grand Jury indictment, do you believe the national interest would be served -- or injured -- by the criminal prosecution of the former President of the United States. And, following on that, if the Special Prosecutor brings in an indictment, will you quash that indictment, and shield the former President from prosecution and possible imprisonment -- or will you let that trial go forward?

★ ★ Sir: Do you agree with Governor Rockefeller that the former President has suffered enough -- and should be left alone -- and not criminally prosecuted in the Watergate Affair. Or do you think that equity requires that Mr. Jaworski proceed against him -- as against any of the other Watergate defendants?

Sir: Can you tell us what the White House plans to do with the tapes and public and private papers of former President Nixon? Will you return them to him, and how will the White House respond to a subpoena from the Special Prosecutor to inspect those tapes and papers?

Sir: Have you had any other direct contact with the former President, other than the phone call on the nomination of Governor Rockefeller?

LEGISLATION & ISSUES

Amnesty

Sir: On the matter of amnesty, do you agree with AG Saxbe that there should be no prison sentences for deserters or draft dodgers who come home -- only work options?

★ Military Precautions

Sir: Can you tell us if you were aware or became aware later of any "special precautions" which the Department of Defense took -- against out-of-channels access to the military -- during the last days of the Nixon Administration?

Consumer Protection Agency

Sir: Can you tell us how the White House stands on the filibuster now being conducted against the Consumer Protection Agency in the Senate and will you sign such an authorizing bill if it reaches your desk. That agency is Ralph Nader's "Number 1 issue" this legislative year.

Veterans Legislation

Sir: Have you decided yet on how you will respond to the veterans legislation now moving into the final stages of preparation in the Congress?

Freedom of Information Act

Sir: Can you list your objections to the Freedom of Information Act -- which enjoys wide support in the country and on Capitol Hill?

FOREIGN POLICY



Cyprus

Sir: Can you respond to allegations that the United States -- in the Mediterranean crisis -- "tilted" toward Turkey; and how does the United States intend to repair the gravely damaged relations with the Greek Government?

Sir: What in the judgment of this Government would be the most equitable outcome of the Cyprus crisis, and how does the U.S., diplomatically, intend to achieve it?



Vietnam

Sir: If Hanoi launches an all-out offensive against the South, and the Saigon Government, calls for American assistance -- as essential to its survival -- is there any possibility at all that the United States will come, militarily, once again, to the aid of South Vietnam?

Sir: Do you anticipate such an offensive or "high point" in the South -- and has the United States made any contingency plans whatsoever?

Defense

Sir: Are you concerned by the \$5 billion in cuts in the defense legislation voted in the Senate?

Middle East

Sir: In light of the increasingly ominous statements issuing out of Middle Eastern capitals, including Cairo, is the United States apprehensive about a possible renewal of fighting in the area?

PRESS CONFERENCE NO. 1

of the

PRESIDENT OF THE UNITED STATES

2:30 P.M. EDT
August 28, 1974
Wednesday

In the East Room
At the White House
Washington, D.C.

THE PRESIDENT: Please sit down. Good afternoon.

At the outset, I have a very important and a very serious announcement. There was a little confusion about the date of this press conference. My wife, Betty, had scheduled her first press conference for the same day. Obviously, I had scheduled my first press conference for this occasion. So, Betty's was postponed.

We worked this out between us in a calm and orderly way. She will postpone her press conference until next week, and until then, I will be making my own breakfast, my own lunch and my own dinner. (Laughter)

Helen,

QUESTION: Mr. President, aside from the Special Prosecutor's role, do you agree with the Bar Association that the law applies equally to all men, or do you agree with Governor Rockefeller that former President Nixon should have immunity from prosecution, and specifically, would you use your pardon authority, if necessary?

THE PRESIDENT: Well, let me say at the outset that I made a statement in this room in the few moments after the swearing-in, and on that occasion I said the following: That I had hoped that our former President, who brought peace to millions, would find it for himself.

Now, the expression made by Governor Rockefeller, I think, coincides with the general view and the point of view of the American people. I subscribe to that point of view. But let me add, in the last ten days or two weeks I have asked for prayers for guidance on this very important point.

In this situation, I am the final authority. There have been no charges made, there has been no action by the courts, there has been no action by any jury, and until any legal process has been undertaken, I think it is unwise and untimely for me to make any commitment.

MORE

Q Mr. President, you have been in office 19 days now, and already some of your naturally conservative allies are grumbling that you are moving too far to the left. Does this trouble you?

THE PRESIDENT: I don't think I have deviated from my basic philosophy nor have I deviated from what I think is the right action. I have selected an outstanding person to be the Vice President. I have made a decision concerning amnesty, which I think is right and proper -- no amnesty, no revenge -- and that individuals who have violated either the draft laws or have evaded Selective Service or deserted can earn their way, or work their way, back. I don't think these are views that fall in the political spectrum right or left.

I intend to make the same kind of judgments in other matters because I think they are right and I think they are for the good of the country.

Q Mr. President, may I follow that with one more example, possibly, that is there is a report the Administration is considering a \$4 billion public works program in case the inflation rate gets higher than it is, say six percent. Is that under consideration?

THE PRESIDENT: I think most of you do know that we have a public service employment program on the statute books which is funded right today, not for any major program, but to take care of those areas in our country where there are limited areas of unemployment caused by the energy crisis or any other reason.

There is a recommendation from some of my advisers saying that if the economy gets any more serious, that this ought to be a program, a broader, more expensive public service program. We will approach this problem with compassion and action if there is a need for it.

Q Sir, two political questions: Do you definitely plan to run for President in 1976, and if so, would you choose Governor Rockefeller as your running mate, or would you leave that choice up to the Convention's free choice?

THE PRESIDENT: I will repeat what has been said on my behalf, that I will probably be a candidate in 1976. I think Governor Rockefeller and myself are a good team, but of course, the final judgment in this matter will be that of the delegates to the national Convention.

MORE

QUESTION: May I just follow up on Helen's question: Are you saying, sir, that the option of a pardon for former President Nixon is still an option that you will consider, depending on what the courts will do.

THE PRESIDENT: Of course, I make the final decision. And until it gets to me, I make no commitment one way or another. But I do have the right as President of the United States to make that decision.

QUESTION: And you are not ruling it out?

THE PRESIDENT: I am not ruling it out. It is an option and a proper option for any President.

QUESTION: Do you feel the Special Prosecutor can in good conscience pursue cases against former top Nixon aides as long as there is the possibility that the former President may not also be pursued in the courts?

THE PRESIDENT: I think the Special Prosecutor, Mr. Jaworski, has an obligation to take whatever action he sees fit in conformity with his oath of office, and that should include any and all individuals.

QUESTION: What do you plan to do as President to see to it that we have no further Watergates?

THE PRESIDENT: Well, I indicated that, one, we would have an open Administration. I will be as candid and as forthright as I possibly can. I will expect any individuals in my Administration to be exactly the same. There will be no tightly controlled operation of the White House staff. I have a policy of seeking advice from a number of top members of my staff. There will be no one person, nor any limited number of individuals, who make decisions. I will make the decisions and take the blame for them or whatever benefit might be the case.

I said in one of my speeches after the swearing in, there would be no illegal wiretaps or there would be none of the other things that to a degree helped to precipitate the Watergate crisis.

QUESTION: Do you plan to set up a code of ethics for the Executive Branch?

