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PRESS CONFERENCE NO. 12

of the

PRESIDENT OF THE UNITED STATES

12:01 P.M. PDT April 3, 1975 Thursday

In the Silver Room At the San Diego Convention and Performing Arts Center San Diego, California

THE PRESIDENT: Will you please sit down.

At the outset, let me express my appreciation to Mayor Pete Wilson and the fine people of San Diego for the very warm welcome.

I also am delighted to see one or more of my former colleagues in the Congress here. It is always nice to see them and all others who may be here. Good morning.

I have a short opening statement.

We are seeing a great human tragedy as untold numbers of Vietnamese flea the North Vietnamese onslaught. The United States has been doing -- and will continue to do -- its utmost to assist these people.

I have directed that all available Naval ships to stand off Indochina, to do whatever is necessary to assist. We have appealed to the United Nations to use its moral influence to permit these innocent people to leave, and we call on North Vietnam to permit the movement of refugees to the area of their choice.

While I have been in California, I have been spending many hours on the refugee problem and our humanitarian efforts. I have directed that money from a \$2 million special foreign aid children's fund be made available to fly 2000 South Vietnamese orphans to the United States as soon as possible.

I have also directed American officials in Saigon to act immediately to cut red tape and other bureaucratic obstacles preventing these children from coming to the United States.

I have directed that C-5A aircraft and other aircraft especially equipped to care for these orphans during the flight be sent to Saigon. I expect these flights to begin within the next 36 to 48 hours. These orphans will be flown to Travis Air Force Base in California, and other bases on the West Coast, and cared for in those locations.

These 2000 Vietnamese orphans are all in the process of being adopted by American families. This is the least we can do, and we will do much, much more.

The first question is from Mr. George Dissinger of the San Diego Tribune.

QUESTION: Mr. President, are you ready to accept Communist takeover of South Vietnam and Cambodia?

THE PRESIDENT: I would hope that that would not take place in either case. My whole Congressional life in recent years was aimed at avoiding it. My complete efforts as President of the United States were aimed at avoiding that.

I am an optimist, despite the sad and tragic events that we see unfolding. I will do my utmost in the future -- as I have in the past -- to avoid that result.

QUESTION: Mr. President, I understand you are soon going to ask Congress for new authority to extend humanitarian aid in Southeast Asia. I wondered if you stand by your request, though, for more military aid for South Vietnam.

THE PRESIDENT: We do intend to ask for more humanitarian aid. I should point out that the Administration's request for \$135 million for humanitarian aid in South Vietnam was unfortunately reduced to \$55 million by Congressional action. Obviously, we will ask for more; the precise amount we have not yet determined.

We will continue to push for the \$300 million that we have asked for and Congress had authorized for military assistance to South Vietnam, and the possibility exists that we may ask for more.

QUESTION: Mr. President, how and why did the U.S. miscalculate the intentions of the will of the South Vietnamese to resist?

THÉ PRESIDENT: I don't believe that we miscalculated the will of the South Vietnamese to carry on their fight for their own freedom.

There were several situations that developed that I think got beyond the control of the Vietnamese people. The unilateral military decision to withdraw created a chaotic situation in Vietnam that appears to have brought about tremendous disorganization.

I believe that the will of the South Vietnamese people to fight for their freedom is best evidenced by the fact that they are fleeing from the North Vietnamese and that clearly is an indication they don't want to live under the kind of government that exists in North Vietnam.

The will of the South Vietnamese people, I think, still exists. They want freedom under a different kind of government than has existed in North Vietnam. The problem is how to organize that will under the traumatic experiences of the present.

QUESTION: Unilateral decision by whom?

THE PRESIDENT: It was a unilateral decision by President Thieu to order a withdrawal from the broad, exposed areas that were under the control of the South Vietnamese military.

QUESTION: Mr. President, what is your response to the South Vietnamese Ambassador to Washington's statement that we had not lived up to the Paris peace accords and that the Communists are safer allies?

THE PRESIDENT: I won't comment on his statement. I will say this: That the North Vietnamese repeatedly and in massive efforts violated the Paris peace accords. They sent North Vietnamese regular forces into South Vietnam in massive numbers -- I think around 150,000 to 175,000 -- well-trained North Vietnamese regular forces, in violation of the Paris peace accords, moved into South Vietnam.

We have objected to that violation. I still believe that the United States, in this case and in other cases, is a reliable ally and although I am saddened by the events that we have read about and seen, it is a tragedy unbelievable in its ramifications.

I must say that I am frustrated by the action of the Congress in not responding to some of the requests for both economic, humanitarian and military assistance in South Vietnam. And I am frustrated by the limitations that were placed on the Chief Executive over the last two years.

But let me add very strongly, I am convinced that this country is going to continue its leadership. We will stand by our allies and I specifically warn any adversaries they should not, under any circumstances, feel that the tragedy of Vietnam is an indication that the American people have lost their will or their desire to stand up for freedom any place in the world.

QUESTION: Mr. President, can you explain why President Thieu, with our close military ties as allies, did not tell you what he was going to do in terms of the retreat?

THE PRESIDENT: I think the only answer to that can come from President Thieu.

QUESTION: Mr. Ford, recently you said the fall of Cambodia could threaten the national security of this country. Considering the probable fall of South Vietnam to Communist forces, do you feel that will threaten our national security, and if so, how?

THE PRESIDENT: At the moment, I do not anticipate the fall of South Vietnam, and I greatly respect and admire the tremendous fight that the government and the people of Cambodia are putting up against the insurgents who are trying to take over Cambodia.

I believe that in any case where the United States does not live up to its moral or treaty obligations, it can't help but have an adverse impact on other allies we have around the world. We read in European papers to the effect that Western Europe ought to have some questions.

Let me say to our Western European allies, we are going to stand behind our commitments to NATO, and we are going to stand behind our commitments to other allies around the world.

But, there has to be in the minds of some people, a feeling that maybe the tragedy of Indochina might affect our relations with their country. I repeat, the United States is going to continue its leader-ship and stand by its allies.

QUESTION: Are you, in fact, a believer of the domino theory of, if Southeast Asia falls, then perhaps some of the other countries in the Pacific are next?

THE PRESIDENT: I believe there is a great deal of credibility to the domino theory. I hope it does not happen. I hope that other countries in Southeast Asia, Thailand, the Philippines, don't misread the will of the American people and the leadership of this country to believing that we are going to abandon our position in Southeast Asia.

We are not, but I do know from the things I read and the messages that I hear that some of them do get uneasy. I hope and trust they believe me when I say we are going to stand by our allies.

QUESTION: Mr. President, as you are well aware, there are about 7000 Americans still in Saigon. They are in danger not only from Communist attack, but from South Vietnamese reprisals. There are reports that the South Vietnamese are in a bad temper toward Americans.

Do you feel that under the War Powers Act and also under the limitations voted by Congress in 1973 on combat by Americans in Indochina, that you could send troops in to protect those Americans, and would you, if it came to that?

THE PRESIDENT: I can assure you that I will abide totally with the War Powers Act that was enacted by the Congress several years ago. At the same time, I likewise assure you that we have contingency plans to meet all problems involving evacuation, if that should become necessary. At this point, I do not believe that I should answer specifically how those contingency plans might be carried out.

QUESTION: Sir, you don't want to talk specifically. Can you tell us, however, if you do believe that you do have the authority to send in troops? You are not saying, I understand, whether you would, but do you have the authority?

THE PRESIDENT: It is my interpretation of that legislation that a President has certain limited authority to protect American lives. And to that extent, I will use that law.

QUESTION: Mr. President, despite your statement here this morning about war orphans, there apparently is a lot of red tape in Washington. A San Diego man who is trying to get four Vietnamese children out of that country has received hundreds of calls from people all over the Western United States wanting to help, even adopt children, but despite this outpouring of compassion by the American people, all he gets in Washington is, "No way."

There is nothing that can be done. Why is he running into this problem, if we are trying to help?

THE PRESIDENT: Having had some experience in the past with the Federal bureaucracy, when we had a similar problem involving Korean orphans, I understand the frustration and the problem.

But, I am assured that all bureaucratic red tape is being eliminated to the maximum degree and that we will make a total effort, as I indicated in my opening statement, to see to it that South Vietnamese war orphans are brought to the United States.

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QUESTION: Do you think something can be done before it is too late for many of them?

THE PRESIDENT: I can only say we will do what has to be done, what can be done, as a practical matter. I cannot guarantee that every single South Vietnamese war orphan will get here, but I can assure you that we intend to do everything possible in that humanitarian effort.

QUESTION: Mr. President, the Gallup Poll shows a very healthy majority of the American people, 60 percent of the American people, are more concerned about the high cost of living than they are about any other issue including the recession and international developments.

I would like to ask you, in view of that, if Congress does not respond to your repeated appeals to hold down spending and not exceed a level that would produce a deficit of \$60 billion. If they don't do that, and government borrowing increases to cover the deficit, do you have any plans, is there anything you plan to do beyond just these appeals to Congress to prevent a resurgence of inflation?

THE PRESIDENT: As I clearly indicated last Saturday night when I approved the Tax Reduction Act, I have drawn the line on additional Federal spending. That is as far as we dare go.

If we go beyond that, we amplify the potentialities for a resurgence of double-digit inflation. I intend to appeal to the Congress to hold the lid and I intend to appeal to the American people to get their Members of Congress -- Senators and Congressmen -- to stop coming to the White House with one spending bill after another.

In addition, I am asking the Congress to enact a provision that would make applicable for fiscal year 1976 the Budget Control Act that was enacted last year by the Congress.

Under the present law, the Budget Control Act, which forces the Congress to set a ceiling, does not actually come into effect until fiscal year 1977. It seems to me in the crisis that we face today, that the Congress ought to amend the Budget Control Act and make it applicable to fiscal year 1976 so they will impose on themselves, individual Members of Congress -- House and Senate -- a spending limitation.

Now, they are going through sort of a practice session on it. I wish they would abandon the practice session and get down to the ball game, and they, themselves, set a spending limit at the level that I indicated.

QUESTION: What I am asking you, Mr. President, is if you have any strings to your bow other than these Congressional strings? In other words, what I am asking you is, do you plan any executive action to try to curb a resurgence or prevent a resurgence of inflation?

THE PRESIDENT: Well, the executive actions will be directives to the various departments of the government to limit their spending even within the appropriated amounts that Congress has made available.

We are expecting every department to spend as little as possible to carry out their programs or their mandates, and this includes holding the line on Federal personnel; it includes the limitations on spending for anything that cannot be justified. Under the law, that is the maximum that I can do in an executive capacity.

QUESTION: Mr. President, if it would alleviate the refugee problem in South Vietnam and bring about something of a temporary ceasefire, would you urge President Thieu to resign?

THE PRESIDENT: I don't believe that it is my prerogative to tell the head of state elected by the people to leave office. I don't believe whether it is one head of state or another makes any difference in our efforts to help in the humanitarian program.

We are going to carry it on, I hope, with a full cooperation of the South Vietnamese government, and I don't think it is appropriate for me to ask him, under these circumstances, to resign. I don't think his resignation would have any significance on our humanitarian efforts.

