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PRESS CONFERENCE NO. 4
OF THE
PRESIDENT OF THE UNITED STATES
(AND LUIS ECHEVERRIA, PRESIDENT OF MEXICO)

5:10 P.M. MST
OCTOBER 20, 1974
MONDAY

At the Tubac Country Club
Tubac, Arizona

THE PRESIDENT: It has been a very great privilege and pleasure, Mr. President, to have the opportunity of visiting your country today, and to discuss with you a number of very important issues. And let me just emphasize one.

You, of course, are the author and promoter of some very far-reaching action in the United Nations which we believe, as a charter for economic development throughout the world, has very great merit and very great support, and I compliment you for it. And I can assure you that I and Secretary Kissinger will work with you and others in your government in trying to find the key and the answer to the economic development of all parts of our great globe.

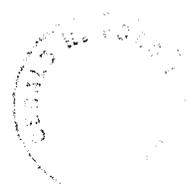
It is nice to have you in the United States, and I thank you for the warm welcome given to me by you as well as all the people of Mexico.

Yes.

QUESTION: I would like to address a question to both Presidents. About the issues you discussed today, was there a discussion of American access to the recently discovered oil deposits in Southern Mexico, and could you give us an estimate of the size of those deposits?

PRESIDENT ECHEVERRIA: Yes, Mexico is selling to whoever wants to buy the oil at the market price in the world market. We sell our surplus oil. I hope that that we can drill for more oil in Mexico in order to be able to export a greater amount.

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We have sold to the United States, to Uruguay and to Brazil and to Israel, and we hope to continue to sell without making any differences among the buyers in order to contribute to satisfy the demand.

QUESTION: I would like to know, President Ford, if, during your talks, there was any mention made of the Trade Reform Act and if so, what are the repercussions that this will have for Mexico?

THE PRESIDENT: I am very happy and very pleased that you raised the question. The new trade legislation, which I hope will pass the Congress this year, will significantly increase the trade relations between Mexico and the United States, helping to balance the trade between Mexico and the United States.

The trade legislation which I have worked very hard to promote, which I believe will pass the United States Senate, and I believe the Congress, will be very helpful in making good trade relations between the United States and Mexico.

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QUESTION: Can you tell us whether any progress has been made on resolving the question of migrant farmers of Mexico and the question that is involved in that?

PRESIDENT ECHEVERRIA: Yes. Yes, we did discuss this point and I brought it up in the name of Mexico -- I told the President of the United States that we have definitely desisted from our intention of signing an agreement and this is due to the fact that we made a revision of the previous agreement and we saw that in practice, in the way it works, it is not good. It gives opposite results from the ones we want.

What happened at that time was that, attracted by this agreement that we had with the United States, the migrant workers, or the would-be migrant workers, would come to the border cities of the United States and then it happened that they did not receive a contract and then they stayed at the border city and increased the population or else they went illegally into the United States.

Now, with the policy of self-criticism that presently prevails in Mexico, we have reviewed this matter and we have come to realize and accept that the responsibility belongs to Mexico.

In Mexico, we need to increase the sources of employment. We need to send more out into the countryside. We need to keep them within the land. I do not know if President Ford has anything to add because we analyzed this point jointly.

THE PRESIDENT: As you can see, we discussed this matter in great depth. It has a long history. It has current problems. In fact, we have some new problems and in order to get an up-to-date reading on what should be done, how we can best help, we have decided to re-analyze through a commission that will bring up the data that involves those going from Mexico to the United States and will update data that will involve individuals who are in the United States seeking employment, trying to find the right answer, and this revitalized commission, I think, will give both of us, and our countries, better answers to solve the problem.

PRESIDENT ECHEVERRIA: Now, however, there is a point that Mexico insists upon in reference to the migrant workers -- whether they are legally in the country or illegally in the country. That is, Mexico insists that they enjoy the rights and prerogatives that is granted by the law to any person.

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When a person is contracted legally and comes to work in the United States, this person under contract has certain rights -- the right to a decent salary, the right to Social Security, and that is to say all the rights that are granted by the law. This is when the person comes to work legally.

Now, if the migrant worker comes in illegally, he still has some rights that must be observed -- this is basic.

QUESTION: I have a question for President Ford. I would like to ask President Ford whether the hemispheric problems were taken up and if they did take up the hemispheric problems, what is the attitude of the United States with reference to Cuba and if this attitude is to be maintained at the next Conference of Foreign Ministers.

PRESIDENT FORD: We did take up the question of the United States' attitude toward Cuba. I indicated that we have not seen any change in the attitude of Mr. Castro or any of the other individuals in the Cuban Government and inasmuch as there has been no change, no attitude that was different regarding the United States, it was not expected that our attitude would change toward Cuba.

We did discuss the meeting that is to be held in Quito, I think, on November 7th or 8th, where the matter will be brought before the OAS. But our attitude, as of the present time, is since no change in the attitude of Cuba we certainly have to retain our point of view concerning them.

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QUESTION: Mr. President, I wonder if you could answer one part of the question which was not answered, and that is, can you give us some estimate of the size of the new oil findings in Mexico?

PRESIDENT ECHEVERRIA: Yes. The new oil findings in Mexico are very important. Their importance comes from the following figures. Yes, I will be happy to answer your question.

Yes, the discoveries are very important and significant, and the significance we can find in the following figures. Of the 640,000 barrels a day that are obtained throughout all of Mexico, 37 percent -- that is 241,000 barrels -- come from only a few wells. This has made it possible for us now to begin to export after having transcended the stage where it was necessary for us to import in order to satisfy our own consumption.

Therefore, this is very important for the Mexican economy, first and foremost, if we take into account the prices that prevail for oil in the world market, prices which we respect.

QUESTION: This is a question for both Presidents.

Can you give us a list of the specific agreements that you reached today?

PRESIDENT ECHEVERRIA: Actually, no. We did not come to international agreements. It was the first meeting between the President of the United States and the President of Mexico in order to get together to discuss, to analyze, very frankly, very openly, very clearly, very directly, some of the problems that have already been dealt with in this room.

For me, the most important part of our meeting is the way in which President Ford underlined to me personally and later on here during our meeting in this place the importance that he gives the Charter of Economic Rights and Duties of States.

And I thank President Ford and the people of the United States, for this opinion that has been expressed to me, because actually this is a complete change from what it was before, and this is very valuable support for this charter that is gaining ground within the United Nations, and for the already 100-some countries that are supporting the charter.

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The United States had never before expressed as much interest as it has now in the approval of the Charter of Economic Rights and Duties of States.

Of course it rather matters that we still have to elucidate, that we have to define, but I feel very optimistic that we shall.

THE PRESS: Muchas gracias.

THE PRESS: Thank you.

END (AT 5:35 P.M. MST)

Press Conference No. 4

10/29/74

PRESS CONFERENCE NO. 4

of the
PRESIDENT OF THE UNITED STATES

10:56 A.M. EST
October 29, 1974
Tuesday

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

THE PRESIDENT: This morning, before the press conference, I would like to announce several appointments, and then we will have the press conference subsequently.

At the outset, let me remind you that on October 8 I announced that Rog Morton would be the head of the Energy Council and that subsequently I would make several other appointments predicated on legislation enacted by the Congress and some reorganization in the Energy Administration.

Rog Morton is here. Rog, I think most of you know him. He is pretty hard to miss (Laughter), but the new appointments are as follows:

Dr. Robert Seamans, former Secretary of the Air Force, and formerly a very high-ranking official in NASA, had a great deal to do with the manned space program, will be the new Administrator of the ERDA, the Energy Research and Development Agency.

Bob, we are glad to have you on board.

Then to head the FEA, John Sawhill is resigning, and we will give him a good appointment in the Government, but the new head of the FEA will be Andy Gibson, who was an Assistant Secretary of Commerce and was in charge of the Maritime Administration, will be the new head of the FEA.

Andy, glad to have you on board.

Then, for the new Nuclear Regulatory Agency, I am nominating Bill Anders, who is currently a member of the AEC, but who will be the Chairman, once confirmed, of the new Regulatory Agency.

You are all familiar with Bill Anders' record as an astronaut and his service as a member of the Atomic Energy Commission.

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Then, Dixie Lee Ray will be the new Assistant Secretary of State for Oceans and International Environmental and Scientific Matters.

Dixie Lee.

This is the new team that will be in charge of the energy program, which we will see moving ahead, I think, under Rog Morton's stewardship with the new faces and the experience of Bob Seamans, Andy Gibson, Bill Anders and Dixie Lee Ray.

I thank all of them for taking on these new responsibilities. I think they are an outstanding group of administrators with experience both outside of Government and within the Government.

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So, Rog, you have got a good group, and I am proud of them, and I think they will do a first class job. Thank you very, very much.

With those preliminary announcements, I will be glad now to respond to any questions.

Mr. Cormier.

QUESTION: Mr. President, the Government's leading economic indicators announced today show that last month they experienced the sharpest drop in 23 years. Might this sort of thing prompt you to amend your economic program to put more emphasis on fighting recession rather than fighting inflation? And if so, what steps might you take?

THE PRESIDENT: The 31-point program that I submitted to the Congress and the American people did take into recognition the problems of some deterioration in some parts of the economy, and at the same time recognized the need to do something about inflation.