THE PRESIDENT: The code of ethics that will be followed will be the example that I set.

MORE

QUESTION: Mr. President, do you have any plans now for immediate steps to control and curtail inflation, even before your summit conference on the economy?

THE PRESIDENT: We have announced that as far as fiscal control is concerned, we will spend less in the Federal Government in the current fiscal year than \$300 billion. That is a reduction of \$5 billion 500 million at a minimum.

This, I think, will have two effects: Number one, it will be substantively beneficial, it will make our borrowing from the money market less, freeing more money for housing, for the utilities to borrow, and in addition, I think it will convince people who might have some doubts that we mean business.

But in the meantime, we are collecting other ideas from labor, from management, from agriculture, from a wide variety of the segments of our population to see if they have any better ideas for us to win the battle against inflation.

QUESTION: Mr. President, as you know, a number of people have questioned your opposition to a return to wage and price controls. Gardiner Ackley, a University of Michigan economist that you have listened to in the past, recently testified before Congress that if we are really frightened about inflation, we ought to think about returning to wage and price controls.

Can you foresee any circumstances under which you would be willing to do that and make them work?

THE PRESIDENT: I foresee no circumstances under which I can see the reimposition of wage and price controls. The situation is precisely this: This past week I had a meeting with the Democratic and Republican leadership, plus my own advisers in the field of our national economy.

There was an agreement, number one, that I would not ask for any wage and price control legislation. There was agreement by the leadership on both sides of the aisle that there was no possibility whatsoever that this Congress in 1974 would approve any such legislation. Number three, labor and management almost unanimously agree that wage and price controls at the present time or any foreseeable circumstances were unwise.

Under all those circumstances, it means that wage and price controls are out, period.

MORE

Q Can you give us your present thinking on how best you might use Mr. Rockefeller as Vice President once he is confirmed?

THE PRESIDENT: I have a lot of ideas. Until Congress confirms Mr. Rockefeller, we are sort of in a honeymoon period. I really shouldn't make any commitments until we actually get married.

But to be serious, if I might, I think Governor Rockefeller can be extremely important in the new Administration as my ~~teammate~~ in doing effective work in the area of the Domestic Council. We have to prepare legislative proposals that will go to the Congress when the new Congress comes back in January.

I believe that Governor Rockefeller will take over my responsibilities heading the subcommittee of the Domestic Council on privacy. Governor Rockefeller, with his vast experience in foreign policy, can make a significant contribution to some of our decision-making in the area of foreign policy. Obviously, in addition, he can be helpful, I think, in the political arena under certain guidelines and some restrictions.

Q Mr. President, you just ruled out wage and price controls, but I just would like to ask you why Mr. Nixon, when he was President, felt he was compelled to go back to them because the situation was getting out of hand? Can you just reinforce what you told Mr. Brokaw, why you think the situation is that much out of hand yet?

THE PRESIDENT: I can only refer you to the circumstances and the decision of President Nixon in August of 1971. That was a decision he made under quite different circumstances. We are in totally different circumstances today. We have gone through a 3-year period, more or less. I think we have learned a few economic lessons that wage and price controls in the current circumstances didn't work, probably created more dislocations and inequities. I see no justification today, regardless of the rightness or wrongness of the decision in 1971, to reimpose wage and price controls today.

Q Mr. President, you are still working with the same team of economic advisers who advised your predecessor. As a matter of putting your own stamp on your own Administration, perhaps spurring confidence, do you plan to change the cast of characters?

THE PRESIDENT: There is one significant change. Just within the last 48 hours, Herb Stein, who did a superb job for President Nixon, is going back to the University of Virginia, and Alan Greenspan is taking over and he has been on board, I think two days.

MORE

That is a distinct change. I think Mr. Greenspan will do an excellent job. We are soliciting, through the economic summit, the views of a great many people from the total spectrum of the American society. Their ideas will be vitally important in any new, innovative approaches that we take. So, I think, between now and the 28th of September, when I think the second day of the summit ends, we will have the benefit of a great many wise, experienced individuals in labor, management, agriculture, et cetera, and this will give us, I hope, any new approaches that are wise and beneficial.

MORE

QUESTION: Some oil governments and some commercial cartels, notably Aramco in Saudi Arabia are restricting oil production in order to keep oil prices artificially high. Now the U.S. can't do anything about Venezuela, but it can conceivably vis a vis cartels like Aramco. What steps and actions do you plan to take in this regard?

THE PRESIDENT: I think this points up very vividly the need and necessity for us to accelerate every aspect of Project Independence, I think it highlights the need and necessity for us to proceed with more oil and gas drilling, a greater supply domestically. I believe it points up the requirements that we expedite the licensing processes for new nuclear reactors. I think it points up very dramatically the need that we expand our geothermal, our solar research and development in the field of energy.

In the meantime, it seems to me that the effort that was made several months ago to put together a group of consumer-industrial nations requires that this group meet frequently and act as much as possible in concert, because if we have any economic adverse repercussions because of high oil prices and poor investment policies, it could create serious economic problems throughout the industrial world. So it does require, I believe, the short-term action by consumer nations and the long-term actions under Project Independence.

QUESTION: Mr. President, to further pursue Helen's inquiry, have there been any communications between the Special Prosecutor's office and anyone on your staff regarding President Nixon?

THE PRESIDENT: Not to my knowledge.

QUESTION: Mr. President, the beneficial effects of budget cutting on inflation will take some time to dribble down to the wage earner. What advice would you give the wage earner today who is having trouble stretching his dollar over his needs.

THE PRESIDENT: I think every wage earner has to realize we are going through a serious economic problem with inflation in double digits, not as bad as people in many Western European countries, but it will require him or her to follow the example of their Federal Government which is going to tighten its belt and likewise for an interim period of time watch every penny.

QUESTION: Mr. President, you said last March in an interview, I think in Seapower magazine, that you came down quite strongly in favor of establishing a U.S.-Indian Ocean fleet with the necessary bases to support it. Do you still stand by that and do you favor the development of Diego Garcia?

MORE

THE PRESIDENT: I favor the limited expansion of our base at Diego Garcia. I don't view this as any challenge to the Soviet Union. The Soviet Union already has three major naval operating bases in the Indian Ocean. This particular proposed construction, I think, is a wise policy and it ought not to ignite any escalation of problems in the Middle East.

Yes, Sarah.

MORE

QUESTION: I want to ask about this new veterans benefits bill which Congress passed in the last hours. I understand this is a bill that you favored and maybe spurred the Congress to pass. It saves \$200 million.

My question is: Is that a real savings when it gives the disabled man less money than an able man and disrupts completely the veterans going to college in September?

THE PRESIDENT: I had no part in just how that House action was taken. I did discuss, coming back from the VFW meeting in Chicago, with a number of Members of the House and Senate, the problem that I faced with the bill that came out of conference, which would have added \$780-some million over and above the budget for this year and a substantial increase for a number of succeeding years.

But that particular compromise was put together and brought to the Floor of the House without any participation by me. I think there are some good provisions in that particular House action. It does tend to equalize the benefits for Vietnam veterans with the benefits that were given to World War II and to Korean veterans.

There are some, I think, inequities, and you probably pointed out one. I hope when the Congress reconvenes within a week or so that they will go back to conference, take a good look and hopefully eliminate any inequities and keep the price down because it is inflationary the way it was and it may be the way it was proposed by the House.

