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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

(Key Questions Only)

January 4, 1975

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ENERGY POLICY DECISIONS

Question:

There have been published reports about the energy policy decisions you made at Vail, including decisions to place a tariff on oil imports and a variety of other steps that will push up consumer prices and benefit industry? Are the reports correct and, if so, hasn't anyone told you of the devastating impact of higher energy prices on low income and unemployed people?

Answer:

First, I would urge you not to reach conclusions about the undesirable impact of my energy decisions until I make all the decisions on both economic and energy measures and until I announce them later this month.

Second, I am quite aware that higher energy prices are particularly rough on people with lower incomes. My economic and energy policies will insure - absolutely - that they do not have to shoulder more than their fair share of any national solution.

Third, with respect to benefits to industry, we would not allow windfall profits such as those that have resulted for some oil companies. I plan to repeat my request of last year for Congressional action on a windfall profits tax.

M. Duval(G. R. S.)
1/4/75

ABANDON THE ENVIRONMENT ?

Question:

You recently vetoed the strip mining bill. Russ Train announced a delay in the implementation of indirect air pollution control regulations, and there are rumors that you are planning other anti-environmental actions. Does all this mean that you are abandoning the Nation's environmental goals?

Answer:

Since 1970, we have achieved significant improvements in the quality of the Nation's environment, particularly in the case of air pollution. My Administration will push for continued progress toward greater improvement. However, this does not mean that we should or will pursue environmental objectives without regard for other critically important objectives -- such as a strong economy and an adequate supply of energy.

My policies will reflect the need to achieve the balance among our important objectives that best reflects our overall national interest. I will not pretend that we can achieve all our desirable objectives at once.

M. Duval(G. R. S.)
1/4/75

NATURAL GAS SHORTAGES

Question:

What are you doing to ease the impact of the Federal Power Commission's decision to cut off natural gas service this winter for many industrial users? Isn't this going to put a lot of people out of work?

Answer:

Many people are being put out of work by natural gas curtailments. Our growing national shortage of natural gas can be attributed directly to over 20 years of Federal regulation of natural gas prices -- which has led to a steady decline in exploration, development and supplies. The only real answer to this growing problem is Congressional action to remove Federal regulation of new natural gas prices.

For this winter's problem, the Federal Energy Administration (FEA) is working closely with the Federal Power Commission to cushion the impact and where possible help find alternative fuels -- principally fuel oil -- to use in place of natural gas.

Unfortunately, the use of fuel oil in place of natural gas means an increase in expensive oil imports. That's why we must act now to increase domestic natural gas and petroleum production.

M. Duval(G. R. S.)
1/4/75

NATURAL GAS DEREGULATION AND INFLATION

Question:

You have repeatedly called for deregulation of natural gas. Wouldn't this be inflationary and aren't you concerned about additional windfall profits for the oil companies?

Answer:

It is important to understand that we are proposing to remove FPC price regulation only from new natural gas. Other natural gas supplies would continue under FPC control.

It is correct that deregulation of new natural gas prices will lead to some increase in prices but these will not be rapid or large since the prices for new gas will be averaged in with the price of existing supplies. There will not be large windfall profits from deregulation since the price of old gas would continue under FPC control.

The gradual increase will be far less inflationary than the high prices that consumers would have to pay for alternative fuels -- such as expensive foreign oil -- when they cannot get gas from domestic sources.

We must have new gas deregulation soon. The unemployment now being caused by natural gas shortages is growing daily.

M. Duval(G. R. S.)
1/4/75

OUTER CONTINENTAL SHELF (OCS) LEASING
AND OIL AND GAS DEVELOPMENT

Question:

Do you plan to proceed with a massive expansion in leasing of OCS lands for oil and gas development despite strong objections to such action by environmentalists and by people along the East Coast and West Coast and from Alaska?

Answer:

We must pursue all reasonable efforts to increase this Nation's domestic production. We now import well over 6 million barrels of oil a day and -- even with strong energy conservation measures -- imports will increase in the future unless we increase greatly domestic production of oil and other energy resources. We must proceed with preparations for leasing and determine which of the OCS resources can be developed safely.