It was a finely-tuned, I think, constructive program to meet both of these problems.

Now, the program is before the Congress and Congress must act on certain aspects of it. This, perhaps, will take some time and, in the interim, if there are any economic factors which justify a change, I will be open to suggestions.

But at this point, I still believe the plan or program as I submitted it is sound, both to meet the challenge of inflation and any deterioration in the economy.

QUESTION: Mr. President, in view of the Watergate and inflation and other urgent problems facing the Nation, how do you account for the voter apathy in this country?? And I have a follow-up.

THE PRESIDENT: I wish I knew the answer to that, Mr. Sperling. It would seem to me that with the problems we have, particularly at home--both Watergate and others -- that the voters should be extremely interested in the kind of Members of the House and Senate that are elected or defeated.

One of the reasons that I am campaigning is to try and get the voters off of apathy and on to interest. I happen to believe that a big public showing of voter participation would be very helpful, and I am disturbed that these forecasters say that only 42 percent of the eligible voters are going to vote on November 5.

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So, if I can in any way stimulate voter interest, I intend to do so.

QUESTION: That leads to my second question; that is, do you think you are breaking through this apathy? Are you shaking up this disinterest? What is your finding?

THE PRESIDENT: From my contacts with Members of Congress or candidates who are in the various places where I have stopped, they tell me that voter interest has been stimulated by my appearance. I suspect we will get a few who don't approve of my appearance in a certain community, but I believe overall there has been an increase in voter interest as a result of my visits. And as I said, that is one reason why I intend to continue them.

Miss Thomas?

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QUESTION: Mr. President, do you think that Nelson Rockefeller will be confirmed as Vice President, and when?

THE PRESIDENT: I believe that Nelson Rockefeller will be confirmed. I strongly support him today as I did when I nominated him in August. I hope and trust that the Senate and House committees, as well as the two bodies themselves, will act promptly on the nomination. I think he would make a very good Vice President.

QUESTION: Then you don't think the financial problems that have suddenly cropped up will affect the outcome?

THE PRESIDENT: I do not.

QUESTION: Mr. President, the Democratic Study Group, in an analysis they made of your voting record over the last three years you were in the House, showed you voted 86 percent of the time in support of spending proposals beyond the Nixon budget, and it amounted to some \$16.9 billion. How do you square that with your campaign argument that the Democrats are the big spenders?

THE PRESIDENT: I think their own survey, Mr. Lisagor, showed I had a much better record of saving than the Democrats did in the House of Representatives.

In other words, their own document showed that the Democrats were much bigger spenders than I was and that I was a much better saver than they were. So, I will rely on their document to prove that I am a saver and they are spenders.

QUESTION: Mr. President, do you know how you came out net?

THE PRESIDENT: It is my recollection that I was about 8 percentage points better than the Democrats as a whole, so even using their figures or their document, I am a saver and the Democrats are spenders.

QUESTION: Mr. President, sir, I want to know if you are going to sign the veterans G.I. education bill that has been left at the Senate so you would not pocket-veto it, but they are ready to send it down if you are ready to say today you will sign it.

THE PRESIDENT: I worked very closely, Sarah, with the Members of that conference committee in trying to find a solution to a bill that I want to sign. The bill has not come down. It has not been staffed out by my staff. Until it arrives at the White House, I am not going to prejudge what I am going to do. I hope that we can find a way for me to sign it because I want to help the Vietnam veterans, particularly, but until it comes down to the White House, I think it is premature for me to make any decision.

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QUESTION: Sir, it calls for an 18 percent cost of living increase, plus up to 23 percent, and that additional would pay for the cost of going to college. Would that be agreeable to you?

THE PRESIDENT: As I recall, that compromise is 20 percent.

Q Twenty-three percent.

THE PRESIDENT: But in addition, they did add a \$600 loan provision to the veteran. They did add nine more months of eligibility beyond what either World War II or Korean veterans got in the way of educational benefits.

So, when they, the Congress, send the conference report down to me, we will staff it out; I will make an honest judgment. I hope it is a piece of legislation that I can sign.

QUESTION: Mr. President, in your speech before Congress on the economy, you said you would do the hard work of making decisions where to cut. Could you give us some specific examples, maybe half a dozen, of the programs you would like to cut?

THE PRESIDENT: I have had one meeting with the OMB and others on that very subject, and later today, before I go to Grand Rapids, I am spending another hour with the same group. We have a long list of items where they give me certain options.

We have not made any final determination. If all of them were put into effect -- and some of them would require legislative action by the Congress -- I think the anticipated saving in fiscal year 1975 would be around \$7.5 billion.

We are going to make a maximum effort to cut at least \$5.4 billion so there is some flexibility between the 5.4 and the 7.5, and I am going to continue to work on it. When Congress comes back, we will have some recommendations.

QUESTION: Mr. President, some specifics now of some of those programs that you would put priorities to cut?

THE PRESIDENT: I would rather not give you any specifics because it is a long shopping list, and I think it is unwise for me to be categorical as long as I try to make an honest judgment on which of maybe a hundred or more proposals they have submitted to me for consideration.

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QUESTION: Mr. President, a two-part question on foreign affairs.

Number one, the emergence of the PLO in the Middle East, how does this affect our position regarding the Middle East?

And the second part, also on foreign affairs, negative reports out of Japan, anti-American feeling and items like that, whether you are reconsidering going to Japan.

THE PRESIDENT: Let me answer the second question first.

No developments in Japan have changed my attitude. I intend to go to Japan, as has been planned for some time.

The decision by the Arab nations to turn over the negotiating for the West Bank to the PLO may or may not -- at this stage we aren't certain what impact it will have on our role in the Middle East.

We, of course, feel that there must be movement towards settlement of the problems between Israel and Egypt on the one hand, between Israel and Jordan or the PLO on the other, and the problems between Israel and Syria in the other category.

We have not had an opportunity yet to make any firm decision on what impact there will be from this Arab decision. I can only say that we think it is of maximum importance that continued movement toward peace on a justifiable basis in the Middle East is vital to that area of the world, and probably to the world as a whole.

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QUESTION: Mr. President, as one who knows the House better than we do, what is your best estimate now of Republican losses or gains in the House, and what would be the level which would make your efforts seem all worthwhile?

THE PRESIDENT: I don't like to get into a numbers game. I did it on one occasion back in 1966, but I had somewhat different responsibilities then. I can only say that it is important to have a competitive relationship or ratio in the House as well as in the Senate.

It seems to me that if you have a reasonably close ratio of Democrats to Republicans, the public is better off. They get better legislation. They get better handling of appropriations. They get, I think, a better tax bill, whenever the relationship between the two major political parties is reasonably similar.

At the present time, in the House I think it is 243 to 187. I would hope that that ratio would not be seriously changed.

QUESTION: Mr. President, I would like to ask you about your energy program. Why have you dumped John Sawhill? Was his advice too blunt and politically unattractive at this time?

THE PRESIDENT: Not at all. I put a new man in charge -- Secretary Morton. He replaced the Secretary of State (the Treasury), Bill Simon, who went over to the Economic Council.

Rogers Morton and I discussed the kind of a team that he wanted and that I thought would do a good job, and the people that I have nominated fit that pattern.

QUESTION: Mr. President, I wonder if we could return to the Rockefeller affair. If you had known then, before the nomination, all that is public knowledge now about Mr. Rockefeller's financial dealings, would you still have named him to be your Vice President?

THE PRESIDENT: I think I would. Nelson Rockefeller has been a superb Governor of the State of New York. He served both Democratic and Republican Presidents in the past in the Executive Branch of the Government. It is my judgment that he would be a very good Vice President. And therefore these disclosures indicate that he does believe in helping his friends, and a man of that wealth certainly, in my judgment, has that right to give as long as the law is obeyed, and as I understand it, he has.

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It seems to me that his qualifications from previous public service fully qualify him to be Vice President, and therefore I fully support his nomination.

QUESTION: Mr. President, as the only living veteran of the Twenty-Fifth Amendment, how say you as to its continuance?

THE PRESIDENT: I believe the Twenty-Fifth Amendment has served a good purpose, despite my own involvement in it. But leave that aside. It was, of course, if you go back and study the history of it, actually proposed and approved for quite different reasons.

On the other hand, in the last year, certain circumstances have arisen which in my judgment may prompt the need for some changes.

I think, for example, the Congress ought to study the desirability of putting a time limitation on the time that the Congress should have for the consideration, approval or rejection. But these are matters that Congress can, in the remaining days of this session or in the next session, investigate, because of the experiences of the last year or so..

QUESTION: Mr. President, your friend, Paul McCracken, has said that we are entering a V-shaped recession, and we ought to call a spade a spade. Yet Administration officials have been avoiding the word "recession". Would you apply that term to our economic condition now?

THE PRESIDENT: Recession has been defined. I think the National Bureau of Economic Research actually is the authority on this matter. It is my understanding they are going to come up with some answer on this question in the very near future.

But let me make an observation of my own, if I might. We are facing some difficult economic circumstances. We have too many people unemployed, and we want to do something about it. And my economic package that I submitted to the Congress and the American people will do something about it.