QUESTION: Mr. President, concerning the Federal budget, will domestic social programs have to bear the whole brunt of the anti-inflation fight or can some money come out of the defense budget, and if so, how much?

THE PRESIDENT: No budget for any department is sacrosanct, and that includes the defense budget. I insist, however, that sufficient money be made available to the Army, the Navy and the Air Force so that we are strong militarily for the purpose of deterring war or meeting any challenge by any adversary. But if there is any fat in the defense budget, it ought to be cut out by Congress or eliminated by the Secretary of Defense.

In the meantime, all other departments must be scrutinized carefully so that they don't have any fat and marginal programs are eliminated.

Mrs. Tufty?

MORE

QUESTION: Mr. President, you have given top priority to inflation. Do you have a list of priorities and if so, what is number two?

THE PRESIDENT: Well, of course, public enemy number one, and that is the one we have to lick, is inflation. If we take care of inflation and get our economy back on the road to a healthy future, I think most of our other domestic programs or problems will be solved.

We won't have high unemployment. We will have ample job opportunities. We will, I believe, give greater opportunities to minorities to have jobs. If we can lick inflation, and we are going to try, and I think we are going to have a good program, most of our other domestic programs will be solved.

QUESTION: Do you have any plans to revive the Office of Economic Opportunity, and if so, in what areas?

THE PRESIDENT: As I am sure you know, the old poverty program has been significantly changed over the last several years. The Headstart program has been taken out of OEO and turned over to the Department of HEW. The health aspects of the old poverty program are also over in HEW.

The Congress just approved, and Mr. Nixon approved, a Legal Services Corporation, which was another part of the old poverty program. So, we end up really with just CAP, the Community Action Program.

I think most people who have objectively looked at the Community Action Program and the model cities program and maybe some of the other similar programs, there is duplication, there is overlapping.

And under the new housing and urban development bill, local communities are given substantial sums to take a look at the model cities programs and related programs, and they may be able to take up the slack of the ending of the Community Action Programs.

MORE

QUESTION: Mr. President, my question applies to a 1972 statement in which you said that an impediment to a regional peace settlement is an impediment to preserve the fiction that Jerusalem is not the capital of Israel. My question, sir, is would you, now that you set foreign policy, request that the Embassy be shifted from Tel Aviv to Jerusalem along with 17 other national Embassies?

THE PRESIDENT: Under the current circumstance and the importance of getting a just and lasting peace in the Middle East, I think that particular proposal ought to stand aside. We must come up with some answers between Israel and the Arab nations in order to achieve a peace that is both fair and durable.

QUESTION: Mr. President, do you contemplate any changes in our policy with Cuba?

THE PRESIDENT: The policy that we have toward Cuba today is determined by the sanctions voted by the Organization of American States and we abide by those actions that were taken by the members of that organization.

Now if Cuba changes its policy toward us and toward its Latin neighbors, we, of course, would exercise the option depending on what the changes were to change our policy. But before we made any change, we would certainly act in concert with the other members of the Organization of American States.

QUESTION: Mr. President, you have emphasized here your option of granting a pardon to the former President.

THE PRESIDENT: I intend to.

QUESTION: You intend to have that option. If an indictment is brought, would you grant a pardon before any trial took place?

THE PRESIDENT: I said at the outset that until the matter reaches me, I am not going to make any comment during the process of whatever charges are made.

QUESTION: Mr. President, two questions related, how long will the transition last, in your opinion, and, secondly, how soon would it be proper and fair for Democrats on the campaign trail this fall to hold you accountable for the economic policy and the economic problems the country faces?

THE PRESIDENT: I can't judge what the Democrats are going to say about my policies. They have been very friendly so far and very cooperative. I think it is a fair statement that our problems domestically, our economic problems, are the joint responsibility of Government. As a matter of fact, I think the last poll indicated that most Americans felt that our difficulties were caused by Government action and that, of course, includes the President and the Democratic Congress. So we are all in this boat together along with labor and management and everybody else. I don't think making partisan politics out of a serious domestic problem is good politics.

MORE

QUESTION: Mr. President, in your fight against inflation, what, if anything, do you intend to do about the next Federal pay raise?

THE PRESIDENT: I have made no judgment on that yet, the recommendation has not come to my desk.

QUESTION: Mr. President, when do you expect the SALT talks to resume? Is there disagreement over our position in the Pentagon and the State Department and other agencies?

THE PRESIDENT: At the present time, there is an effort being made to bring the Department of Defense, the State Department and any others together for a resolution of our, the United States position regarding SALT 2. This decision will be made in the relatively near future. I don't think there is any basic difficulties that cannot be resolved internally within our Government. I believe that Secretary Kissinger is going to be meeting with representatives from the Soviet Union in the near future, I think in October, if my memory is correct, and we, of course, will then proceed on a timetable to try and negotiate SALT 2. I think a properly negotiated effective strategic arms limitation agreement is in the best interests of ourselves, the Soviet Union and a stable international situation.

THE PRESS: Thank you, Mr. President.

END (AT 2:59 P.M. EDT)

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PRESS CONFERENCE NO. 2

of the
PRESIDENT OF THE UNITED STATES

8:00 P.M. EDT
September 16, 1974
Monday

In the East Room
At the White House
Washington, D.C.

THE PRESIDENT: Please sit down.

Ladies and gentlemen, this press conference is being held at a time when many Americans are observing the Jewish **religious** new year. It begins a period of self-examination and reconciliation. In opening this press conference, I am mindful that the spirit of this **holy** day has a meaning for all Americans.

In examining one's deeds of the last year and in assuming responsibility for past actions and personal decisions, one can reach a point of growth and change. The purpose of looking back is to go forward with a new and enlightened dedication to our highest values.

The record of the past year does not have to be endlessly relived, but can be transformed by commitment to new insights and new actions in the year to come.

Ladies and gentlemen, I am ready for your questions.

Mr. Cormier.

QUESTION: Mr. President, some Congressional Republicans who have talked to you have hinted that you may have had a secret reason for granting President Nixon a pardon sooner than you indicated you would at the last news conference, and I wonder if you could tell us what that reason was.

THE PRESIDENT: At the outset, let me say I had no secret reason, and I don't recall telling any Republican that I had such a reason. Let me review quickly, if I might, the things that transpired following the last news conference.

MORE

As many of you know, I answered two, maybe three questions concerning a pardon at that time. On return to the office, I felt that I had to have my counsel undertake a thorough examination as to what my right of pardon was under the Constitution. I also felt that it was very important that I find out what legal actions, if any, were contemplated by the Special Prosecutor.

That information was found out, and it was indicated to me that the possibility exists, the very real possibility that the President would be charged with obstructing justice and ten other possible criminal actions.

In addition, I asked my general counsel to find out, if he could, how long such criminal proceedings would take, from the indictment, the carrying on of the trial, et cetera, and I was informed that this would take a year, maybe somewhat longer, for the whole process to go through.

I also asked my counsel to find out whether or not under decisions of the judicial system a fair trial would be given to the former President.

After I got that information, which took two or three days, I then began to evaluate, in my own mind, whether or not I should take the action, which I subsequently did.

Miss Thomas.