QUESTION: In that regard, are there any plans underway by the U.S. government to accept large numbers of Vietnamese refugees in this country other than the 2,000 orphans that you have talked about?

THE PRESIDENT: Under existing law, action by the Attorney General can permit refugees who are fleeing problems in their own country to come to the United States. This authority was used after World War II. This authority was used after the Hungarian invasion by the Soviet Union.

This authority has been used on a number of other occasions. I can assure you that that authority is being examined and if it will be helpful, I certainly will approve it.

QUESTION: Mr. President, what is your judgment now on when you expect the recession to end and recovery to begin? Is it the third quarter of this year, or will it be later?

THE PRESIDENT: Our best judgment is that the recession will turn around during the third quarter of this calendar year. We are already seeing some significant changes in the statistics that give us more certainty that the recession will end and that economic recovery will begin in the third quarter of this calendar year.

QUESTION: Could you tell us what those signs are, please, sir?

THE PRESIDENT: Yes. The latest report shows that there has been an increase in the ordering of manufactured goods. The first time I think in six months that there has been an increase rather than a decrease.

Interest rates are dropping. More money for borrowers is being made available. The inflation is receding, or at least the rate of inflation is receding. As of the last report, it would annualize at about 7.2 percent, contrasted with a 12 or 13 percent rate of inflation in 1974.

When you add up all these various economic indicators, it does show that the recession is receding and that economic conditions will get better in the third quarter of 1975.

QUESTION: Mr. President, in line with the spending question last year when you campaigned in California, you asked voters to help defeat the big spenders in Congress and, if they happened to be Republicans, well, so be it.

Do you plan to use the same philosophy in campaigning next year, and to the extent you will openly campaign against Republicans whose philosophies or policies may contradict yours? If so, how does this sit with your statement that the Republican Party is broad enough for all views?

THE PRESIDENT: I expect to be campaigning very hard for my own re-election in 1976. I will, of course, urge that voters in every state support those candidates who believe as I do, that we have got to hold a line on and restrain excessive Federal spending.

My enthusiasm for an individual candidate will, of course, depend upon his strong support for my policy of fiscal restraint, but I am not going to pass judgment today on individuals, whether in one party or another.

QUESTION: Does this mean then that there is a possibility that during that campaign you could come out openly in support of a Democrat as opposed to a Republican?

THE PRESIDENT: I believe in the need for the country to have individual Members of the House and Senate who believe that these massive Federal spending programs are bad for America.

I certainly will look with favor on anyone who believes as I do, that we cannot spend ourself into prosperity. A tax cut approach is a far better way, and that massive spending programs are not good for America.

QUESTION: Mr. President, you now head an Administration which came to power on a strong law and order platform, but the crime rate since 1969 has done nothing but go up and the statistics include crimes at the highest levels of government.

My question is, whether you think it would be fair for the Democrats to charge that this Administration is soft on crime, or at least is incapable of dealing with the problem?

THE PRESIDENT: Unfortunately, for the country the crime rate has been increasing for the last ten or 15 years, whether it was under a Democratic administration, under President Kennedy or President Johnson, or, except for, I think, one year under the former President, the crime rate has been going up. I don't think it is a partisan issue.

It is my judgment that we have to maximize our efforts--the Federal Government, state government and local units of government--to try and have proper enforcement of the law, which includes the prosecution of people who violate the law.

I can only assure you that to the extent that the Federal Government can do something about it, we -- this Administration -- will do it. The facts of life are that most law enforcement is the local responsibility.

Through the Law Enforcement Assistance Act, the Federal Government has been spending for the last several years around \$800 million to help local units of government, state units of government in the upgrading of their law enforcement capability, helping police departments, helping sheriff's departments, helping the courts, and will continue to do it.

But, the principal responsibility rests at the local level.

QUESTION: Will you be able to spend any more money under your proposition that the line has to be drawn somewhere on fighting the crime problem?

THE PRESIDENT: I think in the budget I submitted, there is ample money for a Federal effort to carry out the Federal role in the area of law enforcement.

QUESTION: Mr. President, you spoke a few minutes ago about being frustrated by the limitation of the War Powers Act. If it were not forbidden now, would you like to send American planes and Naval forces and possibly ground forces into Vietnam to try to turn the situation around?

THE PRESIDENT: I have said that there are no plans whatsoever for U.S. military involvement in Vietnam. On the other hand, I think history does prove that if a Chief Executive has a potential to, it, to some extent, is a deterrent against aggressors.

QUESTION: So, that is your frustration, because you do not have that power to at least threaten the possibility?

THE PRESIDENT: I did not use the word "threat." I said the potential for power, I think, over the years has indicated that that potential is a deterrent against aggression by one country against another.

QUESTION: Mr. President, in view of the possible primary entries by Governor Reagan and perhaps Governor Thompson of New Hampshire, would you be good enough to discuss your own timetable?

When will you set up your committee, specifically, and can you also tell us, do you plan to enter any primaries yourself, or through a stand-in candidate?

THE PRESIDENT: We have not defined our precise timetable, nor our precise plans for the pre-convention campaign. We are in the process of putting together our timetable and our plans. I have said repeatedly that I intend to be a candidate, but I have made no categorical announcement to that effect. But, the matter is not being neglected.

QUESTION: Mr. President, ght of current concerns regarding the assassination of President Kennedy and the recent showings of the Zapruder films, do you still have the same confidence in the finding of the Warren Commission that you had as a Member of that Commission?

THE PRESIDENT: I think you have to read very carefully what the Warren Commission said. And I, as a member of the Warren Commission, helped to participate in the drafting of the language. We said that Lee Harvey Oswald was the assassin. We said that the Commission had found no evidence of a conspiracy, foreign or domestic.

Those words were very carefully drafted. And so far, I have seen no evidence that would dispute the conclusions to which we came.

We were most careful because in 1963 and 1964, when we most carefully analyzed all the evidence available, there was none of the involvement of anybody or anybody as a group, in the assassination.

It is my understanding that the Rockefeller Commission may, if the facts seem to justify it, take a look at it, at the problem, and I suspect that the House and Senate committees that are currently investigating CIA history may do the same.

But the Commission was right when it made its determination and it was accurate, at least to this point -- I want to re-emphasize that -- as to the evidence that we saw.

QUESTION: Mr. President, some people are saying this week that despite all our massive aid in Vietnam and all the lives that were lost there, that the whole thing has come to nothing.

Now, how do you feel about this, and do you think there is any lesson to be learned in what has been happening over there?

THE PRESIDENT: I believe that the program of the previous four or five Presidents -- President Kennedy, President Johnson, President Nixon, and myself.-- were aimed at the -- in the right direction, that we should help those people who are willing to fight for freedom for themselves.

That was a sound policy. Unfortunately, events that were beyond our control as a country have made it appear that that policy was wrong. I still believe that policy was right if the United States had carried it out as we promised to do at the time of the Paris peace accords where we promised, with the signing of the Paris peace accords, that we would make military hardware available to the South Vietnamese government on a replacement, one-for-one basis. Unfortunately, we did not carry out that promise.

QUESTION: Are you blaming Congress for this, then?

THE PRESIDENT: I am not assessing blame on anyone. The facts are that in fiscal year 1974, there was a substantial reduction made by the Congress in the amount of military equipment requested for South Vietnam.

In fiscal year 1975, the current fiscal year, the Administration asked for \$1 billion 400 million in military assistance for South Vietnam. Congress put a ceiling of \$1 billion on it and actually appropriated only \$700 million.

Those are the facts. I think it is up to the American people to pass judgment on who was at fault or where the blame may rest. That is a current judgment.

I think historians, in the future, will write who was to blame in this tragic situation. But the American people ought to know the facts and the facts are as I have indicated.

I think it is a great tragedy, what we are seeing in Vietnam today. I think it could have been avoided. But I am not going to point a finger. The American people will make that judgment. I think it is more important for me and the American people and the Congress, in the weeks and months ahead, to do what we can to work together to meet the problems of the future.

That is what I intend to do, and I will go more than half way with the Congress in seeking to achieve that result. I think we have the capability in America. I think we have the will to overcome what appears to be a disaster in Southeast Asia. To the extent that I can, I hope to give that leadership.

QUESTION: Mr. President, regardless of what caused it, it seems apparent that for the first time in our Nation's history, the enemy is about to win a war where Americans fought and died. Do you think those 55,000 lives were wasted?

THE PRESIDENT: I do not think they were wasted, providing the United States had carried out the solemn commitments that were made in Paris. At the time American fighting was stopped in South Vietnam, at a time when the agreement provided that all of our troops should be withdrawn, that all of our POW's should be returned, if we had carried out the commitments that were made at that time, the tragic sacrifices that were made by many -- those who were killed, those who were wounded -- would not have been in vain.

When I see us not carrying through, then it raises a quite different question.

QUESTION: Is that a yes, then, sir?

THE PRESIDENT: I still think there is an opportunity to salvage the situation in Vietnam, and if we salvage it, giving the South Vietnamese an opportunity to fight for their freedom, which I think they are anxious to do, if given an honest opportunity, then there was not a sacrifice that was inappropriate or unwise.

QUESTION: Good afternoon, Mr. President.

In a speech you are going to deliver here in San Diego this afternoon, you warn against the fatalism, despair and the prophets of doom. Yet, as I look back over the past eight months or a year -- and I don't mean to suggest that these are in any way your responsibility or fault -- I have a laundry list which cites Portugal as having a leftist government raising serious questions about its future in NATO.

Greece and Turkey are at each other's throats, threatening the Southern flanks of that alliance. We are familiar that Secretary Kissinger's mission failed in his peace talks with Egypt, and Israel, and we don't need to rehash the situation in Cambodia and South Vietnam.

That being the case, sir, how can you say that the world outlook -- and particularly as you address it in your speech next week on the state of the world -- is anything but bleak for the United States when many of the minuses which I cited are actually plusses for the Soviets?

THE PRESIDENT: The speech that I am giving to Congress and to the American people next week will deal with many of the problems that you have raised. I think we do face a crisis, but I am optimistic that if the Congress joins with me, and the American people support the Congress and me, as President, we can overcome those difficulties.

We can play a constructive role in Portugal; not interfering with their internal decisions, but Portugal is an important ally in Western Europe. We can find ways to solve the problem in Cyprus and hopefully keep both Greece and Turkey strong and viable members of NATO.

We can, despite the difficulties that transpired in the Middle East in the last several weeks, find a way to keep a peace movement moving in that very volatile area.

It may mean -- and probably does -- that we will have to take the problem to Geneva. I would have preferred it otherwise, but the facts are that if Congress and the American people and the President work together -- as I expect they will -- then in my judgment, those disappointments can become plusses.

QUESTION: But, sir, can you cite any specific reasons for the optimism you express?

THE PRESIDENT: The historical character of the American people, that is the main ingredient that in my judgment, will take America from the disappointments of the present to the optimism of the future.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you, very much.