The American people are concerned about inflation, and my economic program would do something about inflation. So what we have tried to do, instead of getting into semantics, is to offer constructive proposals to meet the problem. Whether it is a recession or not a recession is immaterial. We have problems. The plan I submitted is aimed at solving those problems and, therefore, I really do not care what the name is. We want solutions, and my proposal, I think, will offer that opportunity.

QUESTION: Mr. President, since Secretary Kissinger has been to Moscow, do you have any optimistic outlook now on the SALT agreement?

THE PRESIDENT: I believe that the Secretary's discussions with the General Secretary, Mr. Brezhnev, were very constructive. Some of the differences, as I understand it, between their view and ours, have been narrowed. As a result of the progress that was made in Moscow, the announcement was made that I would meet with Mr. Brezhnev in Vladivostok the latter part of November. We hope that each step will mean more progress and that we will end up with a SALT II agreement.

QUESTION: Mr. President, your Press Secretary, Mr. Nessen, has hinted or implied that you may be considering limiting oil imports; that is, limiting imports of Arab oil if necessary to make your goal of cutting oil imports by one million a day, perhaps in the form of a dollar figure, a dollar limit on imports. Are you considering it? Is this a live possibility?

THE PRESIDENT: Our first objective is to cut the 6 million barrels per day imports of crude oil by one million barrels. We believe that with the energy conservation recommendations we have made, that objective can be accomplished.

However, if there isn't the saving of one million barrels per day of oil imports by voluntary action, we will, of course, move to any other alternative, including the possibility of mandatory limitations, to achieve that result.

That is essential from the point of view of our economy, our balance of payments, et cetera.

QUESTION: Mr. President, if Mr. Rockefeller is confirmed, would you ask him to refrain from giving gifts as he has given in the past to public officials and other politicians?

THE PRESIDENT: My judgment would be that Mr. Rockefeller would use excellent judgment in the future in however he wishes to dispense the funds that he has available.

I think that his approach in the future would certainly be related to the experiences he has had in the past.

QUESTION: Mr. President, there is a lot of talk on the Hill that Congress might come back after the election and vote themselves a pay increase. There is also talk that if they don't do it this fall, it certainly will be voted early next year. Would you sign a bill that would provide Congress with a pay increase at this time?

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THE PRESIDENT: I think it is premature for me to make any judgment. I have not talked to the Democratic or Republican leadership about the matter. I know of no specific proposal by the Congress nor by this Administration, so I don't feel that it is appropriate for me to make any judgment at this point.

QUESTION: Are you planning any other Cabinet changes, particularly in the Agriculture Department?

THE PRESIDENT: I think Secretary Butz, over a period of three or four years, has done a good job. He has been very outspoken. He is a good, hard worker and I have no plans to remove the Secretary of Agriculture or no specific plans to call for the resignation of any other Cabinet officer.

QUESTION: Mr. President, could you tell us the status of negotiations on the Nixon Administration's tapes and documents? Are they still in the White House or --

THE PRESIDENT: They are being held -- I can't give you the precise location -- but they are being held under an agreement with the Special Prosecutor's office and, of course, now there are two other elements that have developed. One, Judge Richey has issued an injunction concerning all or some of the documents. A third involvement is a law suit by former President Nixon against the head of GSA, Mr. Sampson, so we think, under the circumstances, and particularly under our agreement with the Special Prosecutor's office, they should remain intact until legal matters and any other commitments have been handled.

QUESTION: Mr. President, could we pursue the Sawhill matter for a minute, please, sir?

THE PRESIDENT: I can't see who asked that. I can't see with the lights and without my glasses.

QUESTION: What policy differences, sir, did you and Mr. Morton have with Mr. Sawhill which precipitated his resignation?

THE PRESIDENT: As I said a moment ago, I appointed a new man to head up the Energy Council and that requires, I think, when you give a man a new assignment, the opportunity to make recommendations for those that will work with him on the Council. It seems to me that with Rog Morton being given that job, he ought to have the right with my approval, to make changes, and that is why we made the changes. I think they are good people. Mr. Sawhill, whom I admire, will be offered a first-class assignment in this Administration.

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QUESTION: Are you saying, Mr. President, that there were no policy disagreements?

THE PRESIDENT: I don't think there were any major policy differences. I think there may have been some differences in approach or technique, but if you give a man a job, you have to give him the people he wants to carry out that responsibility.

QUESTION: Mr. President, in Oklahoma City, you said that overwhelming victories in Congress this fall by the opposition party, being the Democrats, would seriously jeopardize world peace. This is our first chance to question you on that. I was wondering if you would elaborate on that. Did you mean it in the sense that some Democrats accused you of demagoguery or is this consistent with your original announced policy that you were going to try to unify the country after Watergate?

THE PRESIDENT: I think the facts that I referred to involved the conflict we had with a majority of the Members of the House and Senate over the limitations and restrictions they put on the continuing resolution. Those limitations and restrictions on that particular piece of legislation, in my judgment and in the judgment of the Secretary of State, will make it more difficult for the United States to help the Greeks. It will make it more difficult for us to work to bring about a negotiated settlement in the Cyprus matter.

That Congressional limitation will not help our relations with Turkey.

I point out that both the United States and Turkey are members of NATO and if our relationship with Turkey is destroyed or harmed, it will hurt our interest as well as NATO's.

Secondly, we do have an agreement with Turkey as to some military installations and those installations are important for both Turkey and ourselves and if, through Congressional action, we undercut our relationship with Turkey, hurt our relations with NATO, hurt the Greeks--because it will make it more difficult for a settlement of the Cyprus matter--then I think the Congress has made a mistake and if a Congress that is more prone to do that is elected on November 5, it will make our efforts much harder to execute and implement foreign policy to build for peace and maintain the peace.

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As Mr. Nessen explained in a subsequent press conference, I was referring as much to Republicans as I was to Democrats who don't cooperate in giving a President of the United States an opportunity to meet the day-to-day problems that are involved in foreign policy.

A President has to be able to act. He has to be able to work with allies and with some potential adversaries and if the Congress is going to so limit a President, whether he is a Democrat or Republican, that he has no flexibility, in my opinion, the opportunity for a successful foreign policy is harmed considerably.

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QUESTION: A follow-up question, please, Mr. President.

How would overwhelming Democratic majorities in Congress undermine your policy and Secretary Kissinger's policy of detente and relations with China?

THE PRESIDENT: Let me say at the outset the Democratic leadership -- both Senator Mansfield and the Speaker of the House and other leading Democrats -- was very helpful to me in that struggle that I just described.

If you will carefully read, which I have, reread my statements both in Oklahoma City and Cleveland, I was very careful not to be critical of the Democratic leadership because they did try very hard.

The problem was the troops did not believe either their own leadership or the President of the United States.

If we have a runaway Congress that does not understand the need and necessity for the broadening of detente, that does not understand the need and necessity for a continuation of our policy vis-a-vis the People's Republic of China, then it is going to make it much harder for a President to carry out a policy of peace abroad.

Now, a runaway Congress is one that does not, at least, pay some attention to their own leadership on both sides of the aisle and to the President of the United States.

QUESTION: Mr. President, can I get back to the conversation with General Haig in early August. I know you said there was no deal or no commitment, but sometimes things are done more subtly. When he brought up as a sixth option the possibility of a pardon; did you point out to him that in your testimony on confirmation you had indicated opposition to such a move, or did you in some way indicate to him that you might be inclined -- without exactly saying so -- that you might be inclined to go along with an early pardon?

THE PRESIDENT: I think the testimony I gave before the House Committee on the Judiciary or subcommittee of that committee speaks for itself, and I will stand by that testimony.

I would like to point out, in addition, in the testimony before the Senate Committee on Rules and Administration, I answered it as follows:

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One, I did not think the American people would stand for a pardon, in answer to the hypothetical question that was asked me.

Secondly, because I was not familiar with the precise authority and power of a President to grant a pardon, I did not want to get into any of the technicalities involving that issue, but the testimony I gave before the House committee will speak for itself, and I will let it stand at that.

QUESTION: Mr. President, looking a bit further down the road on your anti-inflation program, sir, do you have any particular figures or program in mind for your 1976 budget, which is now in the process of being prepared?

THE PRESIDENT: That is another matter that I will be working with Roy Ash and his people on after we get through the long shopping list of proposed recissions, deferrals and cutbacks for fiscal year 1975.

I can assure you it will be a tight budget, a very tight budget, because we do have to hold the lid on spending, not only in the remaining months of fiscal year 1975 but we have to reassure the American people that in the next fiscal year we will be just as firm in controlling and holding down expenditures.

QUESTION: Mr. President, when you say a tight budget, do you mean a budget surplus or balanced or possible deficit?

THE PRESIDENT: Our objective will be a balanced budget. We will do the very best we can.

THE PRESS: Thank you.

THE PRESIDENT: Thank you very much, ladies and gentlemen.

END (AT 11:30 A.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 10:51 A.M. EST

OCTOBER 29, 1974

TUESDAY

MR. NESSEN: We have a very special briefer this morning; namely, the President.

Q Is this on the record?

MR. NESSEN: No, no, this is not for use on the wires. This is just for your own information. I am going to go over them right this minute.

The President will have a brief announcement at the beginning. He will also have some guests to introduce you to. After he has made his announcements and introduced you to the guests, he will be available for questions.