MORE

QUESTION: Throughout your Vice Presidency, you said that you didn't believe that former President Nixon had ever committed an impeachable offense. Is that still your belief or do you believe that his acceptance of a pardon implies his guilt, or is an admission of guilt?

THE PRESIDENT: The fact that 38 members of the House Committee on the Judiciary, Democrat and Republican, have unanimously agreed in the report that was filed that the former President was guilty of an impeachable offense, I think is very persuasive evidence.

And the second question, I don't recall --

QUESTION: An admission of guilt?

THE PRESIDENT: Was the acceptance of the pardon by the President an admission of guilt? The acceptance of a pardon, I think, can be construed by many, if not all, as an admission of guilt.

Yes, Mr. Nessen.

QUESTION: What reports have you received on Mr. Nixon's health, and what effect, if any, did this have on your decision to pardon him now?

THE PRESIDENT: I have asked Dr. Lukash, who is the head physician in the White House, to keep me posted in proper channels as to the former President's health. I have been informed on a routine day-to-day basis, but I don't think I am at liberty to give any information as to those reports that I have received.

You also asked what impact did the President's health have on my decision. I think it is well known that just before I gave my statement at the time that I gave the pardon I personally wrote in a phrase "the threat to the President's health."

The main concern that I had at the time I made the decision was to heal the wounds throughout the United States. For a period of 18 months or longer, we had had turmoil and divisiveness in the American society. At the same time, the United States had major problems both at home and abroad that needed the maximum personal attention of the President and many others in the Government.

It seemed to me that as long as this divisiveness continued, this turmoil existed, caused by the charges and counter charges, the responsible people in the Government could not give their total attention to the problems that we had to solve at home and abroad.

MORE

And the net result was that I was more anxious to heal the Nation. That was the top priority. I felt then, and I feel now, that the action I took will do that. I couldn't be oblivious, however, to news accounts that I had concerning the President's health, but the major reason for the action I took related to the effort to reconcile divisions in our country and to heal the wounds that had festered far too long.

QUESTION: Mr. President, after you had told us that you were going to allow the legal process to go on before you decided whether to pardon him, why did you decide on Sunday morning, abruptly, to pardon President Nixon?

THE PRESIDENT: I didn't decide abruptly. I explained a moment ago the process that I went through subsequent to the last press conference. When I had assembled all of that information that came to me through my counsel, I then most carefully analyzed the situation in the country and I decided that we could not afford in America an extended period of continued turmoil and the fact that the trial, and all of the parts thereof, would have lasted a year -- perhaps more -- with the continuation of the divisions in America, I felt that I should take the action that I did, promptly and effectively.

QUESTION: Mr. President, I would like to ask you a question about the decision relating to custody of the Nixon tapes and documents. Considering the enormous interest that the Special Prosecutor's office had in those documents for further investigation, I am wondering why the negotiations with Mr. Nixon's representatives were conducted strictly between the counsel in your office without bringing in discussions with either Mr. Jaworski's representatives or those from the Justice Department.

THE PRESIDENT: In the first place, I did receive a memorandum, or legal opinion, from the Department of Justice which indicated that in the opinion of the Department of Justice, the documents, tapes, the ownership of them were in the hands of the former President. Historically, that has been the case for all Presidents.

Now, the negotiations for the handling of the tapes and documents were undertaken and consummated by my staff and the staff of the former President. I believe that they have been properly preserved and they will be available under subpoena for any criminal proceeding. Now, the Special Prosecutor's staff has indicated some concern. I am saying tonight that my staff is working with the Special Prosecutor's staff to try and alleviate any concerns that they have. I hope a satisfactory arrangement can be worked out.

MORE

QUESTION: Mr. President, during your confirmation hearings as Vice President, you said that you did not think that the country would stand for a President to pardon his predecessor. Has your mind been changed about such public opinion?

THE PRESIDENT: In those hearings before the Senate Committee on Rules and Administration, I was asked a hypothetical question, and in answer to that hypothetical question I responded by saying that I did not think the American people would stand for such an action.

Now that I am in the White House and don't have to answer hypothetical questions but have to deal with reality, it was my judgment, after analyzing all of the facts, that it was in the best interest of the United States for me to take the action that I did.

I think if you will reread what I said in answer to that hypothetical question, I did not say I wouldn't. I simply said that under the way the question was phrased, the American people would object.

But I am absolutely convinced when dealing with reality in this very, very difficult situation, that I made the right decision in an effort, an honest, conscientious effort, to end the divisions and the turmoil in the United States.

Mr. Lisagor.

QUESTION: Mr. President, is there any safeguard in the tapes agreement that was made with Mr. Nixon, first, with their destruction in the event anything happens to him, because under the agreement they will be destroyed, and secondly, should not the tapes be kept in the White House until the Special Prosecutor has finished dealing with them?

THE PRESIDENT: The tapes and the documents are still in our possession and we are, as I said a moment ago, working with the Special Prosecutor's office, to alleviate any concerns they have as to their disposition and their availability.

The agreement as to destruction is quite clear-cut. As long as Mr. Nixon is alive and during the period of time that is set forth, they are available for subpoena by a court involving any criminal proceedings. I think this is a necessary requirement for the protection of evidence for any such action.

MORE

QUESTION: Mr. President, recent Congressional testimony has indicated that the CIA, under the direction of a committee headed by Dr. Kissinger, attempted to destabilize the Government of Chile under former President Allende.

Is it the policy of your Administration to attempt to destabilize the governments of other democracies?

THE PRESIDENT: Let me answer in general. I think this is a very important question.

Our Government, like other governments, does take certain actions in the intelligence field to help implement foreign policy and protect national security. I am informed reliably that Communist nations spend vastly more money than we do for the same kind of purposes.

Now, in this particular case, as I understand it, and there is no doubt in my mind, our Government had no involvement whatsoever in the Allende coup. To my knowledge, nobody has charged that. The facts are we had no involvement in any way whatsoever in the coup itself.

In a period of time, three or four years ago, there was an effort being made by the Allende government to destroy opposition news media, both the writing press as well as the electronic press, and to destroy opposition political parties.

The effort that was made in this case was to help and assist the preservation of opposition newspapers and electronic media and to preserve opposition political parties.

I think this is in the best interest of the people in Chile, and certainly in our best interest.

Now, may I add one further comment.

The 40 committee was established in 1948. It has been in existence under Presidents since that time. That committee reviews every covert operation undertaken by our Government, and that information is relayed to the responsible Congressional committees where it is reviewed by House and Senate committees.

It seems to me that the 40 committee should continue in existence, and I am going to meet with the responsible Congressional committees to see whether or not they want any changes in the review process so that the Congress, as well as the President, are fully informed and are fully included in the operations for any such action.

MORE

QUESTION: In view of public reaction, do you think the Nixon pardon really served to bind up the Nation's wounds? I wonder if you would assess public reaction to that move.

THE PRESIDENT: I must say that the decision has created more antagonism than I anticipated. But as I look over the long haul with a trial or several trials of a former President, criminal trials, the possibility of a former President being in the dock so to speak, and the divisions that would have existed not just for a limited period of time, but for a long period of time, it seems to me that when I had the choice between that possibility and the possibility of taking direct action hoping to conclude it, I am still convinced, despite the public reaction so far, that the decision I made was the right one.