END (AT 12:45 P.M. PDT)

PRESS CONFERENCE NO. 14

of the

PRESIDENT OF THE UNITED STATES

7:29 P.M. (Brussels Time) May 30, 1975 Friday

In the Press Center At the Brussels Sheraton Hotel Brussels, Belgium

THE PRESIDENT: Let me first set out the basic reasons why we welcomed the United Kingdom's proposal for this meeting at the highest level, and why we gave it support and thought it was very timely.

We wanted to reaffirm the need for undiminished defense efforts and to have a general discussion of the problems associated with collective defense.

Second, we wanted an opportunity in this Atlantic forum to review the issues on what we have called the new agenda -- the energy problem and its ramifications, the food problem, the interaction of national economies.

We think -- and we very much agree with Chancellor Schmidt and others -- that these problems affect the well being and future of all of the countries of the Alliance, as well as a potential military threat.

Of course, we know there are other international bodies to deal specifically with these problems, but we feel that this political forum is a good and suitable one in which to have a broad discussion of the approaches.

Third, we felt it timely to review the status of East-West relations, the progress of our efforts to achieve meaningful detente with countries of the East. This is particularly so because the Geneva Conference on Cooperation and Security in Europe is in its decisive phase.

Fourth, and finally, there are clearly some problems within the Alliance itself. We felt it was desirable to have an opportunity to review these; where appropriate, to have some bilateral and private contacts.

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Among these problems is the dispute between Greece and Turkey and the uncertain developments in Portugal, which concern us.

I have been extremely pleased by the tone and the content of the remarks that were made around the NATO table. I feel that these discussions, the numerous bilateral contacts, the informal talks at the King's dinner last night and the Secretary General's luncheon today, and the final public statements, fully justified this meeting.

In terms of our objectives, the common interests of all of the allies in a strong defense and in safeguarding our security by common efforts were reaffirmed. We also recognize that there is much room for improvement in this area, including with respect to more efficient use of the existing resources.

I think new impetus has been given to the work of the military bodies of the Alliance. All of us came away, in my judgment, with a sense of urgency in dealing with the items on the new agenda, and we were especially pleased to hear Chancellor Schmidt's review of these issues.

I think it was a good expression of political will by the allies following the recent sessions of IEA and the OECD. We reaffirmed the need for giving detente real meaning in terms of the values of our countries.

We agreed to continue the close and full consultations among allies on East-West relations, as well as to continue to pool our efforts in ongoing negotiations like CSCE and MBFR.

We faced Alliance problems in a mature and a quite constructive way. I was struck by the fact that all allies stressed common interests even when -- as in the case of Greece and Turkey -- there exist differences in particular instances.

It is a measure of the general sense of satisfaction with this meeting that quite spontaneously there arose sentiment for holding these high-level meetings at more regular intervals, as proposed by Prime Minister Trudeau. I would strongly support this.

We can be quite flexible about the precise manner in which such meetings are prepared and held, but it is clear that there was widespread feeling among allies that contact at the highest level, the highest political level, is valuable.

Finally, I found it noteworthy that many allies stressed that they did not feel the need of any special American reassurance concerning our commitment to the Alliance. They stressed that they consider our commitment firm and vigorous. Their confidence is fully justified.

With that, I will be glad to recognize Mr. Cormier.

QUESTION: Mr. President, the NATO communique laid heavy emphasis on military preparedness, and I wonder if this reflects any misgivings about the future of detente?

THE PRESIDENT: I certainly did not have that impression, Mr. Cormier. The feeling was that by strengthening our allied forces, we could be more effective in implementing the detente approach.

On the other hand, any weakening of our military forces within the Alliance could make it more difficult to proceed with detente between not only the United States and the Soviet Union, but between the East and the West in general.

Miss Thomas?

QUESTION: Mr. President, would you use nuclear weapons if there was a conventional attack on Europe by the Soviet Union?

THE PRESIDENT: Miss Thomas, I don't think that I should discuss military decisions at this time. I think a decision of that kind would have to be made in the proper channels.

I, of course, would not expect, if our strength continues and detente prospers, that there would be any need for such a hypothetical circumstance developing.

QUESTION: Mr. President, what do you consider to be the most important achievements of your visit to Brussels?

THE PRESIDENT: Mr. Smith, I think it was extremely healthy for the heads of State to get together on this occasion because there had been some difficulties, some traumatic experiences in Southeast Asia. There were rumors to the effect that the United States, because of that experience there, was retreating to an isolationist stature. It seemed to me that it was wise, under those circumstances, for me to come here representing the United States and speak so firmly, so unequivocally, as to our commitment to the Alliance.

But in addition, the exchange of views among the heads of State on the need for close cooperation in the economic field, and I say the economic field in the broadest sense, we recognize that the free world must have a healthy economy if we are to sustain an adequate military stature and it is important, therefore, that we work together to move us all out of the recession that has been plaguing us for the last few months, and the exchange of views in this area, in my judgment, will be helpful in meeting this particular challenge.

Of course, within the parameters of the economic problems, we did follow on the IEA, the OECD, on the questions of energy and other commodities, so those three areas -- particularly, plus, I think the meeting itself -- gave the people of the 15 countries a feeling that unity did exist and that we had a solidarity that would continue the blessings that we have had in the last 26 years.

QUESTION: Mr. President, in your interview with the five foreign journalists last week, you expressed your concern about Portugal, and I wonder if, after your meetings with the Portuguese leaders, that concern has been eased or not?

THE PRESIDENT: Mr. Lisagor, we had an extremely candid discussion with the Portuguese Prime Minister and his colleagues. The Portuguese Prime Minister explained the goals of the political movement in his country. He explained, in some detail, the political set-up as it existed and as they anticipated it would be for a period in the future.

I spoke very frankly about the concern of democratic forces in Portugal, and I particularly emphasized this because all of us in the Alliance greeted the revolution that took place there about a year ago. We had much hope and we had much sympathy for the trends that developed as a result of that revolution.

Equally, however, I did point out the contradiction that would arise if communist elements came to dominate the political life of Portugal, and it is my judgment that others among the allies had a somewhat similar concern.

There is a general agreement that the situation must be watched with care and concern, but also, with deep sympathy and friendship with the people of Portugal.

What I said last week, I think, coincides with what I have said today. We are all hopeful, but we have to be watchful.

QUESTION: Mr. President, after the NATO rebuff to Spain, what new proposals have you in mind to shape the American-Spanish agreement?

THE PRESIDENT: Could the question be repeated?

QUESTION: The NATO re uff with Spain. What proposals do you have in mind at this time?

THE PRESIDENT: We will be negotiating, of course, with the Spanish Government for the extension of base rights and the bilateral relationship. I don't think it is proper for me at this time to get into the details of those negotiations and the talks that will take place tomorrow.

I might, since the question was raised about Spain, indicate the situation as it developed here in the last 24 to 36 hours.

As I think most of you know, I believe very strongly that the role played by Spain through its contribution to Western defense, by its bilateral U.S. defense relations is an important one.

The bilateral relations that the United States has with Spain, as we see it, does contribute significantly to the defense of the West.

Now, without speaking personally for any one of the other allies, I think this is an understood fact and hopefully, therefore, the negotiations that you speak of can be concluded successfully.

Now, if I could add one other comment vis-a-vis Spain and the allies, we, the United States, continue to favor a Spanish relationship with the Alliance. We think this is important, even though we recognize the unlikelihood of it taking place in the future or the immediate future.

But it is an issue that the Alliance must face, and we hope that as time moves on, there will be a better understanding of it and hopefully a developing relationship.

Mr. Chancellor.

QUESTION: Mr. President, in your address to the NATO Conference, you talked about partial membership or special arrangements in the Alliance. We all know that Greece has a special arrangement now and that France has a special arrangement now.

Would you tell us the differences, as you see them, between those two relationships and what ought to be done with them? THE PRESIDENT: Well, the comment that was included in my prepared text did not refer to France's permanent relationship. The comment in the text had specific relationship to the circumstances involving Greece.

As you know, following the Cyprus difficulties of last summer, Greece made a decision to terminate its previous relationship with the allies. It is now in a different relationship than any one of the others in the Alliance.

It is a relationship, however, that we hope, once the Greek-Turkish dispute is resolved over Cyprus, that Greece will return to its previous status within the Alliance and, of course, the meetings that have been held between Greece and Turkey over the last several months, and the meeting that the Foreign Ministers of Greece and Turkey are having tomorrow, will hopefully lead to some progress in this dispute.

If that progress materializes, and the dispute is settled, we are most hopeful that Greece will return to its permanent previous relationship within the Alliance.

Mr. Marder.

QUESTION: Mr. President, the NATO communique refers to the need for deeds in terms of the accomplishments projected for the European Security Conference, and you also have referred to that, sir. Also, we have the problem of the SALT negotiation to be concluded.

Do you see, sir, any risk that the timetable may be upset, which could affect the convening of a summit conference in Washington with Secretary General Brezhnev?

THE PRESIDENT: The CSCE negotiations are reaching a point where there is some reason for optimism. There are some points that must be resolved, but progress is being made.

I am not in a position to forecast when the final agreement will be achieved, if it is, but there is a possibility that the time schedule of several months ago might materialize, and if it does, then I think the follow-on SALT II meeting in Washington can also be on schedule.

But, in both cases, there is no final agreement, so I hesitate to be precise as to a date in either case.

Miss Compton.

QUESTION: Mr. President, in your head-to-head talks with some of the leaders from the other nations, did you carry the ball in the discussions or did you rely on Secretary Kissinger to do most of the talking? (Laughter)

THE PRESIDENT: Those bilateral discussions between myself and the heads of State were carried out in the traditional fashion. In each case, the foreign minister representing the other government, and Secretary Kissinger, were present. They were constructive. They were, I think, a free discussion where the parties there fully participated.

QUESTION: Mr. President, in your meetings with the full Council and with the individual heads of State and government, did there come up in the conversation the difficulties you have had in trying to get a Middle East peace settlement, and did you come away with a feeling that you will have support of the member nations in your efforts in Vienna with President Sadat and later, in Washington, with Rabin?

THE PRESIDENT: In almost every bilateral meeting, the question of the Middle East did come up. In each instance, we gave our reassessment procedure. We indicated that I was meeting with President Sadat in Salzburg, and then, subsequently meeting with Prime Minister Rabin in Washington.

We pointed out the three alternatives that have been well written about. We indicated that any views or recommendations that might be made by the heads of State or the foreign ministers would be most welcome.

We did re-emphasize that our objective in the Middle East was peace, that we could not tolerate stagnation or a stalemate. We felt that movement was essential in the recommendations that I do make, sometime the latter part of June, early July, will be a position of movement aimed at the objective of a secure peace in the Middle East, and I think, the feeling of the allies here was one of supportive of the general objectives without getting into any of the procedures, or the details.

THE PRESS: Thank you, Mr. President.

END (AT 7:48 P.M. Brussels Time)

PRESS CONFERENCE NO. 15

of the

PRESIDENT OF THE UNITED STATES

7:30 P.M. EDT June 9, 1975 Monday

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

THE PRESIDENT: Good evening and won't you all sit down, please.

On Friday the "Commission on CIA Activities within the United States" presented its report to me. I read the report this past weekend, and I have decided it should be made available to the public. It will be released tomorrow.