This will be available for film coverage and audio recording. Because of the space limitations, the still photographers and cutaway people will be allowed two or three minutes at the beginning here in the front, and then please be courteous to your colleagues and move out after that initial two or three minutes.

The procedure for follow-up questions, which was followed in the Rose Garden, will be enforced today. If you recall, if you have a follow-up question, you can raise your hand or continue standing. The follow-up questions should be one the same subject and, hopefully, your original question and your follow-up will be just one part each so he does not get a four-part question and a four-part follow-up.

It may be difficult for him to see you in this room for your follow-up questions, but he does intend to follow the procedure so wave your hands or continue standing so he is aware you may have a follow-up question.

There will be no filing whatsoever while the news conference is in progress, and no wire movement of what I am telling you now. The wire services will be moving in advisory at about five after 11, so your desks will know that a press conference is in progress.

MORE

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There will be some material to hand out after the news conference that will tie in with his opening announcements.

There will be no live broadcasts of any kind of this news conference.

THE PRESS: Thank you.

END (AT 10:54 A.M. EDT)

Phil Buchen

This Copy For _____

PRESIDENT GERALD R. FORD'S NEWS CONFERENCE #4

Held in the Briefing Room
At the White House
Washington, D.C.

October 29, 1974
At 10:56 A.M. EST (Tuesday)

Official White House Transcript

THE PRESIDENT: This morning, before the press conference, I would like to announce several appointments, and then we will have the press conference subsequently.

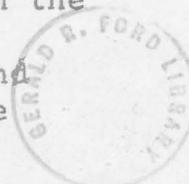
At the outset, let me remind you that on October 8 I announced that Rog Morton would be the head of the Energy Council and that subsequently I would make several other appointments predicated on legislation enacted by the Congress and some reorganization in the Energy Administration.

Rog Morton is here. Rog, I think most of you know him. He is pretty hard to miss (Laughter), but the new appointments are as follows:

Dr. Robert Seamans, former Secretary of the Air Force, and formerly a very high-ranking official in NASA, had a great deal to do with the manned space program, will be the new Administrator of the ERDA, the Energy Research and Development Agency.

Bob, we are glad to have you on board.

Then to head the FEA, John Sawhill is resigning, and we will give him a good appointment in the Government, but the new head of the FEA will be Andy Gibson, who was an Assistant Secretary of Commerce and was in charge of the Maritime Administration, will be the new head of the FEA.



Andy, glad to have you on board.

Then, for the new Nuclear Regulatory Agency, I am nominating Bill Anders, who is currently a member of the AEC, but who will be the Chairman, once confirmed, of the new Regulatory Agency.

You are all familiar with Bill Anders' record as an astronaut and his service as a member of the Atomic Energy Commission.

Then, Dixie Lee Ray will be the new Assistant Secretary of State of Oceans and International Environmental and Scientific Matters.

Dixie Lee.

This is the new team that will be in charge of the energy program, which we will see moving ahead, I think, under Rog Morton's stewardship with the new faces and the experience of Bob Seamans, Andy Gibson, Bill Anders and Dixie Lee Ray.

I thank all of them for taking on these new responsibilities. I think they are an outstanding group of administrators with experience both outside of Government and within the Government.

So, Rog, you have got a good group, and I am proud of them, and I think they will do a first-class job. Thank you very, very much.

With those preliminary announcements, I will be glad now to respond to any questions.

Mr. Cormier.

QUESTION: Mr. President, the Government's leading economic indicators announced today show that last month they experienced the sharpest drop in 23 years. Might this sort of thing prompt you to amend your economic program to put more emphasis on fighting recession rather than fighting inflation? And if so, what steps might you take?

THE PRESIDENT: The 31-point program that I submitted to the Congress and the American people did take into recognition the problems of some deterioration in some parts of the economy, and at the same time recognized the need to do something about inflation.

It was a finely-tuned, I think, constructive program to meet both of these problems.

Now, the program is before the Congress and Congress must act on certain aspects of it. This, perhaps, will take some time and, in the interim, if there are any economic factors which justify a change, I will be open to suggestions.

But at this point, I still believe the plan or program as I submitted it is sound, both to meet the challenge of inflation and any deterioration in the economy.

QUESTION: Mr. President, in view of the Watergate and inflation and other urgent problems facing the Nation, how do you account for the voter apathy in this country? And I have a follow-up.

THE PRESIDENT: I wish I knew the answer to that, Mr. Sperling. It would seem to me that with the problems we have, particularly at home -- both Watergate and others -- that the voters should be extremely interested in the kind of Members of the House and Senate that are elected or defeated.

One of the reasons that I am campaigning is to try and get the voters off of apathy and on to interest. I happen to believe that a big public showing of voter participation would be very helpful, and I am disturbed that these forecasters say that only 42 percent of the eligible voters are going to vote on November 5.

So, if I can in any way stimulate voter interest, I intend to do so.

QUESTION: That leads to my second question; that is, do you think you are breaking through this apathy? Are you shaking up this disinterest? What is your finding?

THE PRESIDENT: From my contacts with Members of Congress or candidates who are in the various places where I have stopped, they tell me that voter interest has been stimulated by my appearance. I suspect we will get a few who don't approve of my appearance in a certain community, but I believe overall there has been an increase in voter interest as a result of my visits. And as I said, that is one reason why I intend to continue them.

Miss Thomas.

QUESTION: Mr. President, do you think that Nelson Rockefeller will be confirmed as Vice President, and when?

THE PRESIDENT: I believe that Nelson Rockefeller will be confirmed. I strongly support him today, as I did when I nominated him in August. I hope and trust that the Senate and House committees, as well as the two bodies themselves, will act promptly on the nomination. I think he would make a very good Vice President.

QUESTION: Then you don't think the financial problems that have suddenly cropped up will affect the outcome?

THE PRESIDENT: I do not.

QUESTION: Mr. President, the Democratic Study Group, in an analysis they made of your voting record over the last three years you were in the House, showed you voted 86 percent of the time in support of spending proposals beyond the Nixon budget, and it amounted to some \$16.9 billion. How do you square that with your campaign argument that the Democrats are the big spenders?

THE PRESIDENT: I think their own survey, Mr. Lisagor, showed I had a much better record of saving than the Democrats did in the House of Representatives.

In other words, their own document showed that the Democrats were much bigger spenders than I was and that I was a much better saver than they were. So, I will rely on their document to prove that I am a saver and they are spenders.

QUESTION: Mr. President, do you know how you came out net?

THE PRESIDENT: It is my recollection that I was about 8 percentage points better than the Democrats as a whole, so even using their figures or their document, I am a saver and the Democrats are spenders.

QUESTION: Mr. President, sir, I want to know if you are going to sign the veterans G.I. education bill that has been left at the Senate so you would not pocket-veto it, but they are ready to send it down if you are ready to say today you will sign it.

THE PRESIDENT: I worked very closely, Sarah, with the Members of that conference committee in trying to find a solution to a bill that I want to sign. The bill has not come down. It has not been staffed out by my staff. Until it arrives at the White House, I am not going to prejudge what I am going to do. I hope that we can find a way for me to sign it because I want to help the Vietnam veterans, particularly, but until it comes down to the White House, I think it is premature for me to make any decision.

QUESTION: Sir, it calls for an 18 percent cost of living increase, plus up to 23 percent, and that additional would pay for the cost of going to college. Would that be agreeable to you?

THE PRESIDENT: As I recall, that compromise is 20 percent.

QUESTION: Twenty-three percent.

THE PRESIDENT: But in addition, they did add a \$600 loan provision to the veteran. They did add nine more months of eligibility beyond what either World War II or Korean veterans got in the way of educational benefits.

So, when they, the Congress, send the conference report down to me, we will staff it out; I will make an honest judgment. I hope it is a piece of legislation that I can sign.

QUESTION: Mr. President, in your speech before Congress on the economy, you said you would do the hard work of making decisions where to cut. Could you give us some specific examples, maybe half a dozen, of the programs you would like to cut?

THE PRESIDENT: I have had one meeting with the OMB and others on that very subject, and later today, before I go to Grand Rapids, I am spending another hour with the same group. We have a long list of items where they give me certain options.

We have not made any final determination. If all of them were put into effect -- and some of them would require legislative action by the Congress -- I think the anticipated saving in fiscal year 1975 would be around \$7.5 billion.

We are going to make a maximum effort to cut at least \$5.4 billion so there is some flexibility between the 5.4 and the 7.5, and I am going to continue to work on it. When Congress comes back, we will have some recommendations.

QUESTION: Mr. President, some specifics now of some of those programs that you would put priorities to cut?

THE PRESIDENT: I would rather not give you any specifics because it is a long shopping list, and I think it is unwise for me to be categorical as long as I try to make an honest judgment on which of maybe a hundred or more proposals they have submitted to me for consideration.

QUESTION: Mr. President, a two-part question on foreign affairs.

Number one, the emergence of the PLO in the Middle East, how does this affect our position regarding the Middle East?

And the second part, also on foreign affairs, negative reports out of Japan, anti-American feeling and items like that, whether you are reconsidering going to Japan.

THE PRESIDENT: Let me answer the second question first.