QUESTION: Mr. President, in regard to the pardon, you talk about the realities of the situation. Now those realities rightly or wrongly included a good many people who speculate about whether or not there is some sort of arrangement -- even some of them call a deal -- between you and the former President or between your staff and his staff, resignation in exchange for a full pardon.

The question is: Is there or was there, to your knowledge, any kind of understanding about this?

THE PRESIDENT: There was no understanding, no deal between me and the former President, nor between my staff and the staff of the former President, none whatsoever.

QUESTION: Mr. President, there is a bill that the Treasury Department has put forward, I think it is about 38 pages. Under this bill, which deals with getting hold of the returns, Internal Revenue returns of the citizens of the country, you could take action to get those returns whenever you wanted to.

I wonder if you are aware of this, and if you feel that you need to get those returns of citizens.

MORE

THE PRESIDENT: It is my understanding that a President has, by tradition and practice, and by law, the right to have access to income tax returns. I personally think that is something that should be kept very closely held. A person's income tax return is a very precious thing to that individual and, therefore, I am about to issue an Executive Order that makes it even more restrictive as to how those returns can be handled and I do think that a proposed piece of legislation that is coming to me and subsequently will be submitted, as I recollect, to the Congress would also greatly tighten up the availability or accessibility of income tax returns. I think they should be closely held and I can assure you that they will be most judiciously handled as far as I am concerned.

Yes.

QUESTION: Mr. President, looking beyond the Nixon papers and in view of some criticism in Congress, do you believe we may have now reached the point where Presidential White House papers should remain in the Government's hands as the property of the Government?

THE PRESIDENT: As far as I am personally concerned, I can see a legitimate reason for Presidential papers remaining the property of the Government. In my own case, I made a decision some years ago to turn over all of my Congressional papers, all of my Vice Presidential papers to the University of Michigan archives.

As far as I am concerned, whether they go to the archives for use or whether they stay the possession of the Government, I don't think it makes too much difference.

I have no desire, personally, to retain whatever papers come out of my Administration.

Mr. Mollenhoff.

QUESTION: Mr. President, at the last press conference you said, "The code of ethics that will be followed will be the example that I set." Do you find any **conflicts** of interest in the decision to grant a sweeping pardon to your life-long friend and your financial benefactor with no consultation for advice and judgment for the legal fallout?

THE PRESIDENT: The decision to grant a pardon to Mr. Nixon was made primarily, as I have expressed, for the purpose of trying to heal the wounds throughout the country between Americans on one side of the issue or the other. Mr. Nixon nominated me for the office of Vice President. I was confirmed overwhelmingly in the House as well as in the Senate. Every action I have taken, Mr. Mollenhoff, is predicated on my conscience without any concern or consideration as to favor as far as I am concerned.

MORE

Yes.

QUESTION: If your intention was to heal the wounds of the Nation, sir, why did you grant only a conditional amnesty to the Vietnam war veterans while granting a full pardon to President Nixon?

THE PRESIDENT: The only connection between those two cases is the effort that I made in the one to heal the wounds involving the charges against Mr. Nixon and my honest and conscientious effort to heal the wounds for those who had deserted military service or dodged the draft. That is the only connection between the two.

In one case, you have a President who was forced to resign because of circumstances involving his Administration and he has been shamed and disgraced by that resignation. In the case of the draft dodgers and Army and military deserters, we are trying to heal the wounds by the action that I took with the signing of the proclamation this morning.

QUESTION: Mr. President, another concern that has been voiced around the country since the pardon is that the judicial process as it finally unwinds may not write the definitive chapter on Watergate and perhaps with particular regard to Mr. Nixon's particular involvement, however total, however it may have been in truth. My question is, would you consider appointing a special commission with extraordinary powers to look into all of the evidentiary material and to write that chapter and not leave it to later history?

THE PRESIDENT: Well, it seems to me as I look at what has been done, I think you find a mass of evidence that has been accumulated. In the first instance, you have the very intensive investigation conducted by the House Committee on the Judiciary. It was a very well-conducted investigation. It came up with volumes of information.

In addition, the Special Prosecutor's office under Mr. Jaworski has conducted an intensive investigation and the Special Prosecutor's office will issue a report at the conclusion of their responsibilities that I think will probably make additional information available to the American people.

And thirdly, as the various criminal trials proceed in the months ahead, there obviously will be additional information made available to the American people. So, when you see what has been done and what undoubtedly will be done, I think the full story will be made available to the American people.

MORE

QUESTION: Mr. President, could you give us an idea who would succeed General Haig, and how are you coming on your search for a Press Secretary?

THE PRESIDENT: Do I have a lot of candidates here? (Laughter) No shows. (Laughter)

I have several people in mind to replace General Haig, but I have made no decision on that. It was just announced today that the NATO countries have accepted him as the officer handling those responsibilities.

I think he is to take office succeeding General Goodpaster on December 15. He assumes his responsibilities as the head of U.S. military forces November 1. In the next few days undoubtedly I will make the decision as to the individual to succeed him.

So far as the Press Secretary is concerned, we are actively working on that and we hope to have an announcement in a relatively short period of time.

QUESTION: Mr. President, prior to your deciding to pardon Mr. Nixon, did you have, apart from those reports, any information either from associations of the President or from his family or from any other source about his health, about his medical condition?

THE PRESIDENT: Prior to the decision that I made granting a pardon to Mr. Nixon, I had no other specific information concerning his health other than what I had read in the news media or heard in the news media. I had not gotten any information from any of the Nixon family. The sole source was what I had read in the news media plus one other fact.

On Saturday before the Sunday a member of my staff was working with me on the several decisions I had to make. He was, from my staff, the one who had been in negotiations on Friday with the President and his staff.

At the conclusion of decisions that were made, I asked him, how did the President look, and he reported to me his observations.

But other than what I had read or heard and this particular incident, I had no precise information concerning the President's health.

MORE

QUESTION: Mr. President, your own economic advisers are suggesting that to save the economy which is very bad and very pessimistic, we are hearing the word "depression" used now. I wonder how you feel about whether we are heading for a depression?

THE PRESIDENT: Let me say very strongly that the United States is not going to have a depression. The overall economy of the United States is strong. Employment is still high. We do have the problem of inflation. We do have related problems, and we are going to come up with some answers that I hope will solve those problems.

We are not going to have a depression. We are going to work to make sure that our economy improves in the months ahead.

QUESTION: Mr. President, in the face of massive food shortages and the prospects of significant starvation, will the United States be able to significantly increase its food aid to foreign countries, and what is our position going to be at the Rome conference on participation in the world grain reserves?

THE PRESIDENT: Within the next few days a very major decision in this area will be made. I am not at liberty to tell you what the answer will be because it has not been decided.

But it is my hope that the United States for humanitarian purposes will be able to increase its contribution to those nations that have suffered because of drought or any of the other problems related to human needs.

MORE

QUESTION: Back to the CIA, under what international law do we have a right to attempt to destabilize the constitutionally-elected government of another country, and does the Soviet Union have a similar right to try to destabilize the Government of Canada, for example, or the United States?

THE PRESIDENT: I am not going to pass judgment on whether it is permitted or authorized under international law. It is a recognized fact that historically, as well as presently, such actions are taken in the best interest of the countries involved.

QUESTION: Mr. President, last month when you assumed the Presidency, you pledged openness and candor. Last week you decided on the ex-President's pardon in virtually total secrecy. Despite all you have said tonight, there would still seem to be some confusion, some contradiction.