I thank the Vice President and the other members of the Commission and the staff. It will be obvious to those who read the report that the Commission has done an extensive job of looking into the allegations that the 'CIA exceeded its authority by conducting domestic operations in violation of its statute. My reading of the report leads me to the conclusion that the Panel has been fair, frank and balanced.

I will ask the Attorney General to study all. the materials gathered by the Commission on any matter to determine whether action should be undertaken against any individuals.

I am asking each of the Federal Agencies and Departments affected by the report to study its recommendations and report back to me with their comments.

In addition to investigating the original allegations of improper domestic activities by the CIA, the Commission, at my request, subsequently looked into allegations concerning possible domestic involvement in political assassination attempts. The Commission has reported that it did not complete every aspect of that investigation. The materials they have developed concerning these allegations have been turned over to me in classified form.

Because the investigation of political assassination allegations is incomplete and because the allegations involve extremely sensitive matters, I have decided that it is not in the national interest to make public materials relating to these allegations at this time. However, under procedures that will serve the national interest, I will make available to the Senate and House Select Committees, these materials together with other related materials in the Executive Branch.

I know that the members of the Congress involved will exercise utmost prudence in the handling of such information.

As I have stated previously, I am totally opposed to political assassinations. This Administration has not and will not use such means as instruments of national policy. However, in fairness, none of us should jump to the conclusions as to events that may have occurred in the past 15 or 20 years.

After I have further studied the recommendations of the Commission, I will order or submit to the Congress the necessary measures to insure that the Intelligence Community functions in a way designed to protect the Constitutional rights of all Americans.

It remains my deep personal conviction that the CIA and other units of the Intelligence Community are vital to the survival of this country. As we take the steps necessary to insure the proper functioning of the Intelligence Community, we must also be certain that the United States maintains the intelligence capability absolutely necessary for the full protection of our national interests.

QUESTION: Mr. President, will you turn over to the Justice Department the materials on the allegations of assassination plots as well as the other materials? And if so, will you expect them to conduct their own investigation then in that field to determine whether criminal prosecution might be in order?

THE PRESIDENT: Mr. Cormier, I will turn over the material that has been given to me by the Rockefeller Commission and I will turn over to the Justice Department other material within the Executive Branch of the Federal Government so that the Department of Justice and the Attorney General will have full access to whatever we have for a determination by them as to any need to prosecute any individual.

Miss Thomas?

QUESTION: Mr. President, at a recent news conference you said you had learned the lessons of Vietnam. Since then, I have received a letter from Mrs. Catherine Litchfield of Dedham, Massachusetts. She lost a son in Vietnam and on her behalf and on behalf of many, many parents with her plight, I would like to ask you what are those lessons you learned from the Vietnam experience?

THE PRESIDENT: I think, Miss Thomas, there are a number of lessons that we can learn from Vietnam. One, that we have to work with other governments that feel as we do -- that freedom is vitally important. We cannot, however, fight their battles for them. Those countries who believe in freedom as we do must carry the burden. We can help them, not with U.S. military personnel but with arms and economic aid so that they can protect their own national interest and protect the freedom of their citizens.

I think we also may have learned some lessons concerning how we would conduct a military operation. There was, of course, from the period of 1961 or 1962, through the end of our military involvement in Vietnam, a great deal of controversy whether the military operations in Vietnam were carried out in the proper way. Some dispute between civilian and military leaders as to the proper prosecution of a military engagement — I think we can learn something from those differences and if we ever become engaged in any military operation in the future — and I hope we don't — I trust we have learned something about how we should handle such an operation.

Q Does that mean you would not conduct a limited war again with a certain amount of restraint on the part of our bombers and so forth?

THE PRESIDENT: I would not want to pass judgment at this time on any hypothetical situation. I am simply indicating that from that unfortunate experience in Vietnam, we ought to be able to be in a better position to judge how we should conduct ourselves in the future.

QUESTION: What is the nature of the Federal law that may have been violated by the CIA? I can understand where a state law may have been violated, but is there a Federal statute you have in mind?

THE PRESIDENT: Involving the CIA?

QUESTION: Yes.

THE PRESIDENT: In 1947, the Congress passed the basic charter of the Central Intelligence Agency, and the law passed by the Congress gives certain responsibilities to the CIA in the handling of intelligence overseas. It was understood, as I have read excerpts from the debate of 1947, that the Central Intelligence Agency should not be involved in any domestic activities.

Now, if individuals within the CIA violated that basic charter, it will be for the Attorney General to make a judgment as to whether there should be any prosecution. In a broader sense, however, if it is determined that the Central Intelligence Agency, as an organization, has violated its charter, then, of course, corrective action will have to be taken, and without revealing what was in the report from the Rockefeller Commission, I believe there will be certain recommendations for some legislation and some administrative action that ought to be taken to make certain and positive that the agency does its job and that the rights of Americans, domestically, are well protected.

Yes, Mr. Brokaw -- er, Mr. Jarriel.

QUESTION: I was wondering why you had the Rockefeller Commission stop short in its work and not complete its investigation into alleged political assassinations? Why did you not reach a conclusion in that particular area?

THE PRESIDENT: Let me say, at the outset, I did not tell the Rockefeller Commission that it should not proceed further. The Rockefeller Commission, on its own, decided that it wanted to conclude its operations on the basis of the original responsibilities given to it.

The Commission, at the outset, was told it should investigate allegations concerning domestic violations of its charter. Subsequent to that, there were questions -- I should say -- raised about political assassinations. I suggested that the Commission undertake an investigation of any domestic involvement in political assassinations.

The Commission, after the original 90 days it was given to complete its report, requested an extension for an additional time, and I gave them an additional 60 days.

Sometime in early May, the Commission decided that it wanted to conclude its original assignment, and they decided that they should make the report, which will be released tomorrow to the public. And they have turned over to me the material they collected concerning any political assassinations.

QUESTION: This was a Presidential commission, of course. Do you agree with their conclusion to stop without reaching a conclusion in this particular area?

THE PRESIDENT. I do for this reason, that the material they have collected, the interviews, the hearings, any other material that they are giving to me I am turning over to the Attorney General along with other material that we are collecting within the Executive Branch of the Government so that the proper agency of the Executive Branch of the Federal Government will be in a position to analyze and to prosecute if there is any need to do so.

QUESTION: Sir, if I may press you on that just a little bit. Why aren't they the proper agency to do that? They were assigned by you to look into the CIA and find out what was wrong. They obviously got into something very controversial and then all of a sudden they just stopped. Why didn't you tell them, "Go on, fellows, and get to the bottom of this." Isn't that they way investigations are usually conducted?

THE PRESIDENT: I think you have to bear in mind the original assignment of the Rockefeller Commission which was to investigate any alleged illegal activities domestically. The CIA has a charter only to conduct intelligence matters overseas and the allegation was made by many that the CIA had involved itself into domestic intelligence matters.

I asked the Rockefeller Commission to undertake an investigation of the original charges which was a very major responsibility. I think they decided that they should conclude their investigation of the basic charges and give to me for proper utilization by the Attorney General for any further investigation and prosecution.

I think it is a responsible manner in which to handle this situation.

QUESTION: But you don't think you are going to open yourself up to some kind of charge of coverup by doing it this way?

THE PRESIDENT: I am convinced that with the Attorney General, Mr. Ed Levi, we have a man who is going to carry out his sworn obligation to conduct an investigation on the broadest basis and to prosecute if there is any problem. I have full faith in the Attorney General and I should add that the Senate and House Committees are also in the process of making further investigations as they have been charged with the responsibility by the Congress so there is not going to be any possibility of any coverup because we are giving them the material that the Rockefeller Commission developed in their hearings, plus any other material that is available in the Executive Branch.

QUESTION: Mr. President, do you foresee any time in the future when that material from the Rockefeller Commission that relates to assassination plots and other White House material that you say you will now turn over to Congressional committees, do you foresee any time when it might be in the public interest to have that released?

THE PRESIDENT: I think there may be and if you noticed in my opening statement I said at this time that I would not want to prejudge that at the moment.

QUESTION: Mr. President, what part was played in your thinking by concern about the memories of President Eisenhower and President Kennedy and the fear that not fully substantiated allegations coming out, especially by the late President Kennedy, at this time, would lay you open to the charge of trying to interfere with a candidacy of Senator Kennedy?

of anything that I divulged, passing judgment in hindsight as to decisions made in the last 15 or 20 years. I have read the summary from the Rockefeller Commission concerning political assassinations. I have read other material collected by the Executive Branch of the Government, going back to late 1959 and running up through 1967 or 1968. I have read that myself, and under no circumstances do I want to sit in 1975 passing judgment on decisions made by honorable people, under unusual circumstances. I think historians will make those judgments better than anybody in 1975, including myself. So it is my feeling that I, the members of Congress and others, ought to reserve judgment and that is why I caution the House and Senate Committees to use utmost prudence in how they handle the material I am giving them.

QUESTION: When you say, sir, that you don't want to sit in judgment on decisions made by others some 15 years ago, are you suggesting that there were decisions made by the Presidents in that time?

THE PRESIDENT: No, quite the contrary. I am not passing judgments on whether they were right or wrong. I simply am saying that for us 15 to 20 years later to put ourselves in the position of people who had the responsibility in the highest echelons of our Government, we shouldn't be Monday morning quarterbacks, if I could invent a cliche. I think it is better to let history tell the story rather than contemporaries.

Yes?

QUESTION: Mr. President, in the view of what some people have called the post-Watergate morality, do you believe the CIA's credibility can be restored until and unless the story of the allegations of political assassination are disclosed fully to the public?

THE PRESIDENT: Of course, I do. I believe that the credibility of the CIA can be and will be restored by the report of the Rockefeller Commission, and the recommendations of the several Congressional committees.

I believe that there can be internal improvement in the CIA. I think there can be legislative recommendations that I hope the Congress will enact, and the net result will be that we will have a strong, effective and proper Central Intelligence Agency.

I have complete faith that we can do the job, that we will do it and that we will have a CIA that will do the job for us.

Yes?

QUESTION: I wonder if I can change the subject to Europe and the future. There are reports in Europe, sir, that both the United States and the Soviet Union seem to be less and less interested in the Security Conference that is due up this year. Could you tell me something about the future timetable, when that might come up, how SALT is doing, when you might be seeing Mr. Brezhnev, and so forth? There seems to be some slippage in this.

THE PRESIDENT: While I was in Europe, I discussed with many European leaders the status of the European Security Conference, their views. It appears that there are some compromises being made on both sides between the Warsaw Pact nations and European nations, including ourselves, that will potentially bring the European Security Conference to a conclusion. Those final compromises have not been made, but it is getting closer and closer.

I hope that there will be sufficient understanding on both sides to bring about an ending to this long, long negotiation. If it does, in the near future, we probably would have a summit in Helsinki.

The negotiations on SALT II are progressing, I think, constructively. The technicians are working on problems of verification and other matters that are very important, but can be better outlined and put together by the technicians.

I am optimistic that we can have a SALT II agreement, but I can assure you, as I have others, that we are going to make certain that our national security interest is very, very adequately protected, and I think it can be, as I look at the overall picture.