No developments in Japan have changed my attitude. I intend to go to Japan, as has been planned for some time.

The decision by the Arab nations to turn over the negotiating for the West Bank to the PLO may or may not -- at this stage we aren't certain what impact it will have on our role in the Middle East.

We, of course, feel that there must be movement towards settlement of the problems between Israel and Egypt on the one hand, between Israel and Jordan or the PLO on the other, and the problems between Israel and Syria in the other category.

We have not had an opportunity yet to make any firm decision on what impact there will be from this Arab decision. I can only say that we think it is of maximum importance that continued movement toward peace on a justifiable basis in the Middle East is vital to that area of the world, and probably to the world as a whole.

QUESTION: Mr. President, as one who knows the House better than we do, what is your best estimate now of Republican losses or gains in the House, and what would be the level which would make your efforts seem all worthwhile?

THE PRESIDENT: I don't like to get into a numbers game. I did it on one occasion back in 1966, but I had somewhat different responsibilities then. I can only say that it is important to have a competitive relationship or ratio in the House as well as in the Senate.

It seems to me that if you have a reasonably close ratio of Democrats to Republicans, the public is better off. They get better legislation. They get better handling of appropriations. They get, I think, a better tax bill, whenever the relationship between the two major political parties is reasonably similar.

At the present time, in the House I think it is 243 to 187. I would hope that that ratio would not be seriously changed.

QUESTION: Mr. President, I would like to ask you about your energy program. Why have you dumped John Sawhill? Was his advice too blunt and politically unattractive at this time?

THE PRESIDENT: Not at all. I put a new man in charge -- Secretary Morton. He replaced the Secretary of State (the Treasury), Bill Simon, who went over to the Economic Council.

Rogers Morton and I discussed the kind of a team that he wanted and that I thought would do a good job, and the people that I have nominated fit that pattern.

QUESTION: Mr. President, I wonder if we could return to the Rockefeller affair. If you had known then, before the nomination, all that is public knowledge now about Mr. Rockefeller's financial dealings, would you still have named him to be your Vice President?

THE PRESIDENT: I think I would. Nelson Rockefeller has been a superb Governor of the State of New York. He served both Democratic and Republican Presidents in the past in the Executive Branch of the Government.

It is my judgment that he would be a very good Vice President. And, therefore, these disclosures indicate that he does believe in helping his friends, and a man of that wealth certainly, in my judgment, has that right to give as long as the law is obeyed, and as I understand it, he has.

It seems to me that his qualifications from previous public service fully qualify him to be Vice President, and therefore I fully support his nomination.

QUESTION: Mr. President, as the only living veteran of the Twenty-Fifth Amendment, how say you as to its continuance?

THE PRESIDENT: I believe the Twenty-Fifth Amendment has served a good purpose, despite my own involvement in it. But leave that aside. It was, of course, if you go back and study the history of it, actually proposed and approved for quite different reasons.

On the other hand, in the last year, certain circumstances have arisen which in my judgment may prompt the need for some changes.

I think, for example, the Congress ought to study the desirability of putting a time limitation on the time that the Congress should have for the consideration, approval or rejection. But these are matters that Congress can, in the remaining days of this session or in the next session, investigate, because of the experiences of the last year or so.

QUESTION: Mr. President, your friend, Paul McCracken, has said that we are entering a V-shaped recession, and we ought to call a spade a spade. Yet Administration officials have been avoiding the word "recession". Would you apply that term to our economic condition now?

THE PRESIDENT: Recession has been defined. I think the National Bureau of Economic Research actually is the authority on this matter. It is my understanding they are going to come up with some answer on this question in the very near future.

But let me make an observation of my own, if I might. We are facing some difficult economic circumstances. We have too many people unemployed, and we want to do something about it. And my economic package that I submitted to the Congress and the American people will do something about it.

The American people are concerned about inflation, and my economic program would do something about inflation. So, what we have tried to do, instead of getting into semantics, is to offer constructive proposals to meet the problem.

Whether it is a recession or not a recession is immaterial. We have problems. The plan I submitted is aimed at solving those problems and, therefore, I really do not care what the name is. We want solutions, and my proposal, I think, will offer that opportunity.

QUESTION: Mr. President, since Secretary Kissinger has been to Moscow, do you have any optimistic outlook now on the SALT agreement?

THE PRESIDENT: I believe that the Secretary's discussions with the General Secretary, Mr. Brezhnev, were very constructive. Some of the differences, as I understand it, between their view and ours, have been narrowed. As a result of the progress that was made in Moscow, the announcement was made that I would meet with Mr. Brezhnev in Vladivostok the latter part of November. We hope that each step will mean more progress and that we will end up with a SALT II agreement.

QUESTION: Mr. President, your Press Secretary, Mr. Nessen, has hinted or implied that you may be considering limiting oil imports; that is, limiting imports of Arab oil if necessary to make your goal of cutting oil imports by one million a day, perhaps in the form of a dollar figure, a dollar limit on imports. Are you considering it? Is this a live possibility?

THE PRESIDENT: Our first objective is to cut the six million barrels per day import of crude oil by one million barrels. We believe that with the energy conservation recommendations we have made, that objective can be accomplished.

However, if there isn't the saving of one million barrels per day of oil imports by voluntary action, we will, of course, move to any other alternative, including the possibility of mandatory limitations, to achieve that result.

That is essential from the point of view of our economy, our balance of payments, et cetera.

QUESTION: Mr. President, if Mr. Rockefeller is confirmed, would you ask him to refrain from giving gifts as he has given in the past to public officials and other politicians?

THE PRESIDENT: My judgment would be that Mr. Rockefeller would use excellent judgment in the future in however he wishes to dispense the funds that he has available.

I think that his approach in the future would certainly be related to the experiences he has had in the past.

QUESTION: Mr. President, there is a lot of talk on the Hill that Congress might come back after the election and vote themselves a pay increase. There is also talk that if they don't do it this fall, it certainly will be voted early next year. Would you sign a bill that would provide Congress with a pay increase at this time?

THE PRESIDENT: I think it is premature for me to make any judgment. I have not talked to the Democratic or Republican leadership about the matter. I know of no specific proposal by the Congress nor by this Administration, so I don't feel that it is appropriate for me to make any judgment at this point.

QUESTION: Are you planning any other Cabinet changes, particularly in the Agriculture Department?

THE PRESIDENT: I think Secretary Butz, over a period of three or four years, has done a good job. He has been very outspoken. He is a good, hard worker and I have no plans to remove the Secretary of Agriculture or no specific plans to call for the resignation of any other Cabinet officer.

QUESTION: Mr. President, could you tell us the status of negotiations on the Nixon Administration's tapes and documents? Are they still in the White House or --

THE PRESIDENT: They are being held -- I can't give you the precise location -- but they are being held under an agreement with the Special Prosecutor's office and, of course, now there are two other elements that have developed.

One, Judge Richey has issued an injunction concerning all or some of the documents. A third involvement is a lawsuit by former President Nixon against the head of GSA, Mr. Sampson, so we think, under the circumstances, and particularly under our agreement with the Special Prosecutor's Office, they should remain intact until legal matters and any other commitments have been handled.

QUESTION: Mr. President, could we pursue the Sawhill matter for a minute, please, sir?

THE PRESIDENT: I can't see who asked that. I can't see with the lights and without my glasses.

QUESTION: What policy differences, sir, did you and Mr. Morton have with Mr. Sawhill which precipitated his resignation?

THE PRESIDENT: As I said a moment ago, I appointed a new man to head up the Energy Council and that requires, I think, when you give a man a new assignment, the opportunity to make recommendations for those that will work with him on the Council. It seems to me that with Rog Morton being given that job, he ought to have the right, with my approval, to make changes, and that is why we made the changes. I think they are good people. Mr. Sawhill, whom I admire, will be offered a first-class assignment in this Administration.

QUESTION: Are you saying, Mr. President, that there were no policy disagreements?

THE PRESIDENT: I don't think there were any major policy differences. I think there may have been some differences in approach or technique, but if you give a man a job, you have to give him the people he wants to carry out that responsibility.

QUESTION: Mr. President, in Oklahoma City, you said that overwhelming victories in Congress this fall by the opposition party, being the Democrats, would seriously jeopardize world peace.

This is our first chance to question you on that. I was wondering if you would elaborate on that. Did you mean it in the sense that some Democrats accused you of demagoguery, or is this consistent with your original announced policy that you were going to try to unify the country after Watergate?

THE PRESIDENT: I think the facts that I referred to involved the conflict we had with a majority of the Members of the House and Senate over the limitations and restrictions they put on the continuing resolution.

Those limitations and restrictions on that particular piece of legislation, in my judgment and in the judgment of the Secretary of State, will make it more difficult for the United States to help the Greeks. It will make it more difficult for us to work to bring about a negotiated settlement in the Cyprus matter.

That Congressional limitation will not help our relations with Turkey.

I point out that both the United States and Turkey are members of NATO and if our relationship with Turkey is destroyed or harmed, it will hurt our interest as well as NATO's.