My question is this: Are the watchwords of your Administration still openness and candor?

THE PRESIDENT: Without any question, without any reservation. And I think in the one instance that you cite, it was a sole decision, and believe me, it wasn't easy, and since I was the only one who could make that decision, I thought I had to search my own soul after consulting with a limited number of people, and I did it, and I think in the longrun it was the right decision.

THE PRESS: Thank you, Mr. President.

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

[ca. 10/9/77]

POSSIBLE PRESS CONFERENCE QUESTIONS

From Paul Miltich

- Q. House Republican leader John Rhodes has said the surtax proposal could hurt GOP election chances in November. How do you think your economic package will affect the November elections?
- A. I really have not speculated about that, even in my own mind. As I said in my address to the Congress yesterday, I am not going to play politics with inflation.
- Q. Mr. President, what is your answer to Governor Reagan's telegram which opposed the surcharge and called instead for a 5 per cent across-the-board budget cut?
- A. I don't think budget-cutting alone is the answer to the inflation problem. Besides, we are cutting the budget as much as we feel it is possible to cut it...this, ^{an} combination with the surtax and the tax relief for low income people.
- Q. Mr. President, all of your energy conservation proposals are voluntary. Why didn't you lay down some mandatory provisions?
- A. I have full confidence that the American people will respond to my appeal for cooperation on conserving energy. I simply do not feel it is necessary to resort to a ban on weekend sale of gasoline or gasoline rationing.
- Q. Mr. President, both George Meany and Leonard Woodcock have spoken out in opposition to the surtax. How do you expect to win congressional approval of the surtax without the support of organized labor?
- A. I was disappointed that Mr. Meany and Mr. Woodcock were so critical of my surtax proposal. But I still think chances are good that the Congress will approve it.
- Q. Mr. President, a followup to that question. Not only have Mr. Meany and Mr. Woodcock expressed opposition to the surtax. Republicans in the Congress also have done so. Are you expecting the Democrats in the Congress to adopt the surtax over Republican opposition? The Democrats appear to be virtually unanimously opposed.
- A. Some Republicans are opposed to the surtax, of course, just as some Democrats are. I just feel that when all the votes are counted on a tax package which includes the surtax, there will be enough votes to put it across.

Q. Mr. President, your inflation-fighting proposals were described in advance as biting the bullet, and yet the only bullet-biting in them is the 5 per cent surtax. Are you pulling your best punches until after the election?

A. I have placed before the American people a program I believe will beat inflation if fully carried out as a package. While the energy-saving portion of the program is voluntary, I think cooperation is the American way -- and that is the best kind of bullet-biting I know of. I am counting on our citizens to come through -- and I feel sure they will.

Q. Mr. President, it has been revealed that Nelson Rockefeller made an \$86,000 gift to Judson Morhouse, who was convicted of bribery and subsequently pardoned by Rockefeller as governor. Does that give you second thoughts about your nomination of Rockefeller to be Vice President?

A. Mr. Rockefeller is a wealthy man and has made gifts to a number of people. As far as I know, there was no impropriety in connection with any of the gifts.

Q. Mr. President, two grain companies gave Agriculture Secretary Butz several days' notice that the Soviet Union was planning to buy large quantities of American wheat and corn and yet the Agriculture Department raised no objections. Are you satisfied with Butz's handling of this matter?

A. Secretary Butz came to me with information about the pending transaction, and I stopped the deal. As you know, all proposed future transactions of some magnitude will also be reviewed by the White House. We have to know the size of our grain harvests before we can make definitive decisions in this area.

Q. Mr. President, it has been reported that you and Soviet leader Brezhnev will be getting together for a get-acquainted meeting near the end of next month. Can you tell us where and when you will be meeting with Mr. Brezhnev?

A.

Q. Mr. President, a comprehensive campaign reform bill including public financing for presidential elections is headed toward your desk. Will you sign the bill?

A.

O.C.

PRESS CONFERENCE NO. 3

of the
PRESIDENT OF THE UNITED STATES

2:31 P.M. EDT
October 9, 1974
Wednesday

In the Rose Garden
At the White House
Washington, D.C.

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

Good afternoon, ladies and gentlemen. I never promised you a rose garden, but I guess Ron Nessen did. So, I hope you enjoy this new setting and the new format, and I hope I enjoy it, too.

I do have one business announcement. I am pleased to announce this afternoon that President Echeverria of Mexico and I have agreed to hold a meeting on the U.S.-Mexican border on Monday, October 21.

I am very much looking forward to this opportunity to meet with President Echeverria in the Nogales area, and we plan to visit both sides of the border. The United States and Mexico have a long tradition of friendly and cooperative relations. It is my hope that our meeting will contribute to maintaining that relationship and to strengthen the good will between our countries over the years to come.

At this meeting, we will discuss, obviously, a wide range of subjects of interest to both countries.

One of the first responses to our WIN program yesterday was John Osborne's signing up, and I have his application right here. Thank you, John.

Well, the first question. Dick Lerner.

QUESTION: Mr. President, a few things were left unsaid in your economic address yesterday. I was wondering if you could say now if the United States is in a recession, and how soon Americans can expect to see a meaningful reduction of inflation and unemployment?

MORE

THE PRESIDENT: I do not think the United States is in a recession. We do have economic problems, but it is a very mixed situation, and that was the reason that we had some 31 specific recommendations in my speech yesterday.

We have to be very, very careful to make sure that we don't tighten the screws too tightly and precipitate us into some economic difficulty and at the same time we had to have provisions and programs that would meet the challenge of inflation.

I am convinced if the Congress responds, if the American people respond in a voluntary way, that we can have, hopefully early in 1975, some meaningful reduction in the rate of inflation.

Mr. Cormier.

QUESTION: Mr. President, no one that I know of has suggested that inflation can be licked within a year, and yet the surtax you seek is only for one year. Is there a pretty good chance you will next year have to go back and ask for it all over again, assuming you get it this time?

MORE

THE PRESIDENT: I do not think that the surtax requested to be applicable in calendar year 1975 will have to be extended beyond December 31, 1975. We are in a temporary situation and the surtax on both personal and corporate income will provide us sufficient income to meet the additional expenses for our community improvement program, and at the same time will help to dampen inflation by reducing the amounts of money of 28 percent of the taxpayers of this country.

And you might be interested -- I checked on it this morning -- there has been some criticism of the surtax, both political and otherwise, for a family of four, with a \$20,000 gross income -- that is wages -- the one-year extra tax will amount to \$42, which is 12 cents a day.

For a person on a \$15,000 a year income, family of four, there is no extra tax.

And if you take it to \$16,000 a day -- a year, I mean -- the added cost of the 5 percent surtax is \$3, which is less than one cent a day.

Yes.

QUESTION: Mr. President, following up on Dick Lerner's question, if your economic program does not have the impact you hope it will by early 1975, what other measures might be necessary? What proposals do you have in mind to follow on this program if it indeed is unsuccessful?

MORE

THE PRESIDENT: I am confident, in the first instance, that if all 31 of the recommendations are implemented, including those that I have asked the Congress to give me, that the program will work. We are going to concentrate on making it work. I, therefore, don't think we should speculate about something that I don't think will take place.