QUESTION: To follow up, sir, when do you think Mr. Brezhnev might be coming here? Would you give a ballpark guess on that?

THE PRESIDENT: I would hope if negotiations go the way they are, some time in the fall of 1975.

Yes?

QUESTION: Mr. President, turning to the economy, the unemployment figures for the month of May were at a 34-year high; 9.2 percent. What is your assessment of where the economy will stand at the end of this year, and pick some random date in the future -- let's say, October or November of the election year -- as to where it will stand then?

THE PRESIDENT: I am optimistic that the economy has bottomed out. We have had a lot more good news than we have had bad news. The bad news, of course, was the increase in the unemployment to 9.2 percent, but I hastily add that, for the second month in a row, we have had an increase in actual employment.

As a matter of fact, over the last two months, we have had about a 450,000 increase in people employed in the domestic economy. In addition, we are continuing our headway in the battle against inflation. We have cut the rate of inflation by about 50 percent in the last six months.

The civilian economy showed some other encouraging factors. The Department of Commerce, last week, released a report that showed that the 12 economic indicators were up 4.2 percent, one of the largest, if not the largest, increase in the last several years. New orders, housing permits are up.

We have gotten, I think, an accumulation of encouraging signs, and I believe that towards the end of the year it will look better. And I happen to believe, in 1976, the economy will look even better, and we are going to work at it.

QUESTION: Would you care to give out a figure, sir?

THE PRESIDENT: No.

QUESTION: Mr. President, to follow on Helen's question, sir, do you believe the language of our mutual defense treaty with South Korea requires the presence of American troops there, or can the United States fulfill its commitment short of that?

THE PRESIDENT: I believe it is highly desirable, under our mutual defense treaty with South Korea, to maintain a U. S. military contingent in South Korea. We have now roughly 38,000 U. S. military personnel in South Korea. I think it is keeping the peace in Korea, and I think it is important for the maintenance of peace in the Korean peninsula that, that force stay in South Korea.

QUESTION: Are you thinking of keeping them there indefinitely, or do you hope to review that question next year?

THE PRESIDENT: It is constantly under review.

QUESTION: Mr. President, to get back to the CIA, some senior assistants of yours have blamed Vice President Rockefeller for having suggested the public report on the CIA would contain assassination findings and for announcing plans to issue the Commission report before checking with you. Has this caused you any embarrassment, or anyone in the White House?

THE PRESIDENT: It has not embarrassed me. I have, of course, been in constant contact with the Vice President. I understand that the Commission was going to make the decision that it would not get any further into the political assassination area, that they wanted to conclude their Commission investigation and file its report.

The Vice President and I understand each other perfectly.

QUESTION: The Prime Minister of Israel is coming on Wednesday, I believe, and you met with Egyptian President Sadat a week ago. As you go into this next phase of consultations, are you any more prepared to give Israel stronger guarantees?

THE PRESIDENT. My meeting with Prime Minister Rabin of Israel, which is to be held on Wednesday and Thursday of this week, will be a meeting where I will get his personal assessment of the overall situation in the Middle East.

We will discuss the options that I see as possible, either a resumption of the suspended step by step negotiations or a comprehensive recommendation that I would make to probably reconvene the Geneva Conference or a step by step process under the umbrella of the Geneva Conference.

I am going to go into these alternatives or these options in depth with Prime Minister Rabin and when we have concluded our discussions, I will be in a better position to know how our Government should proceed in trying to achieve a broader peace, a more permanent peace, with fairness and equity in the Middle East.

Mr. DeFrank.

QUESTION: Thank you, Mr. President.

You keep saying that you are going to announce your candidacy for election in 1976 at the appropriate time, but nothing happens. Are we getting any closer to that appropriate time and, if so, can you tell us about that?

THE PRESIDENT. You are getting closer and closer, (laughter) but I have not picked a specific time for that announcement. There is no doubt of my intention. I reiterate it again tonight, but all I can say is we are getting closer and closer to a specific announcement. (Laughter)

Mr. Barnes.

QUESTION: Mr.President, when you were in Salzburg, you appeared to be especially friendly with Egyptian President Sadat. Was this public display of friendliness with him designed in any way to pressure Israel to make new concessions toward a Middle East settlement?

THE PRESIDENT: I did enjoy my opportunity to get acquainted with President Sadat and I not only enjoyed his company, but I benefited from his analysis of the Middle East and related matters, but I have the same relationship with Prime Minister Rabin. I have known him longer and this will be the second or third opportunity that I have had a chance to meet with him, plus my opportunities when he was the Iraeli Ambassador here.

I think I can be benefited immeasurably by meeting face to face with people like Prime Minister Rabin and President Sadat. This judgment by our Government in this area is a major decision and we have to get the broadest possible information to make the best judgment. And in both instances, as well as others, I am glad to have the help and assistance of those who come from that area of the world.

QUESTION: Mr. President, some of your critics in Congress argue that your veto of legislation, such as the public service jobs bill, amounts to a minority rule. Is it your judgment that the next year, year and a half, will be a series of veto confrontations and stalemate?

THE PRESIDENT: There is no need for it, if the Congress acts responsibly in the handling of the Federal fiscal affairs. I would hope that the veto that was sustained last week will put the proper environment on Capitol Hill for a responsible fiscal policy by the Congress.

If the Congress ignores the desire on the part of the President and more than a third of the House to be responsible fiscally, then, of course, we will have more vetoes.

I would hope that there might be a lesson learned and that we will have responsibility rather than irresponsibility by the Congress.

END

THE PRESS: Thank you, Mr. President.

AT 8:01 P.M. EDT

PRESS CONFERENCE NO. 16

of the

PRESIDENT OF THE UNITED STATES

5:00 P.M. EDT June 25, 1975 Wednesday

On the South Grounds At the White House Washington, D.C.

THE PRESIDENT: Please sit down.

I think this is a delightful place to have a press conference, and I hope all of you feel the same way.

I do have an opening statement.

I commend the House of Representatives for its vote to sustain my veto of the housing legislation. This vote demonstrates a growing sense of fiscal responsibility in the Congress and a realization by an increasing number of Congressmen that economic recovery need not be bought at the price of unwise legislation and costly inflation.

I am prepared to work with the Congress in reaching our common objectives -- a revitalized housing industry, more jobs in construction and a sound economy.

I again urge the Congress to extend for another year the Emergency Home Purchase Assistance Act of 1974, and to expand it by another \$7 billion 750 million as quickly as possible.

To head off the foreclosure of homes whose owners are temporarily out of work, I again ask the Congress to act expeditiously on legislation introduced by Congressman Lud Ashley of Ohio and Garry Brown of Michigan and others to provide mortgage payment relief and co-insurance for lenders who refrain from such foreclosures.

I am confident that we can and will meet to solve these problems.

Miss Thomas?

QUESTION: The United States, as a matter of policy, has consistently disavowed the first use of nuclear weapons. Is that still our policy in view of recent developments?

THE PRESIDENT: Well, the United States has a policy that means that we have the maximum flexibility for the determination of what is in our own national interest. We had a change of some degree about a year and a half ago.

When I took office, or since I have taken office, I have discussed this change to maximize our flexibility and to give us the greatest opportunity for our own national security, with Secretary Schlesinger, and I can assure you that it is a good policy, and it is a policy that I think will help to deter war and preserve the peace.

QUESTION: Well, may I follow up, sir?

THE PRESIDENT: Sure.

QUESTION: You haven't said whether you will use the first strike, in terms of tactical or strategic, and don't you think the American people should know?

THE PRESIDENT: I don't think it is appropriate for me to discuss in a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interests, and I don't believe under these circumstances that I should discuss how, when or what kind of weapons should be used.

Mr. Cormier?

QUESTION: Declaration of candidacy, the completion of the Middle East reassessment is getting closer every day. I wonder how close is it now and does it look more like a return to step-by-step diplomacy, or a move to Geneva?

THE PRESIDENT: The reassessment that we are undertaking in regard to the Middle East has not been concluded. We have met with a number of heads of government in the Middle East. We have discussed the alternatives and options with a number of other people who are knowledgeable in this area, but I cannot give you a date as to when that reassessment will be concluded.

Obviously, it is getting closer and closer because we must not permit, to the degree that we can affect it, a stalemate or stagnation, because the longer we have no movement toward peace in the Middle East, the more likely we are to have war and all of its ill-ramifications.

I can only say we are working on the problem with countries in the Middle East and with others, and that the reassessment will be concluded in an appropriate time, and it will provide for movement, as far as we are concerned.

THE PRESIDENT: Mr. Cormier.

QUESTION: Is it more likely to be in the direction of Geneva, or more shuttle diplomacy?

THE PRESIDENT: The options are still open.

QUESTION: Mr. President, your popularity in the public opinion polls has risen rather dramatically recently, and I know you have discussed this matter with pollster Louis Harris. To what do you attribute your improvement in the public opinion polls recently?

THE PRESIDENT: Naturally, I am pleased that the polls have shown improvement. I think this is a reflection of the fact that we have had a consistently strong policy, domestically, aimed at doing something affirmatively about inflation and showing our concern and compassion in the field of finding a remedy to the recession. I think it also reflects some of the hard decisions we had to make in the area of foreign policy.

Obviously, the MAYAGUEZ incident and the way it was handled has had a good reaction, but we have done other things in foreign policy. The trip to Europe, I think, was effective in that it showed the Alliance is strong and we are committed to the Alliance, and, of course, the Alliance has contained agression and maintained peace in Western Europe.

So, there is a whole series of things that, in my judgment, have been good for the country, and when something is good for the Nation, people, who have something to do with it, do benefit to some extent.

QUESTION: Mr. President, on the subject of foreign policy, Secretary Kissinger spoke in Atlanta the other night, and he had something to say about our alliances, that "...no country should imagine it is doing us a favor by remaining in alliance with us..." Is this a signal of a new attitude towards our allies?

THE PRESIDENT: I don't think it is a signal of a new attitude. Any bilateral agreement is in the mutual interest of both parties, and any alliance, such as the North Atlantic Alliance, is also in the mutual interest of all of the participants.

Now, occasionally, I suspect, some partner gets the impression that his country is getting less out of an alliance than another. We think it is important to keep them on a mutual basis, and we intend to do so. But there was nothing in Secretary Kissinger's comments in Atlanta the other night that was aimed at any one country or any one alliance.

QUESTION: Well, if we might have had Turkey in mind as one country, I am just wondering if this is a diplomatic thing to say at this time when our bases are at stake and the welfare of NATO?

THE PRESIDENT: Secretary Kissinger's comment, as I said a moment ago, was not aimed at any one country or any one Alliance. We are concerned about the conflict in the Mediterranean, which has resulted from the Cyprus difficulty of about 18 months or more ago, which has resulted in differences between Turkey and Greece.

I can assure you that we are going to work as we have in the past to try and find an answer to that problem, but I don't think the Secretary's comment in Atlanta was aimed at either Greece or Turkey or any particular Alliance.

QUESTION: Mr. President, your aides say that unemployment next year, an election year, will be very high, perhaps as high as eight million Americans. Yesterday, George Meany charged your Administration with callous disregard for human misery.