Secondly, we do have an agreement with Turkey as to some military installations and those installations are important for both Turkey and ourselves and if, through Congressional action, we undercut our relationship with Turkey, hurt our relations with NATO, hurt the Greeks -- because it will make it more difficult for a settlement of the Cyprus matter -- then I think the Congress has made a mistake, and if a Congress that is more prone to do that is elected on November 5, it will make our efforts much harder to execute and implement foreign policy to build for peace and maintain the peace.

As Mr. Nessen explained in a subsequent press conference, I was referring as much to Republicans as I was to Democrats who don't cooperate in giving a President of the United States an opportunity to meet the day-to-day problems that are involved in foreign policy.

A President has to be able to act. He has to be able to work with allies and with some potential adversaries, and if the Congress is going to so limit a President, whether he is a Democrat or Republican, that he has no flexibility, in my opinion, the opportunity for a successful foreign policy is harmed considerably.

QUESTION: A follow-up question, please, Mr. President.

How would overwhelming Democratic majorities in Congress undermine your policy and Secretary Kissinger's policy of detente and relations with China?

THE PRESIDENT: Let me say at the outset the Democratic leadership -- both Senator Mansfield and the Speaker of the House and other leading Democrats -- was very helpful to me in that struggle that I just described.

If you will carefully read, which I have, reread my statements both in Oklahoma City and Cleveland, I was very careful not to be critical of the Democratic leadership because they did try very hard.

The problem was the troops did not believe either their own leadership or the President of the United States.

If we have a runaway Congress that does not understand the need and necessity for the broadening of detente, that does not understand the need and necessity for a continuation of our policy vis-a-vis the People's Republic of China, then it is going to make it much harder for a President to carry out a policy of peace abroad.

Now, a runaway Congress is one that does not, at least, pay some attention to their own leadership on both sides of the aisle and to the President of the United States.

QUESTION: Mr. President, can I get back to the conversation with General Haig in early August. I know you said there was no deal or no commitment, but sometimes things are done more subtly. When he brought up as a sixth option the possibility of a pardon, did you point out to him that in your testimony on confirmation you had indicated opposition to such a move, or did you in some way indicate to him that you might be inclined -- without exactly saying so -- that you might be inclined to go along with an early pardon?

THE PRESIDENT: I think the testimony I gave before the House Committee on the Judiciary or subcommittee of that committee speaks for itself, and I will stand by that testimony.

I would like to point out, in addition, in the testimony before the Senate Committee on Rules and Administration, I answered it as follows:

One, I did not think the American people would stand for a pardon, in answer to the hypothetical question that was asked me.

Secondly, because I was not familiar with the precise authority and power of a President to grant a pardon, I did not want to get into any of the technicalities involving that issue, but the testimony I gave before the House committee will speak for itself, and I will let it stand at that.

QUESTION: Mr. President, looking a bit further down the road on your anti-inflation program, sir, do you have any particular figures or program in mind for your 1976 budget, which is now in the process of being prepared?

THE PRESIDENT: That is another matter that I will be working with Roy Ash and his people on after we get through the long shopping list of proposed recissions, deferrals and cutbacks for fiscal year 1975.

I can assure you it will be a tight budget, a very tight budget, because we do have to hold the lid on spending, not only in the remaining months of fiscal year 1975, but we have to reassure the American people that in the next fiscal year we will be just as firm in controlling and holding down expenditures.

QUESTION: Mr. President, when you say a tight budget, do you mean a budget surplus or balanced or possible deficit?

THE PRESIDENT: Our objective will be a balanced budget. We will do the very best we can.

THE PRESS: Thank you.

THE PRESIDENT: Thank you very much, ladies and gentlemen.

END (AT 11:30 A.M. EST)

Press Conference No. 5

12/2/74

PRESS CONFERENCE NO. 5

of the

PRESIDENT OF THE UNITED STATES

7:31 P.M. EST
December 2, 1974
Monday

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

THE PRESIDENT: Won't you sit down.

Good evening. Perhaps I can anticipate some of your questions by summarizing my recent visits to Japan, the Republic of Korea, and the Soviet Union.

In Japan, we succeeded in establishing a new era of relations between our two countries. We demonstrated our continuing commitment to the independence and to the security of South Korea.

At Vladivostok we put a firm ceiling on the strategic arms race, which heretofore has eluded us since the nuclear age began. I believe this is something for which future generations will thank us.

Finally, Secretary Kissinger's mission maintained the momentum in China with the People's Republic of China.

My meetings at Vladivostok with General Secretary Brezhnev were a valuable opportunity to review Soviet-American relations and chart their future course. Although this was our original purpose, Secretary Brezhnev and I found it possible to go beyond this get-acquainted stage.

Building on the achievements of the past three years, we agreed that the prospects were favorable for more substantial, and may I say, very intensive negotiations on the primary issue of a limitation of strategic arms.

In the end, we agreed on the general framework for a new agreement that will last through 1985. We agreed it is realistic to aim at completing this agreement next year. This is possible because we made major breakthroughs on two critical issues.

MORE

(OVER)

Number one, we agreed to put a ceiling of 2400 each on a total number of intercontinental ballistic missiles, submarine-launched missiles and heavy bombers.

Two, we agreed to limit the number of missiles that can be armed with multiple warheads -- MIRVs. Of each side's total of 2400, 1320 can be so armed.

These ceilings are well below the force levels which would otherwise have been expected over the next ten years and very substantially below the forces which would result from an all-out arms race over that same period.

What we have done is to set firm and equal limits on the strategic forces of each side, thus preventing an arms race with all its terror, instability, war-breeding tension and economic waste.

We have, in addition, created the solid basis from which future arms reductions can be made, and hopefully will be negotiated.

It will take more detailed negotiations to convert this agreed framework into a comprehensive accord, but we have made a long step toward peace on the basis of equality, the only basis on which an agreement was possible.

MORE

Beyond this, our improved relations with the other nations of Asia developed on this journey will continue to serve the interests of the United States and the cause of peace for months to come. Economy, energy, security and trade relations were discussed which will be of mutual benefit to us all.

I would like to repeat publicly my thanks and gratitude for the hospitality extended to me by all of my hosts, and through me to the American people.

Miss Thomas, I am glad to respond to your question.

QUESTION: Mr. President, this pact permits the nuclear build-up to go ahead. Since you want to cut government spending, how many billions of dollars will this cost the American people over the years and also, do you think that the Russians stalled last July because they knew that Mr. Nixon was doomed in the Presidency and preferred to deal with his successor?

THE PRESIDENT: I would like to correct, if I might, one impression. This does not permit an agreed build-up. It puts a cap on future build-ups and it actually reduces a part of the build-up at the present time.

It is important, I should say, however, in order for us to maintain equality, which is a keystone of this program, to have an adequate amount of military expenditures. But I can say this without hesitation or qualification: If we had not had this agreement, it would have required the United States to substantially increase its military expenditures in the strategic areas.

So, we put a cap on the arms race. We actually made some reductions below present programs. It is a good agreement and I think that the American people will buy it because it provides for equality and it provides for a negotiated reduction in several years ahead.

Mr. Cormier.

MORE

QUESTION: Mr. President, there are reports that you and Mr. Brezhnev made some progress in maybe fashioning a complementary approach to negotiations in the Middle East. More specifically, perhaps the Soviets would agree to try to persuade the PLO to acknowledge that Israel has a right to exist and we then might try to persuade Israel to talk to the PLO. Is there any truth to this?

THE PRESIDENT: Mr. Cormier, Mr. Brezhnev and I did discuss at some length our different views on the settlement of the Middle East. There are some differences but they are not as major as it would appear.

We indicated that in our judgment, it was important for continuous progress to be made, perhaps with negotiations between Israel and one or more of the other Arab nations.

We also agreed that at a certain point a Geneva Conference might be the final answer. So, as we discussed what appeared to be different views at the outset, I think we came to an agreement that it was in the interest of the nations in the Middle East, the interest of the world at large, that both parties make a maximum effort to keep negotiations going.

We think our step-by-step approach is the right one for the time being, but we don't preclude the possibility of a Geneva Conference.

Yes, sir?

QUESTION: You say that this is going to reduce a part of the build-up. Does that mean, then, that we are going to spend less on defense next year than we are spending this year?

THE PRESIDENT: It does not mean that, because only a part of our total defense program is related to strategic arms research development, deployment, and operations and maintenance. We do have an obligation within the limits of 2400 on delivery systems and 1320 on MIRVs to keep our forces up to that level.

And I think we can, with about the same expenditure level for the next fiscal year, as at the present.

But in the other programs, in our tactical forces and other military programs, there is an inflationary cost. The military has that inflation just like you and I do, so we will probably have to increase our military budget next year just to take care of the costs of inflation.

Yes?

MORE

QUESTION: Just to follow up, we are not quite to that ceiling yet, are we? Do you intend to stay below that ceiling or are you going to try to reach that ceiling?

THE PRESIDENT: I intend to stay below the ceiling. That is the agreement, but we do have an obligation to stay up to that ceiling, and the budget that I will recommend will keep our strategic forces either up to or aimed at that objective.

QUESTION: Mr. President, since it is widely believed the Soviet Union has larger rockets capable of carrying heavier payloads and being MIRVed, to a larger extent carrying more warheads, can you tell us what the relative position would be between the United States and the Soviet Union in terms of warheads if each side goes to the maximum number of 1320 on the MIRVed limit?