QUESTION: Mr. President, some people think -- a great many people, in fact -- think that your proposals were not tough enough, or at least tough on the wrong people. In view of your somewhat apocalyptic vision of what will happen to this country if we don't lick inflation, why didn't you propose mandatory gasoline taxes or gasoline rationing in order to conserve fuel, for example?

THE PRESIDENT: We believe that the surtax charges that we have recommended are a more equitable approach to the achievement of greater income so we could give some relief to the less well-off, the people who are suffering greater hardship.

We took a look at the gasoline tax recommendations and we found that this might be harmful to people and it would be more harmful to the people less able to pay and in balancing out all of the tax proposals, we came to the conclusion that what we have recommended, which affects only 28 percent of the personal income taxpayers in this country, was the appropriate way to raise the revenue and dampen inflation.

MORE

QUESTION: If the purpose is to conserve fuel, because oil being such a large factor in inflation, why not gasoline rationing now?

THE PRESIDENT: We believe that the American people will respond to our voluntary program. In my recommendations yesterday to the Congress, I said we would cut the foreign importation of fuel by one million barrels per day, which is one million out of the six million that is currently imported per day.

Now, the American people last year in a much greater crisis where we had the embargo, responded very, very well and did as well, if not better, than we are asking them to do now.

So I don't think we have to put a tax on gasoline users to achieve our objective. And if we can do it by voluntary action, I think it is far preferable and more in the tradition of the American system.

Yes, sir.

QUESTION: Mr. President, in June of last year, President Nixon recommended a program. He called for \$10 billion for five years in the hope of making the United States self sufficient in energy.

Now in 16 months, can you update that for us?

THE PRESIDENT: I must confess that we haven't done as well in Project Independence as I think most of us had hoped. This concerns me, and one of the reasons that I indicated yesterday that I was appointing Secretary of Interior Morton to head up the Energy Council was to get this moving. We are going to concentrate in this area.

Now all of the blame can't be placed on the Executive Branch. There have been a number of legislative proposals before the Congress that would increase domestic supplies. Unfortunately in too many cases the Congress has not responded, so the Congress has to share some of the blame with the Executive Branch.

But I can assure you that with Rog Morton heading this new organization, we are going to do a better job, and I think we will get the cooperation of the American people.

Yes, sir.

MORE

QUESTION: I am sure you have other questions on economics, but let me ask one on international affairs. There are reports that you are planning some sort of summit conference with Chairman Brezhnev of the Soviet Union.

Can you give us some details on that?

THE PRESIDENT: When I took the oath of office, I indicated I would continue our country's efforts to broaden and expand the policies of detente with the Soviet Union.

Since I have been in office, I have had a number of discussions with responsible leaders in the Soviet Union. About ten days ago, I met with their Foreign Minister, Mr. Gromyko.

Dr. Kissinger is going to the Soviet Union the latter part of this month to continue these discussions.

Now, as you well know, Mr. Brezhnev has been invited to come to the United States in 1975. If there is a reason for us to meet before that meeting in the United States, I will certainly consider it.

MORE

QUESTION: To follow up a little, do you expect the United States to have any kind of a proposal on arms to present to the Soviet Union before the end of the year?

THE PRESIDENT: We are resolving our position in this very important and very critical area. When Dr. Kissinger goes to the Soviet Union the latter part of this month, we will have some guidelines, some specific guidelines for him to discuss in a preliminary way with the Soviet Union.

QUESTION: If inflation is as serious a problem as you have said, can you point to any of your proposals that would persuade businesses to lower prices now or that would encourage labor unions to moderate their wage demands in forthcoming contracts?

THE PRESIDENT: As I said in my remarks before the Congress yesterday, there is no quick fix or no immediate panacea in the fight against inflation. It has taken us roughly ten years to get this unfortunate momentum for price increases at its present rate.

We do have in the 31 proposal package that I submitted some recommendations which will increase supply of very important ingredients, and we have in those recommendations some proposals to remove some of the restrictive practices of the Government, of private industry, of labor and if those restrictive practices are eliminated, I think we can look forward to a reduction in prices both in the private sector and as far as the Government is concerned.

QUESTION: Mr. President, at your last news conference you assured us that there had been no deal made on the Nixon pardon either with the former President or with any of his staff members. Since there have been published reports that the pardon was indeed discussed with former Chief of Staff Haig.

I wonder if you could tell us the nature of that conversation if those reports are indeed accurate.

THE PRESIDENT: Since this last press conference, I have agreed to appear before the Hungate subcommittee of the House Committee on the Judiciary. I will appear before that subcommittee and until I do appear, I think it is most appropriate that I defer any comment on that subject.

QUESTION: Mr. President, two of your main anti-inflation proposals, the tax surcharge and cutting Government spending, are intended to curb inflation by reducing demand. But many economists do not believe that there is a demand inflation. They believe it is a wage-price spiral and a shortage inflation.

In view of that, how can the tax surcharge and the cut in Government spending reduce inflation if they are directed at the kind of inflation that we don't have?

THE PRESIDENT: Let me answer that question in two parts, if I might.

If the Federal Government reduces its expenditures, and we are going to do it by roughly \$5 billion, it makes money more easily available in the money markets of the United States so that home purchasers will have more money at a better rate of interest to borrow so they can build homes. This will stimulate the home-building industry, and I think provide jobs.

Now, the 5 percent surtax is only on 28 percent of the total personal income taxpayers in this United States, the people who are better able to pay these minimal amounts extra. I don't think taking away from a family who is earning \$20,000 the sum of \$42 a year is going to have any serious adverse impact on the purchasing power of that family.

QUESTION: I am not sure that we are talking about the same thing, Mr. President. I am talking about the fact that these are proposals directed at reducing demand and many economists don't think we have that kind of inflation. You are talking about stimulating home building, and I am forced to repeat my question: Why are we attacking the wrong kind of inflation.

THE PRESIDENT: I respectfully disagree with you. I think if we stimulate home building because we are reducing Federal expenditures and providing more money in the market place, I think we are stimulating production and I think the people who are being taxed, or I hope will be taxed, aren't going to lose sufficiently of their earned income that they are going to cut down significantly in what they buy in the market place.

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QUESTION: This morning, Secretary Simon indicated that the Administration was still supporting oil depletion allowances. You, yesterday, endorsed the Ways and Means package which calls for the phase-out of oil depletion allowances. How do you reconcile your speech and Secretary Simon's testimony this morning?

THE PRESIDENT: Well, that bill before the Committee on Ways and Means has a number of very good features and it has some that I don't necessarily embrace in toto and I am sure that Secretary Simon doesn't. But I do believe that on balance, it is important for me to endorse that bill.

And when you endorse a bill of that magnitude, I think you have to take it as a package because it does close some of the loopholes. It provides a sufficient amount of income so we can grant additional relief to people in the lowest bracket of income taxpayers.

It is my recollection that that bill does phase out not only foreign oil depletion allowance, but it provides for a gradual phase-out of the domestic oil depletion allowance.

I am not going to quibble with the committee in every detail. I think we have to buy a package that has far more good in it than those things I might object to.

QUESTION: Mr. President, is it your own view that the oil depletion allowance should be phased out?

THE PRESIDENT: The answer is yes.

Yes?

QUESTION: Mr. President, on another question other than the economy, on a subject you haven't talked about before I don't believe, what is the Federal role in public education as you see it? And I have a follow-up.

THE PRESIDENT: The role of the Federal Government --

QUESTION: How little?