My question is this, sir: Why should the American people vote to put back in office a President whose policies accept such a high rate of unemployment among the American people?

THE PRESIDENT: We don't accept that as a figure that we want. We have to be realistic in that with the high inflation we had a year ago 12 to 14 percent. We have to do something affirmatively in regard to inflation, and we have cut the inflation rate in the last six months by 50 percent.

As you bring down inflation, we may have to suffer for a short period of time higher unemployment than we like, but I am convinced that with the policies we are pursuing, we can gradually increase employment and gradually decrease unemployment.

I am glad to indicate that in the last two months, according to the statisticians, we have had an increase of about 550,000 more people gainfully employed. This is a good trend, and I think you are going to see it increasing. I hope in the process that we will go down from the 9.2 percent unemployment -- I think we will -- that we reported several weeks ago.

QUESTION: If I may follow up, sir, your own Administration's forecasts say that unemployment won't go down to 5 percent until 1980.

My question is: Don't you consider this to be a potent political issue next year?

THE PRESIDENT: I think it is an unacceptable figure. I hope they are wrong. I can only point out that six months or a year ago some of my advisers were telling me that inflation in 1975 would be 8 or 9 percent. It is down to 6 percent.

So, I think we can hopefully expect the same kind of improvement over the speculation in unemployment that we had in forecasting inflation.

QUESTION: If the economy has not shown a significant upturn sometime late this fall, would you consider asking Congress to extend for another year the tax reduction that is now in effect?

THE PRESIDENT: If the evidence shows that the tax reduction measures that were approved early this year were beneficial in moving the economy forward, and if we are convinced that the tax reductions would not create a deficit of a sizeable magnitude, more than we can afford, and if we have an economic situation that is not moving ahead and not improving, yes, I would consider recommending to the Congress that the tax reductions be extended for another year.

QUESTION: Have you discussed this with Congressional leaders as a possibility?

THE PRESIDENT: I have not discussed it with Congressional leaders. We keep a close check on economic indicators within the White House, and we have analyzed the alternatives in this situation.

If the conditions prevail that I indicated a moment ago, we would consider this as an option.

Yes, Mr. Brokaw?

QUESTION: Mr. President, are you concerned that the Congressional budget office is concerned that if the Middle East oil producers raise the price of oil this fall, as they have threatened to do, it will prolong the American recession and delay the recovery?

If the Middle East oil producers do, in fact, increase the price of oil, would you expect the American people to just swallow that increase, or would you have a definitive Administration response to an increase from the Middle East, and if you do, what would it be?

THE PRESIDENT: First, any increase in foreign oil would be, in my judgment, very disruptive and totally unacceptable. As you know, I have been trying to get the Congress to pass an energy program that would make us less vulnerable to any price increase by foreign oil sources.

Unfortunately, the Congress has done nothing, but we are going to continue pressing the Congress to act.

Now, our program, which I hope the Congress will pass eventually, would produce more domestic oil and make us less dependent on foreign oil.

In the meantime, we have to work with our allies, the oil-consuming nations, to bring our policies closer together so we can act in negotiations with the oil-producing countries. The international energy agency which was formed by the oil-consuming nations has made some progress in this area.

I hope that through this organization and our domestic energy program, we can meet the challenge, or the prospective or possible challenge, of the OPEC nations.

QUESTION: Is that what you mean when you say an increase from the Middle East would be unacceptable, or do you have something else in mind, and could you spell that out? What does unacceptable mean?

THE PRESIDENT: It means that it is unacceptable in the sense that we as a Nation, individually, and we as a Nation, in conjunction with our allies, are going to find some answers other than OPEC oil.

QUESTION: Mr. President, in response to your comments to Helen at the beginning of the news conference, let me just ask you this question point blank: If North Korea attacked South Korea, would you use nuclear weapons to stop that?

THE PRESIDENT: I don't think, Mr. Schieffer, that I ought to, in a news conference like this, discuss what I might or would do under the circumstances you describe. We have a strong deterrent force, strategically and tactically, and, of course, those forces will be used in a flexible way in our own national interest, but I do not believe it is in our national interest to discuss how or when they would be used.

Under the circumstances ---

QUESTION: You are flatly not ruling it out, though?

THE PRESIDENT: I am not either confirming it or denying it. I am saying we have the forces and they will be used in our national interest, as they should be.

QUESTION: Mr. President, your old sidekick, the former Secretary of Defense, Melvin Laird, has written in a magazine article that the Russians had repeatedly violated the SALT agreement and have mocked detente, and he also had some things to say about what they are doing in Portugal and the Middle East.

How concerned are you about these charges?

THE PRESIDENT: I have investigated the allegations that the Soviet Union has violated the SALT agreements, that they have used loopholes to do certain things that were intended not to be done under the agreement.

I have found that they have not violated the SALT agreement, they have not used any loopholes, and in order to determine whether they have or they have not, there is a standing consultative group that is an organization for the purpose of deciding after investigation whether there have been any violations, and that group, after looking into the allegations, came to the conclusion there had been no violations.

Now, as I indicated in Brussels at a press conference, we are concerned about developments in Portugal. We do not believe that a Communist-dominated government in Portugal is compatible with NATO.

Now, it has not reached that stage yet, and we are hopeful that it will not, and some of the developments in the last several days are somewhat encouraging. We certainly have a concern, and a care, and a great friendship for the Portuguese people, and we will do what we can in a legitimate, proper way to make sure that the rights of the Portuguese people are protected.

QUESTION: Can I also ask you in brief connection with this, do you then see that the European Security Conference is likely to come off as the Russians would like to have it come off, in late July, in Helsinki?

THE PRESIDENT: There have been rather protracted negotiations involving the European Security Conference. It didn't look, a few months ago, that there would be any conclusion this summer, but there have been some compromises made and there may be some others achieved that would permit a summit this summer in Helsinki, but it has not yet reached the stage where I could say there will be a summit because the compromises have not been finally achieved.

QUESTION: Mr. President, there has been a good deal of curiosity about your recent meeting with Governor Connally. Do you expect him to take part in the campaign next year, or is he going to run himself?

THE PRESIDENT: Well, John Connally is an old and a very dear friend of mine. He is a man who has had vast experience in Government. He was Governor of the State of Texas for four or six years, Secretary of the Navy under President Kennedy; he was Secretary of the Treasury under President Nixon.

He is the kind of person with this experience who can be very helpful in giving advice, and we had a very broad discussion on a number of matters involving domestic affairs and foreign policy.

I hope in the months ahead that I can have future meetings of this kind with John Connally because I admire him as a person and I respect his experience, and ability in Government.

I don't know whether he is going to run for any office or not. He didn't indicate that to me, but he does have a great interest in Government and he said he was going to be interested in all aspects of policy, both domestic and foreign.

QUESTION: Mr. President, would you update us on your own campaign plans; when and how you plan to announce for the nomination and how much money your committee intends to raise in the primaries; whether you expect to face any primary opposition?

THE PRESIDENT: I did authorize, a few days ago, the filing of the necessary documents for the establishment of a committee so that money could be collected and disbursements could be made. Dean Burch was indicated as the Chairman, and David Packard was indicated as the Treasurer.

This organization is the foundation of what we intend to do, and within a relatively short period of time, I will make a formal announcement that I will be a candidate. I have said repeatedly for some time that I intend to be one.

We have taken one step, another step will be taken very shortly and we expect to raise sufficient money to put on a good campaign. It will be run exactly according to the law, and I don't know whether we will have preconvention opposition or not.

It has always been my philosophy in politics that you run your own campaign, you run on your record, and you do your best to convince delegates they ought to vote for you.— and the people, that they ought to vote for you. I never really predicate my plans on what somebody else might do.

QUESTION: Mr. President, I would like to ask you, sir -- you said if the Arabs hike their oil prices, or there were another embargo, it would be very disruptive for the economy. You have also said recently that the recession has bottomed out, or is bottoming out.

May I ask you, what will happen to your predictions, that the recession is bottoming out, if the oil producing nations hike the price of oil by \$2 to \$4 a barrel, as they are threatening to do this October?

THE PRESIDENT: If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economies of Western Europe, Japan and, probably, an even more adverse impact on the economies of the developing nations. It would have an adverse impact world-wide.

I think that it would be very unwise for OPEC to raise their prices under these circumstances, because an unhealthy economy in the United States and world-wide is not in their best interest.

QUESTION: Are you making any current efforts to persuade the oil producing nations not to increase their prices this autumn, as they have threatened, and are you meeting with any success?

THE PRESIDENT: We are seeking to solidify our consumer nation organization so that we can act in concert when we have to meet with the producing nations.

Equally importantly, I am trying to get the United States Congress to do something affirmatively in the field of energy so we don't have to worry about OPEC price increases.

QUESTION: Mr. President, on energy much of the country does not seem to think that we have a real energy crisis. People are acting as if there is no tomorrow.

Part of the problem may be that our leadership should show in a personal way how we can save energy. Could you tell us, sir, what you personally are doing, what the White House is doing, and what the Administration is doing to lead and show how we can save energy?

THE PRESIDENT: Secretary Morton, who is the head of the Energy Council in the White House, has been working with every department of the Federal Government to get them to reduce the consumption of energy -- electricity?

We have taken other steps that are probably less significant, but I think in the overall are helpful. In the White House, we try to be as conservative as possible in the utilization of electrical energy. I haven't checked the figures, but we do our best in that regard.

QUESTION: Sir, in this line, would you endorse something that might save a great deal of energy and also strike a blow for male liberation; for example, endorse something like sport shirts for summer wear in Washington D.C. and other hot climates?

THE PRESIDENT: Well, I am a great believer in that attire, but I am not sure that that would be too significant in the saving of energy, the kind of energy we are talking about.

QUESTION: Mr. President, the Rockefeller Commission was told about extensive electronic surveillance by Soviet intelligence agents and American ability to piggy-back on to that monitoring. Can you tell us how long that has been going on and what is being done about it?

THE PRESIDENT: I don't think that I should comment on a matter of that kind. I can say very emphatically that we have an expert intelligence gathering community in our Federal Government, and we have a first-class counterintelligence organization in the United States Government.

I have full faith in their responsibilities in any field, such as that that you mention.

QUESTION: Mr. President?

THE PRESIDENT: Mr. Knap?

QUESTION: You said, in answer to an earlier question, that the unemployment rate projected by your chief economic advisers is unacceptable. That projection is that unemployment would remain at about 8 percent through most of next year, and you said you would consider asking for an extension of the tax cut.

Is it your present thinking that you probably would recommend extending the tax cut if unemployment is that high; that is, about 8 percent at the start of next year?

THE PRESIDENT: I think you have to take into consideration not only the unemployment rate, but also the impact, an increase in the budget deficit of some \$20 billion on inflation.

We have two very serious problems. One, we are licking inflation, and one, we are working on unemployment and as we move ahead, we have to be most careful that we don't reignite the fires of inflation because every economist with whom I have talked tells me that if in our efforts to do something quickly in the field of unemployment we could end up with a new round of inflation, and if you have a new round of inflation of the magnitude of 10, 14, 15, or 20 percent, you will have another recession, and unemployment at that time will go to about 14 to 15 percent.