THE PRESIDENT: On delivery systems, we are equal. On the MIRVing, we are equal. I think the question you are asking is throw weight. It is recognized that the Soviet Union has a heavier throw weight, but the agreement does not preclude the United States from increasing its throw weight capability.

A number of years ago, our military decided that we wanted smaller missiles that were more accurate. That has been the decision of our military.

Now, if the military decides at the present time that they want to increase the throw weight, we have that right under the agreement, and I can tell you that we have the capability to do so.

So, if there is an inequality in throw weight, it can be remedied if our military recommended and the Congress appropriates the money.

QUESTION: Mr. President, if you find the Soviet Union leaning, then, toward getting the maximum throw weight or the maximum number of warheads on their MIRV missiles, would you then recommend that the United States accelerate and move from smaller missiles to larger ones?

THE PRESIDENT: The Soviet military guidelines were for heavier missiles, heavier throw weight. Our military took a different point of view some years ago. The Soviet Union is limited as to delivery systems and as to MIRVs within the delivery systems. They cannot go beyond those.

The agreement gives us the flexibility to move up in throw weight if we want to. It does not preclude the Soviets from increasing throw weight, but I think for good reasons they have no justification for doing so.

MORE

QUESTION: Wouldn't your stated accomplishments in Russia have carried more long-range credibility if they had been put initially and then described later on in less sanguine and more modest terms?

THE PRESIDENT: Well, if I understand the question, when I came back a week ago yesterday, we did not have in writing what is called an aid memoir, which was the specific agreement in writing that General Secretary Brezhnev and I had agreed to verbally. That has now been received.

Until that had been received and we had checked it out, we felt it was wise to speak in generalities. I am giving to you and to the American people tonight the specific figures. They are, I think, constructive. It is a good agreement. It is an agreement -- if I might repeat -- that puts a cap on the arms race, it makes some reductions and it gives us an opportunity to negotiate.

So, I don't think a week's delay in the specifics has handicapped our presentation.

QUESTION: More specifically, what percentage of the state of progress in Russia was yours and how much was Mr. Nixon's?

THE PRESIDENT: Well, I don't really think I ought to get into an evaluation of that. The United States has been working on a strategic arms limitation agreement for three or four years. I think we made headway in SALT-I. I think we have made a real breakthrough in SALT-II.

QUESTION: Mr. President, I would like to get back to the cost of missiles for one moment, if we may.

I understand we are now spending about \$15 billion a year in strategic arms and there is an enormous amount of missile building to be done under this agreement over the next ten years, both in MIRVs and in throw weight.

Will our costs continue at about the level they are now for the next ten years or will it be more?

THE PRESIDENT: My best judgment is that our strategic arms cost will hold relatively the same. It will not be substantially expanded other than for any increase resulting from inflation.

Yes.

QUESTION: Mr. President, under the agreement the United States tactical nuclear weapons at the forward bases in Europe were not included. Do you expect that they will be reduced or eliminated under some future mutual balanced force reduction agreement with the Soviet Union?

MORE

THE PRESIDENT: One of the very significant benefits of the agreement from Vladivostok was the fact we didn't have to include in the 2400 or the 1320 -- either the delivery systems or the MIRVs -- as far as the forward base systems were concerned.

I am sure you know we are involved in mutual balanced force reductions in Western Europe. When we get closer to an agreement there -- and I hope we will -- we are presently negotiating in Vienna in this area -- it is hopeful that we can make some reductions both in numbers of military personnel between ourselves and the allies on the one side and the Warsaw Pact nations and the Soviet Union on the other, as well as any arms reductions.

QUESTION: Beyond your hopes, is that a commitment that you made to the Soviet leaders in Vladivostok?

THE PRESIDENT: No, we made no agreement concerning the mutual balanced force reductions. We did agree to continue negotiations.

MORE

QUESTION: Mr. President, are you satisfied that the Soviets are carrying out the spirit and the letter of the 1972 arms limitation agreements?

THE PRESIDENT: We know of no violations, either on the part of the Soviet Union or by ourselves. There have been some allegations that the Soviet Union has violated the SALT I agreement. We don't think they have.

There are, however, some ambiguities. When the SALT I agreement was agreed to, there was established a standing consultative commission made up of the Soviet Union and the United States. That commission can meet twice a year to analyze any allegations as to violations of SALT I. It is our intention to call for a meeting of that group -- I think in January of next year -- to analyze any of the ambiguities that have been alleged. We don't think there have been any violations but I have a responsibility to find out and we intend to follow through under the agreed procedure of the 1972 agreements.

QUESTION: Mr. President, since there is no limit in this agreement on throw weight and since there is no limit on multiple warheads, and since additional multiple warheads could be put on the bigger missiles, more or less ad infinitum, how can you say that this is a lid or cap on the arms race?

THE PRESIDENT: Well, it certainly, number one, puts a limit on the delivery systems-- 2400 -- and as I indicated at the outset, this does result in a cutback as far as the Soviet Union is concerned.

The 1320 limitation on MIRVs does put a lid on the planned or programmed program for ourselves as well as the Soviet Union.

Now, the throw weight problem is one that we can remedy if we want to. Our military took a different point of view some years ago when they designed our ballistic missiles, but we have that flexibility.

Now, if we decide to go to a heavier throw weight, we can add on a MIRVed missile a greater number of individual warheads. That is a choice of flexibility that we have and I think it is one of the benefits of this agreement.

QUESTION: You wouldn't describe that as an arms race?

THE PRESIDENT: Well, it is an attempt, if our military wanted to achieve an equality in this particular area. We have equality on delivery systems and the right to MIRV from those delivery systems. In the other, if it is our choice, we can go up in throw weight.

MORE

QUESTION: Mr. President, I want to ask you, what about conventional weapons? We have heard from Senator Goldwater and we have heard from Admiral Zumwalt that we are very weak on conventional weapons and we need more of those, rather than the kind that you have in your agreement.

THE PRESIDENT: Of course, this agreement, Sarah, was limited to strategic arms. We hope, as I indicated a moment ago, to continue our negotiations for the mutual balanced force reductions in Europe. That, of course, would have a limit on the conventional weapons.

In the meantime, I think it is of mandatory importance for the United States to maintain its conventional capability -- the Army, the Navy, the Air Force, the Marines -- because the United States, through a responsible military program, can maintain the peace.

If we cut back our defense in conventional weapons, I think we will have weakened our position for the maintenance of peace. I don't intend to propose a budget in that regard.

QUESTION: Mr. President, do you think that we can do both of these, then?

THE PRESIDENT: I think so.

QUESTION: To follow up on Frank Cormier's question, did you and Mr. Brezhnev discuss some kind of a trade-off whereby Israel would deal with the PLO and the PLO would recognize Israel's right to exist as a state?

THE PRESIDENT: We didn't get into that detail. Israel has indicated that it would not negotiate with the PLO. We have no way of forcing them to do so.

The discussion between Mr. Brezhnev and myself, as far as the Middle East was concerned, was to state our position and their position and as we discussed it, I think we came to a higher degree of agreement in that our position was understood by them and the prospects of a Geneva agreement was understood by us.

MORE

QUESTION: I understand you would like to devote about half of the news conference to domestic affairs, and I think we are about at the halfway point.

THE PRESIDENT: Thank you very much, Mr. Cormier.

I would be glad to talk about both of them a lot longer, but let me make a statement about the economy and then we will have questions on that.

Before turning to domestic questions, which I am sure will concentrate on our economic problems, I would like to say this: We are currently facing three serious challenges -- inflation, recession and energy.

Inflation, which is a deadly long-range enemy that cannot be ignored.

Recession, which is a serious threat that already has hurt many, many citizens and alarms many, many more. Hopefully, it is a shorter range evil, but neither can be ignored, nor will it be.

Assuring adequate energy will require our best efforts. The energy crisis also contributes both to inflation and to recessionary pressures.

Much of the program that I recommended to the Congress and the American people on October 8 is still pending before the Congress. It was designed to meet all three of these challenges. It was balanced to deal with an already rampaging inflation and already anticipated recessionary forces.

And make no mistake -- it is imperative that we fight both inflation and recession at the same time.

The question is one of balance and changing circumstances. At least four measures deserve special, and, I think, immediate attention by this Congress. They cannot wait until next March or April.

I have recommended a series of budget-reducing actions totaling \$4.6 billion so that the Federal Government can set an example of fiscal restraints.

Furthermore, I urge the Congress not to add any more spending. As you can see from this chart, the Congress has already added, or is about to add, over \$1 billion to this year's spending, and I add, with emphasis, against my recommendations.

MORE

Anticipating rising unemployment two months ago, I asked for a National Employment Assistance Act to provide useful work for those who had exhausted their unemployment benefits and others not previously covered. Action on this is essential before the present Congress adjourns.

Action is needed on the Trade Reform Act. This can help immeasurably in fighting both recession and inflation by creating more jobs and providing more goods as well.

The tax reform bill reported by the Committee on Ways and Means of the House provides needed tax relief for low-income citizens while taxing windfall profits for certain oil companies.

I don't support every provision in this committee bill, but on balance it is a good bill and badly needed at this time.

Congress has not only ample time, but the clear obligation to complete action on several vital energy proposals before adjournment.