THE PRESIDENT: -- in the field of education is about what we are currently doing with the Federal aid to education legislation for primary and elementary schools. And I just signed the new Education Act. It was a step in the direction of consolidating some 35 categorical grant programs into six or seven. I think this is approximately the role of the Federal Government in primary and secondary education.

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In higher education, if my recollection is correct, I voted for the existing Higher Education Act. Therefore, I feel that it fundamentally is what the Federal Government should do in this area.

QUESTION: Specifically, what are your views on Federal aid to private and parochial schools?

THE RPESIDENT: Well, I have personally expressed, over a long period of time, that I think a tax credit proposal is a good proposal. The Supreme Court, unfortunately a year or so ago, in effect declared such a program -- I think it was in the Pennsylvania case -- as unconstitutional. I think that is regrettable because competition in education, between private and public, is good for the student. There is no reason why there should be a monopoly in education just on the public side. And private education has contributed over a long period of time at the primary, secondary and graduate levels significantly to a better educated America. And I would hope that we could find some Constitutional way in which to help private schools.

MORE

QUESTION: In the matter of income tax privacy, Mr. President, can you explain the difference between your Executive Order on White House practices, which is very tough on safeguarding the taxpayers, and the legislation which you sent to the Hill, which Congressional experts say is weaker than what went on under the Nixon Administration when there were reported attempts by the White House to subvert the Internal Revenue Service?

THE PRESIDENT: Well, if that legislation is weaker than the Executive Order that I issued, we will resubmit other legislation.

Mr. DeFrank.

QUESTION: Mr. President, you recently asked Congress to appropriate \$850,000 to cover transition expenses of former President Nixon. The House has already cut that figure down to \$200,000. The Senate seems likely to do the same.

Some of your aides have said in the last few days that they believe that the cutback from \$850,000 to \$200,000 is both stingy and punitive, and I use their words.

I am wondering if you agree with them that the cutback is stingy and punitive and whether or not you intend to ask the Congress to restore some of those funds?

THE PRESIDENT: A recommendation was made to the Congress for the figure of \$850,000 for the transition period. About ten years ago Congress passed a law which provided for transition expenses for an outgoing President. The amount that was submitted on this occasion was roughly comparable to the amounts that have been made available to other Presidents who were leaving office.

Now, the facts and the figures I think can be shown that what was recommended for Mr. Nixon was comparable to others. The Congress, of course, has the right to take whatever action it wants, but under the circumstances, I am not going to use such language myself. I will let the Congress make its decision, right or wrong.

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QUESTION: Mr. President, you feel then, or are you going to ask, the Congress to restore some of that funding or do you believe they should restore it?

THE PRESIDENT: I haven't the bill before me yet. It is still up on the Hill, and until it comes down here, I don't think I should make any judgment.

QUESTION: Mr. President, have you inquired into the matter of gifts by Governor Rockefeller, and if so, there is a question of possible impropriety occur in any instance, in your judgment?

THE PRESIDENT: The gifts by Governor Rockefeller to the three individuals that I am familiar with -- I have looked into the one that involved Dr. Kissinger -- but I think to put this in proper perspective you have to recognize that Governor Rockefeller is a very, very wealthy man, and that he has been extremely generous with many, many charities over a good many years, and he obviously has sought to compensate former employees or friends for whatever services they performed.

In the case of Dr. Kissinger, I have been assured that every tax that could be applied has been paid, and that all legal problems involving that particular case were solved satisfactorily. Under those circumstances, I do not think there was any impropriety in the relationship between Dr. Kissinger and former Governor Rockefeller.

MORE

QUESTION: Since you are familiar only with the Kissinger gift, do you plan to inquire into the others?

THE PRESIDENT: I will, but I haven't as deeply because Mr. Morhouse and Mr. Ronan are or were State employees. But I assume in those two cases, as I found out in the Dr. Kissinger case, that the law had been adhered to and that there was no impropriety.

Yes.

QUESTION: Sir, if you accept that mass transit is an essential part of the energy-saving program, can you explain why you did not lend your support to a comprehensive Federal mass transit bill now before the Congress, in your very important speech yesterday?

THE PRESIDENT: The answer to that is very simple. I had some considerable part in working out the compromise on the Williams-Minich bill. If you will recall, I had about 15 mayors from all over the country down here to see me, including some business people.

I told them I wanted to help. Within a day or so, I called Senator Williams. After it was suggested, we worked out a figure and a time and a formula. And as a result, Senator Williams, in conjunction with other Members of the Congress, arrived at a mass transit bill that provides for a little over \$11 billion over a period of six years with a formula between capital outlays and operating expenses.

I think we made a big step forward and I compliment the Congress for cooperating, and there was no need for me to mention in that speech yesterday something that was fait accompli the day before.

QUESTION: Mr. President, in your recent U.N. speech, you added some last-minute remarks praising Secretary of State Kissinger, and last night you made an extraordinary move of going out to Andrews Air Force Base to see him off on his trip abroad.

Are you upset by the criticism that Secretary Kissinger is receiving from the press, the public and Congress?

MORE

THE PRESIDENT: I would put it this way, Mr. Jones. I am very fond of Dr. Kissinger on a personal basis. I have tremendous respect and admiration for the superb job that he has done since he has been the Director of the National Security Agency (Council) and also as Secretary of State.

I think what he has done for peace in the world, what he is continuing to do for peace throughout the world, deserves whatever good and appropriate things I can say about him and whatever little extra efforts I can make to show my appreciation. And I intend to continue to do it.

Yes.

QUESTION: Sir, do you feel that his effectiveness is being undermined by this criticism?

THE PRESIDENT: I haven't seen any adverse effects so far. We are making headway and I think constructively in all of the areas where I think and he thinks it is important for us to do things to preserve peace and build a broader base for peace.

Yes.

QUESTION: Mr. President, at your first news conference you told us that you probably would run for a term of your own. Since then there has been what you have termed the surprisingly harsh reaction to the pardon of former President Nixon and the tragic illness of your own wife.

Do you still plan to be a candidate in 1976?

THE PRESIDENT: The words that I used, if I recall accurately, were I would probably be a candidate in 1976. I have seen nothing to change that decision and if and when there is, I will promptly notify you.

MORE

QUESTION: Mr. President, Boston's Mayor, Kevin White, has appealed to the Federal Government to send U.S. marshals to help restore order in Boston's school desegregation crisis, and Black groups have asked for Federalizing the National Guard and sending in Federal troops. As the Chief Executive, what do you plan to do and what comments do you have on this situation?

THE PRESIDENT: At the outset, I wish to make it very, very direct. I deplore the violence that I have read about and seen on television. I think that is most unfortunate. I would like to add this, however: The court decision in that case, in my judgment, was not the best solution to quality education in Boston.

I have consistently opposed forced busing to achieve racial balance as a solution to quality education and, therefore, I respectfully disagree with the judge's order.

But having said that, I think it is of maximum importance that the citizens of Boston respect the law and I hope and trust that it is not necessary to call in Federal officials or Federal law enforcement agencies.

Now, the marshals, if my information is accurate, are under the jurisdiction of the court, not directly under my jurisdiction. As far as I know, no specific request has come to me for any further Federal involvement and, therefore, I am not in a position to act under those circumstances.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much.

END

(AT 2:59 P.M. EDT)