So, what we have to do is very carefully, very judiciously, look at both sides of the coin. We are, and I believe that we have made great strides in doing something about inflation.

I am optimistic that we can do something about more employment and less unemployment.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much. I hope you had a good time out here.

END (AT 5:30 P.M. EDT)

PRESS CONFERENCE NO. 35

of the

PRESIDENT OF THE UNITED STATES

1:30 P.M. EDT July 19, 1976 Monday

On the North Lawn At the White House Washington, D.C.

THE PRESIDENT: Good afternoon.

Before responding to your questions, I have two announcements to make.

First, I am sending later this week a message to the Congress calling for prompt action on a number of legislative programs that Congress must act on before adjournment. I am recommending affirmative action, as quickly as possible, on my further tax reduction proposals, on the remaining portions of my energy independence recommendations, on my stronger anti-crime proposals, and, of course, general revenue sharing.

It seems to me that before Congress adjourns, it must undertake a vigorous legislative program if it is to maintain its credibility with the American people.

Secondly, I am sending to the Congress today a recommendation which would further advance our efforts to restore public confidence in the integrity of all three branches of the Federal Government, including the Executive Branch, the Legislative Branch, and the Judicial Branch. It is vitally important -- I am determined and I trust the Congress is -- to insure that those who hold public office maintain the highest possible standards and are fully accountable to the American people for their behavior while in public office. I hope the Congress will act very promptly on this legislation.

I will be glad to answer any questions.

Helen?

QUESTION: Mr. President, do you think that you have the Presidential nomination now locked up and, if not, do you think you will have it by the end of the week?

THE PRESIDENT: I am very encouraged with the results over the weekend. I believe that we are getting very close right now to the magic number of 1,130. I am confident by the time we get to Kansas City, we will have 1,130-plus.

QUESTION: How many delegates do you think you have now?

THE PRESIDENT: The best estimate, I think, is 1,103 and we expect some more good news this week. Therefore, by the time we get to Kansas City, I am confident we will have over 1,130.

QUESTION: Mr. President, is Governor Carter beatable?

THE PRESIDENT: Absolutely.

Q And if so, how?

THE PRESIDENT: By the kind of an affirmative program that we have developed in the last 23 months here in the White House under the Ford Administration. I intend to have an affirmative campaign based on the results of turning the economy around, achieving the peace and the restoration of public trust in the White House, itself.

QUESTION: Mr. President, Jimmy Carter has set forth some of his beliefs on foreign policy. Can you tell us whether you think there are major differences with what you are doing now in foreign policy and what are they?

THE PRESIDENT: Since I strongly believe that our foreign policy has been a successful one -- we have achieved the peace, we have the military capability and the diplomatic skill to maintain that peace -- I don't see, from what I have read, any legitimate complaints or objections by any of my Democratic friends, whether they are the candidates for the highest office or the Members of the Congress.

QUESTION: Mr. President, sir, do you feel that the selection of Walter Mondale as Vice President is going to change your selection of a Vice Presidental candidate?

THE PRESIDENT: I will make my choice known on the Vice Presidency based on the best person that could serve as President of the United States. My decision will not be predicated on my Democratic opponent's recommendation of Senator Mondale.

QUESTION: Mr. President, Mr. Carter took a month to select his Vice Presidential nominee. Will you be able to take very long? Will you have enough time to consider?

THE PRESIDENT: I have been thinking about this matter for some time. I know all of the individuals who are being considered very well. I have worked with them, known about them. I have studied carefully their records. Therefore, it won't be a last-minute analysis. It will be one based on a good many years of experience and opportunities to know how they performed in public office or otherwise. So, it is not going to be a last-minute decision where we winnow out the individuals in a 48-hour period.

QUESTION: Mr. President, how do you assess the Carter-Mondale ticket?

THE PRESIDENT: I think it was obviously the choice of the Democratic Convention, which was well organized and well put together and well controlled. It is a ticket that can be beaten by an affirmative approach that I intend to have in setting forth the improvements that I have made domestically and in foreign policy during the time that I have been honored to be President of the United States.

It is a rather typical Democratic ticket when you add up the platform, its endorsement of the record of the Democratic Congress and the comments that I have heard, both in the acceptance speeches and in subsequent observations.

QUESTION: Can I follow up?

THE PRESIDENT: Sure.

QUESTION: You said that the ticket -- on Saturday, I believe -- that the ticket tries to be all things to all people. Just what do you mean by that?

THE PRESIDENT: If you look at the ticket itself, if you look at the platform and if you look at the record of the Democratic Congress, you can't help but come to the conclusion that they want to spend a lot of money on the one hand and they talk on the other about some restraint in Federal spending.

You can take almost any one of the many issues, and they are on both sides of the issue. So, I think it fits in very precisely with my observation that I made on Saturday.

QUESTION: Mr. President, what is the biggest single issue between you and Governor Carter?

THE PRESIDENT: I am not going to discuss this campaign from that point of view. I think it is important for me to act affirmatively and indicating the results that we have accomplished. I will let Mr. Carter decide the issues where he has some differences.

QUESTION: Mr. President, if you do go to the Convention with the number of delegates that you think you will go with now, is there anything else at the Convention that could really divide the Republicans there?

THE PRESIDENT: I would hope not because the Republican Party does have to be as unified as possible if we are going to win the election in 1976. I think that unity can be achieved at the Convention in Kansas City, and I will maximize my effort to accomplish that result. Therefore, we will have the job of picking the nominee and I expect to be the nominee. We have to write the platform. I hope the platform will be one that all can support, and not divisive. When we leave, we, as a party, must be united individually and collectively.

QUESTION: Mr. President, isn't that, sir, going to be easier said than done? These Reagan people are very committed. They have worked very hard. It is going to take more than just going into that Convention, isn't it, and saying, "Just come on and be on our side." What are you going to say to them?

THE PRESIDENT: I think these delegates, all of them, the ones that support me and the ones that support Mr. Reagan, have a philosophical identity. They do represent delegates, one group for me and the other for Mr. Reagan. But the identity of the philosophy is such that I think when the Convention is concluded, they can be together on the need and necessity for a candidate who will put forth their philosophy against that of the opposition.

QUESTION: Wouldn't they be a lot happier if you put Mr. Reagan on the ticket with you? There is going to be a lot of pressure on you to do that, is there not?

THE PRESIDENT: I am not going to make the judgment here as to who will be the Vice Presidential nominee. We will have a good Vice Presidential candidate and, as I said before, we are not going to exclude anybody.

QUESTION: Mr. President, the Democrats have already signaled what direction they are going to go by trying to tie your Administration with close ties to the Nixon Administration. How do you intend to handle that problem in the campaign and shed that yoke?

THE PRESIDENT: I am going to use the Ford record of 23 months, which is a good one, in turning the economy around, and achieving the peace and maintaining the peace and the restoration of public confidence in the White House, and hopefully the restoration of public confidence in the other two branches of the Federal Government.

QUESTION: Excuse me. As a follow-up, inasmuch as you kept on such former Nixon intimates as Secretaries Kissinger, Simon and Butz and Messrs. Morton, Greenspan, Scowcroft and Rumsfeld, isn't their branding of your Administration accurate?

THE PRESIDENT: Not at all because I have made the final decisions in each case.

QUESTION: Mr. President, does the United States have evidence or information that President Qadhafi of Libya is financing, planning, encouraging and serving as the central point of an international terrorist organization and conspiracy?

THE PRESIDENT: We do know that the Libyan Government has in many ways done certain things that might have stimulated terrorist activity, but I don't think we ought to discuss any evidence that we have that might prove or disprove that.

QUESTION: In the light of what you had to say about the Israeli rescue mission, or mission in Uganda, if you have any reason to believe that the Libyan Government is encourating terrorist coperations on an international basis, why, in the sort of classical phrase, why isn't the United States doing something about it?

THE PRESIDENT: We are working in the United Nations, we are working with many Governments in trying to put forward a very strong, anti-terrorist effort in order to stop this kind of very unwarranted, unjustified action and will continue our efforts in that regard.

QUESTION: Mr. President, I would like to follow up on Ronald Reagan as a possible running mate. I am sure you read the paper every morning, and there is a quote in here today from Governor Reagan saying, "Once you become the Vice Presidential candidate, you have no authority over yourself," and he says, "I have expressed disagreement with a great many things with this Administration. No, there is just no way, I wouldn't do it."

Reagan as a running mate?

THE PRESIDENT: I am not going to pass judgment on what his attitude may be. I will simply reaffirm and reaffirm very strongly, I am not excluding any Republican from consideration as a potential running mate.

QUESTION: Mr. President, has the United States decided, with or without the consent of Germany, France and Britain, not to extend any economic aid to Italy if the Communists join the Government in Italy?

THE PRESIDENT: I have said on several occasions that the United States Government, under this Administration, would be very disturbed by Communist participation in the Government of Italy. For one reason, it would have a very, I think, unfortunate, impact on NATO which is, of course, a very vital part of our international defense arrangement. The United States does have apprehension on a broader basis for Communist participation in the Italian Government.

QUESTION: Mr. President, in view of Jimmy Carter's strength in the South and the Northeastern industrial States, possibly of crucial importance, do you now think it may have been unwise for the Republican high command and you to have told Vice President Nelson Rockefeller to get lost?

THE PRESIDENT I certainly don't use those words when I describe the situation that you have sought to so dramatically describe. (Laughter)

The decision by Nelson Rockefeller was one that he made himself. He has been an outstanding Vice President. He has been a close personal friend and adviser and, I will, of course, abide by his decision, as I would by any others.

But, I repeat what I said a moment ago, in my looking around for a Vice Presidential running mate, I am not excluding anybody.

QUESTION: Mr. President, what do you feel your major problems are now to hold the nomination?

THE PRESIDENT: Getting a few more delegates.

QUESTION: Where specifically are the problems?

THE PRESIDENT: There are around 100 uncommitted delegates on a pretty wide geographical basis. Of course, Hawaii has 18, Mississippi has 30, and the others are spread through a number of other States. So, we are going to make a maximum effort to convince individual delegates who are uncommitted, as well as those two major States that have not yet committed themselves.

QUESTION: Mr. President, a question on international trade. The American textile industry is very concerned about the increase in imports of textiles from the People's Republic of China. They would like you to negotiate a bilateral agreement with Peking. What is your view on that? Are you doing anything about it?

THE PRESIDENT: I made a statement about three months ago that fully covers that. If you will refer back to that, it will give you a detailed answer.

QUESTION: Mr. President, can you tell us some of the criteria that you will be using in selecting a Vice President? You have said here today that you will consider the Vice Presidential nominee only on his basis to become President should something happen to you, but will there be other criteria as well?

THE PRESIDENT: That is the principal one, of course, and any other criteria would have to be secondary to that. But, other critiera might be age, compatibility with my own philosophy, the experience both in domestic and international affairs. There are a whole raft of potential criteria that I think have to be put into the formula.

QUESTION: Let me ask you, if I can, then, about the process. As you know, Jimmy Carter had a well-publicized audition, if you will, of various candidates. Will you ask the people you have in mind to meet with you either here at the White House or a place of their choice so you can discuss with them their philosophy of Government and any personal differences you may have?