Times are nowhere near desperate enough to paraphrase President Franklin D. Roosevelt's great rallying cry that the only thing we have to fear is fear itself.

Still it is a good thing to remember, but I do want to say to my fellow Americans that our greatest danger today is to fall victim to the more exaggerated alarms that are being generated about the underlying health and strength of our economy.

We are going to take some lumps, and we are going to take some bumps, but with the help of the Congress and the American people, we are perfectly able to cope with our present and foreseeable economic problems.

But action is more helpful than criticism. And **every week** that the Congress delays, makes the prospects a little bleaker.

I will be glad to answer any questions.

QUESTION: Mr. President, many people feel that the country is ahead of the Government, that people are prepared to sacrifice if they know that everyone is going to be biting the same bullet at the same time. How does this jibe with your information?

MORE

THE PRESIDENT: I think the American people are ready to make more sacrifices than maybe the Congress and even the Executive Branch, including the President, believe they will.

I have a great respect and admiration for the strength and the willingness to sacrifice of the American people. I have tried to give them a program that does require some sacrifice -- a 5 percent surtax on 28 percent of the taxpayers -- so we could alleviate the problems of the people in the lower-income brackets.

I have made some other suggestions, but I believe the Congress, along with myself, have to give some leadership to the American people, who I believe are willing to respond. And I have tried to present a program that would call for that response.

I hope the Congress responds, and if they don't like my program, will come up with one of their own, that will equally call upon the American people to make some sacrifices.

MORE

QUESTION: Mr. President, in the absence of an Arab oil embargo this winter, could you please give the American people some indication as to whether they can expect a gasoline shortage this winter, that is, long lines at gas stations comparable to last winter and also, your predecessor made a firm commitment to the effect that Americans would not, under his administration, have to pay one dollar a gallon for gasoline.

Can you make that same assurance over the next twelve months?

THE PRESIDENT: In 1974 at this point, the use of gasoline has been less than the anticipated growth. In other words, we are using less now than the experts forecast we would use when they were laying out the charts as to the anticipated demand.

The net result is that we have more gasoline in storage today than we had a year ago at this time.

Now that is not enough to carry us through in case there was an oil embargo, but we are in a healthier position today than we were a year ago.

Nevertheless, it is my judgment that we have to keep the pressure on the savings of energy, including a hold-down on gasoline consumption. We are trying to reduce our importation of oil from overseas by one million barrels per day. We are making headway in that regard.

We haven't achieved it, but the net result is we don't anticipate at this point from any foreseeable circumstances, any gas rationing, nor do we foresee any serious shortage.

Yes.

QUESTION: Mr. President, I don't believe you answered my question about can you make the same assurance that your predecessor did about gasoline not going to a dollar a gallon.

THE PRESIDENT: I don't foresee gasoline going to a dollar a gallon. It is what, 45 to 55 cents a gallon today, depending on where you buy it. I see no prospects of the cost of gasoline going up to a dollar a gallon.

MORE

QUESTION: Mr. President, this question perhaps goes back to the earlier part of the news conference, but it has an economic impact. How much will it cost to reach the ceiling which you negotiated with Mr. Brezhnev and when do you expect that the United States will reach that ceiling?

THE PRESIDENT: As I indicated in answer to an earlier question, I think we must continue our present strategic research development, deployment, maintenance programs.

We are going to move into the present program some additional new weapons systems -- the B-1 aircraft, the Trident submarine. The net result is that costs will probably go up as we phase out some and phase in some and phase out others.

Now, the total annual cost will be relatively the same plus the cost of inflation.

QUESTION: Is it \$18 billion?

THE PRESIDENT: It is in that ball park.

QUESTION: For how many years do you expect this to continue, Mr. President?

THE PRESIDENT: Until we are able to negotiate a reduction below the 2400 delivery systems and the 1320 MIRV systems. Yes, Frank.

QUESTION: Although you have repeatedly said you will not recommend a gasoline tax increase, your advisers on energy seem to be lobbying for this as if we are going to be in a very bad economic situation, very bad in regard to the drain of our assets overseas. Now, will you reconsider your objection to this?

THE PRESIDENT: I have not been persuaded that a 20 cent increase in the gas tax is the right answer. I was interested in a poll that was published today which indicated that 81 percent of the American people agree with my position.

Well, if 81 percent of the American people agree with my position, I really don't think a 20 cent a gallon increase in the gasoline tax will go through the Congress, even if I recommended it.

So, it is my judgment that if we have to by taxation cut down on consumption, there must be a better way to do it rather than a 20 cent a gallon increase in the gas tax. If 81 percent of the American people agree with me and don't agree with the various people who are advocating this, I think I am on pretty solid ground.

MORE

QUESTION: The American Conference of Mayors has put as their number one priority the renewal and continuance of the revenue sharing program. Do you plan, in your State of the Union Message to Congress, to ask for a renewal of that program on its present basis?

THE PRESIDENT: I have indicated while I was Vice President, since I have been President, that I think the general revenue sharing program has been a good one. It is now provided from the Federal Treasury around \$16 billion to State and local units of government. I had an hour-plus meeting with the Domestic Council and others several days ago and we analyzed the program. I think it ought to be extended.

I think it has produced a great deal of good at the local level as well as at the State level. Now, we are in the process of analyzing any internal changes, but overall, I think the program is good and I want to work with the Mayors and the Governors and the county commissioners to make sure that the Congress extends this sound program.

MORE

QUESTION: Mr. President, does the Justice Department suit to break up AT&T have your full approval, and are you satisfied as to the impact that such break-up would have on the efficiency and cost of telephone service in the United States?

THE PRESIDENT: I was kept informed, but I don't think I should pass judgment on every anti-trust suit that is contemplated by the Department of Justice.

If they think they have a case, I think they ought to take the initiative within broad guidelines that I firmly believe in personally.

Now in this case, as I understand it, it is not a suit aimed at AT&T simply because of its size. It is aimed at AT&T because of its alleged activities that result in non-competition.

Now the Anti-Trust Act says, in effect, that the elimination of competition is grounds for anti-trust action by the Department of Justice. If that is the basis -- and I understand it is -- then in my opinion the Department of Justice was acting properly.

QUESTION: Mr. President, would you continue to favor your National Employment Assistance Act even if Congress did not pass a tax program to raise the revenue necessary to pay for it?

THE PRESIDENT: I would hope the Congress would be responsible and pass legislation that would provide the revenue to pay for the Unemployment Act extension that I recommended and the public service employment program that I recommended.

I think this was a sound balance we proposed, or I recommended, that we ought to tax the wealthier people, the top 28 percent of the American people, to spread the difficulties of a recession and inflation.

I think it would be irresponsible for the Congress to add expenditures and not provide any additional revenues.

QUESTION: Mr. President, a follow-up, please. If you can get the one without the other, would you take it?

THE PRESIDENT: Well, I will pass judgment on that when that alternative is on my desk.

QUESTION: Mr. President?

THE PRESIDENT: Yes.

QUESTION: Mr. President, is it wise, is it fair to concentrate much of your budget cutting recommendations on health, education and welfare and veterans, what we might call the human friends suffering from inflation most, while not recommending at all any increased stringency in military weapons?

THE PRESIDENT: I don't think that is a fair challenge to my program. What I did at the time I looked at the budget was to take into consideration the reductions that the Congress had made in the defense budget and the Congress had already cut the defense budget \$2.6 billion. I recommended an additional \$400 to \$500 million cut, making it roughly a \$3 billion total cut in the proposed expenditures of the Department of Defense.

Now, since the Defense Department had already had a sizeable reduction by the Congress, I felt we had to go across the rest of the spectrum of the Federal Government to find additional reductions.

Now, what we have done was to require certain individuals, for example, who wanted food stamps to pay slightly more in order to qualify for food stamps. We called upon the Congress to slow down, in some instances, public works projects.

We tried in the \$4.6 billion reduction to spread the reductions across the board, and I think if you look at what the Congress did in the first place and what we have proposed in the second, it is a fairly well balanced program.

Yes.

MORE

QUESTION: To follow up the question that is reaching but is still in the economic ball park, if the ceiling works, will there ever be a saving, an actual saving, in expenditure for strategic weapons?

THE PRESIDENT: Very, very definitely, and that is the fundamental question that we have answered. If there had been no ceiling of 2400 on launchers and 1320 on MIRVs, we would have had an arms race. The Soviet Union had plans and programs, we believe, to substantially increase the number of launchers and to substantially go beyond 1320 on the MIRVs.

And we have the capability and, I think, if there had been an arms race with the Soviet Union going higher and higher and higher, we, as a Nation, for our own security, would have been forced to do precisely the same.

So, Mr. Brezhnev and I agreed that we first had to cap the arms race, both in launchers and in MIRVs. We have done that, and I wish to compliment Mr. Brezhnev because his opening statement, if I can paraphrase it, was that he and I, his country and ours, had an obligation to not indulge in an arms race, to put a cap on the proposed expenditures in both categories.

It was a statesmanlike approach at the outset, and because he believed that, and because I believe it, I think we made substantial progress, and I strongly defend what we did.

THE PRESS: Thank you, Mr. President.

END (AT 8:10 P.M. EST)