THE PRESIDENT: Over the years I have done that with all or most of the people that are being considered, so I don't think we have to go through the similar kind routine that Governor Carter went through.

As I understand it, he had never met several of the people that he considered. So, I could really understand why he went through that process. Because of my experience and knowledge about all of the individuals that I think are being considered, I don't think that kind of a process has to be carried out.

QUESTION: Mr. President, if I may follow up on the question of Italy, since it is possibly related to other European countries, is there an American formula, should the Communists go to power in Italy, that will be applied?

THE PRESIDENT: We aren't going to dictate any formula to the Government of Italy or to the people of Italy. That is a decision for them to make. But, I have expressed our views concerning Communist involvement in that Government as far as its impact on NATO.

QUESTION: Mr. President, can we ask you about the swine flu program? We understand it is in jeopardy now. The insurance companies will not insure the pharmaceutical companies which are making up the batch of vaccine. What can you do about it, can the Government supply insurance?

THE PRESIDENT: Last week the Secretary of HEW and Dr. Cooper met with the four manufacturers and their legal counsel. I got a report Friday from Secretary Mathews. He was more optimistic than some of the press stories seemed to indicate. I have not talked to him today, but we are going to find a way, either with or without the help of Congress, to carry out their program that is absolutely essential, a program that was recommended to me unanimously by 25 or 30 of the top medical people in this particular field.

So, we are going to find a way, and I think we will eventually do it, and I expect the full cooperation of the industry and all other parties involved.

QUESTION: Mr. President, that Watergate reform bill, the Senate version of it goes to the floor today. Until last week the Administration, I gather, was very much opposed to it. Now you are in with a major proposal to change it. Can you tell us how the Administration came up with these proposals at the 11th hour?

THE PRESIDENT: The Administration has had many reservations about several of the provisions in the bill that is on the floor of the Senate at the present time. One, the Senate bill provides, as we understand it -- and we have gone into it with some outstanding legal scholars -- an unconstitutional method of the appointment of a Special Brosecutor.

So, what we have recommend is a completely constitutional method of selecting a Special Prosecutor, one that would call for a Special Prosecutor recommended by the President, confirmed by the Senate for a three-year term with that particular Special Prosecutor being ineligible to serve other than the first three years.

That is definitely a constitutional way to have a Special Prosecutor who would have criminal authority over any allegations made against a President, a Vice President, high executive officials, all Members of Congress and those involved in the Judiciary.

Our reservations was not as to the thrust but as to the constitutionality of several provisions, including the one I have just described.

QUESTION: What is your proposal?

THE PRESIDENT: Well, it is our proposal that we feel would accomplish the job of restoring public confidence in all three branches of the Federal Government and do it in a Constitutional way.

QUESTION: Mr. President, in his acceptance speech, Senator Mondale specifically attacked you for your pardon of Richard Nixon and received prolonged applause from the people in the Hall. And later, Mr. Carter said it was an issue that ran very deep in this country. Do you consider your pardon of Mr. Nixon a liability?

THE PRESIDENT: I decided to grant the pardon in the national interest. At that time, the United States was faced with serious economic problems and we were still involved in a long and difficult war in Southeast Asia. We have very important matters to face and to solve. We could not be involved in the Nixon matter and concentrate fully on the more important matters. I decided in the national interest. I would do it again.

QUESTION: Mr. President, will you tell me, sir, what it is that you are accomplishing when you unite both wings of the party, when it is widely recognized that the party is a minority party in American politics and how do you win an election that way?

THE PRESIDENT: Well, we are going to unite the Republican Party and appeal to independent voters and a number of Democrats, just as the Republicans did in 1968 and 1972.

QUESTION: Mr. President, in connection with the pardon, in both Senator Mondale's speech and in Jimmy Carter's speech, there seemed to be a linkage between the pardon and Watergate, itself. Do you see any such linkage, number one, and secondly, do you think that Watergate should be an issue in the campaign?

THE PRESIBENT: I granted the pardon because I thought it was in the national interest. I think the American people will make the decision, not me, myself, whether it will be an issue or not.

QUESTION: Mr. President, do you expect a rules fight at the Convention that will allow some delegates to abstain on the first ballot and possibly the second, second ballot?

THE PRESIDENT: Well, the Justice Amendment which we are proposing would require that all delegates vote according to the laws under which they were selected and I think that is a very proper amendment to carry out the wishes of the people that supported those individuals at the time they were chosen.

QUESTION: Can I follow up, sir? Do you have an indication from the Reagan people that they will not try and change the Justice Amendment?

THE PRESIDENT: To my knowledge, we have not consulted with them.

QUESTION: Mr. President, how many Vice Presidential possibilities do you have in mind?

THE PRESIDENT: Quite a few.

QUESTION: Like maybe a half dozen, a dozen?

THE PRESIDENT: I am not going to get into the numbers game. We have a fine, fine array of talent in the Republican Party and maybe elsewhere, and so we will just keep that open until we make the final choice.

QUESTION: When will you make that choice?

THE PRESIDENT: You heard me correctly.

QUESTION: Do your comments on the Vice Presidency here today rule out any possibility you will declare the nomination open and let the Convention in Kansas City decide the Vice Presidential selection?

THE PRESIDENT: I will certainly make a recommendation and I hope the Convention would follow my recommendation.

QUESTION: Mr. President, since you have known all of the people involved as a potential Vice President so long and so well, is it possible you have made your decision and are delaying the announcement until the Convention?

THE PRESIDENT: Not at all.

QUESTION: Mr. President, can you tell us what is "elsewhere"?

THE PRESIDENT: Use your imagination.

QUESTION: Mr. President, Governor Carter has said that if the Arabs were to impose another oil embargo, he would treat that as an economic declaration of war and would cut off all U.S. trade with the Arab nations. What do you think of that proposal?

THE PRESIDENT: We have been able, through diplomatic successes, to avoid the possibility of a Middle Eastern War and thereby avoided the possibility of an oil embargo. I am confident that the Ford Administration successes, diplomatically, in the Middle East, will preclude any such situation as was indicated by Mr. Carter.

If you are doing things right, if you have the trust of Arab nations, as well as Israel, I don't think we have to look forward to either a Middle Eastern war or an oil embargo.

QUESTION: Mr. President, a question on the Olympics. Now that Taiwan and the African nations have pulled out, what is your assessment of the situation and what changes would you like to see made in the next Olympics?

THE PRESIDENT: I am very proud of the successes I read about of the American team there yesterday. They did very, very well in the 100-meter freestyle and several other events, and I think the American team has done well and will continue to do well.

Q Has it been overpoliticized?

THE PRESIDENT: We have tried to keep the athletic competition at the international level away from being pawns in international politics. We did our very best to achieve that result and the net result was, with some unfortunate circumstances, that the athletes are able to compete, and I am proud of the American successes.

QUESTION: Mr. President, will your race with Jimmy Carter be a conservative versus a liberal race? What is the difference between your philosophy and Mr. Carter's in those terms?

THE PRESIDENT: I am not going to pass judgment on my opponent's campaign. We are going to run our own campaign, which is one of a record of accomplishment in foreign policy, domestic policy and the restoration of trust in the White House. What they do is for them to decide.

QUESTION: You cannot then describe Carter as a liberal?

THE PRESIDENT: I am not going to pin a label on anybody. I am going to just say that we have done a good job and on the basis of doing a good job, I think the American people will want the same kind of a job done for the next four years.

QUESTION: Mr. President, when you were Vice President you said that you would not employ anything such as CREEP, as President Nixon had, that you would have no separate committee. Now we understand there will be a President Ford election committee and you will not be relying entirely on the Republican National Committee.

THE PRESIDENT: I think that is caused by the Election Reform Act that was passed late in 1974. When I made that speech out in Chicago -- I think sometime in 1973 or early 1974 -- that election law had not been enacted. Once that law was enacted, it does require that you maintain a National Committee and that the candidate for the Presidency have a separate organization.

So, as much as I might want to put the two together, it is precluded by the law itself.

QUESTION: Mr. President, Senator Mondale says that you don't have the intelligence to be a good President. What do you think?

THE PRESIDENT: I think the American people will judge that.

QUESTION: Mr. President, can we assume that you will see all the noncommitted delegates by the time the convention begins?

THE PRESIDENT: I would hope I could, but I can't categorically promise that. I would like to, definitely.

QUESTION: Mr. President, the Supreme Court recently handed down another decision on abortion essentially strengthening the first one. What does this do to your position that you would prefer a constitutional amendment turning it back to the States? Have you given up hope now for that?

THE PRESIDENT: I don't see how that recommendation on my part is undercut by the recent decisions of the Supreme Court. I do not believe in abortion on demand. I do think you have a right to have an abortion where the life of the mother is involved, where there was a rape. I don't go along with those who advocate an amendment that would be so ironclad you couldn't under any circumstances have an abortion.

I reiterate what I have said on a number of occasions. I think an amendment which permits the voters in a State to decide whether in that State they want or don't want, is a proper way to give the people of this country or in their respective States the decision-making power.

QUESTION: Mr. President, don't you think the Supreme Court decision is going to make it more difficult to get that amendment, however?

THE PRESIDENT: Not necessarily.

QUESTION: Mr. President, do you have any comment one way or another on that recent shake-up in the FBI on the Kelley dismissal of Mr. Callahan?

THE PRESIDENT: That was a decision by the Attorney General and by the FBI Director. Mr. Callahan was not a Presidential appointee so it was handled by the proper authorities.

QUESTION: Mr. President, presumably you watched a little bit of the Democratic National Convention on television. If so, would you tell us how Jimmy Carter came across to you as a personality, as a potential campaigner and as an opponent?

THE PRESIDENT: I don't think I really had any impression of him. (Laughter)

QUESTION: You didn't watch enough to get an impression of him?

THE PRESIDENT: I was pretty busy.

QUESTION: Mr. President, all 67 members of the New Jersey delegation are already in your column.

THE PRESIDENT: I hope.

QUESTION: Why are you bringing them down here this afternoon to a private meeting from which the press has been barred?

THE PRESIDENT: I am inviting them down because I want to meet them personally. Just as I said a few moments ago, I would like very much to have the opportunity of meeting all of the delegates and alternates to the National Convention, and this is a good way for me to do with the New Jersey delegation as I have with the other delegations.

QUESTION: What will be the nature of this meeting and do you have any thoughts about the exclusion of the press from --

THE PRESIDENT: I didn't know until a few moments ago that members of the press were excluded.

QUESTION: Can we come?

THE PRESIDENT: We have had a number of such meetings, and the question never came up from the press before, and I just don't see why we should make an exception here.

QUESTION: Mr. President, why are you down so far in the polls when you are pitted against Jimmy Carter?

THE PRESIDENT: The only poll that really counts is the one that is going to come on November 2, when the voters of this country decide in all 50 States, and I will rely on that one.

QUESTION: But how can you account for the preferences there?

THE PRESIDENT: I don't think we should analyze the ups and downs of periodic public opinion polls. The real one that counts -- and that is the one that is going to decide this great election -- is the one that comes November 2.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you all very much. It has been very pleasant out here.