The Interior Department is holding public hearings and providing opportunities for public contribution to the environmental studies required for leasing decisions. Secretary Morton has delayed hearings for 60 days to help assure adequate opportunity for public views. I hope that all concerned will take advantage of these opportunities whether they are interested in the environment, in increased domestic energy production, or both.

M. Duval (G. R. S.)
1/4/75

VOLUNTARY CONSERVATION

Question:

Will you stay with your voluntary conservation program?

Answer:

To cut imports and reduce our vulnerability will take aggressive action on both the supply and demand side. My energy program will deal with the specifics, but I can say that mandatory new programs will be included in both areas.

However, we must be realistic. These mandatory steps must be accompanied by concerned citizen conservation efforts. Voluntary conservation is critical if we are to meet this nations energy goals.

Eric Zaussner
1/4/75

PROJECT INDEPENDENCE

Question:

Will your energy program mean self-sufficiency by 1980 or 1985?

Answer:

This country has the capability to be self-sufficient ' by 1985. However, we do not need to go to zero imports to eliminate our vulnerability to future disruptions. Invulnerability must and will be our goal.

Eric Zaussner
1/4/75

TARIFF ON IMPORTS

Question:

Are you considering imposing a tariff on imported oil?

Answer:

Our imports are already above last year's levels and will continue to rise unless we take action. Our vulnerability is already too great and we must act. To cut imports, supply actions will have little impact, hence we must focus on reducing demand. You all know the options, none are easy. I intend to propose tougher measures but have made no final decision on the mechanism.

Eric Zaussner
1/4/75

TAB B

QUESTION: Production is falling and layoffs increasing. The economy seems to be in a tailspin. What is going to stop the downward spiral and start a recovery?

ANSWER: Every recession is characterized by bad news in its early stages. This one is no different. Our economy has problems and I can assure you that I intend to present to the Congress and the American people later this month initiatives designed to restore a stable and prosperous economy. I have great faith in our country, our people, and our economic system.

It is useful to remember that while our economy has problems, they are not the problems of 1932. In 1932 the money supply was contracting, now it is expanding; the banking system was not equipped to deal with shocks, now it is; purchasing power was drastically reduced, now it is reduced only slightly. Since the 1930's several important structural changes have strengthened our ability to deal with the economy. There is Federal insurance of bank deposits, a strong unemployment compensation system, and numerous income maintenance programs such as social

security and supplementary security income. In these ways the economy is less vulnerable and the American people are better protected than in the past.

Seidman/Porter
1/4/75

QUESTION: Your press secretary told us last week that you would not be proposing the 5% surtax to the Congress when they reconvene. Why did you drop the 5% surtax?

ANSWER: At the time our basic economic program was outlined in October the 5% surtax was appropriate as a means of providing expenditures for the unemployment program. Since October, economic conditions have significantly altered and accordingly we have shifted emphasis.

Seidman/Porter
1/4/75

QUESTION: Some have suggested the need for establishing an R.F.C. Do you feel an R.F.C. would be useful?

ANSWER: Establishing an R.F.C. or similar type of entity was one of the many suggestions advanced at the Summit Conference on Inflation. Accordingly, it has received careful consideration. We are keeping our options open and, should the need arise, we will not hesitate to take appropriate action.

Seidman/Porter
1/4/75

QUESTION: Last week the Department of Labor released unemployment figures which show unemployment above 7%. What are you planning to do to deal with the serious rise in unemployment?

ANSWER: At the time our basic economic program was formulated, my economic advisers forecast a continued decline in the economy lasting until mid-1975. Accordingly, we included provisions in our economic program -- extended unemployment benefits, enlarging the number of groups of people eligible for those benefits, and a public service employment program -- to provide for increases in unemployment. I was pleased to sign into law last week a bill which provides substantial additional relief for the unemployed. We are carefully monitoring the unemployment situation and, should the need arise for further measures, we will not hesitate to take appropriate action.

Seidman/Porter
1/4/75

QUESTION: What about proposals for standby wage-price controls?

ANSWER: The problem with standby wage-price controls is that their very presence creates an expectation that controls will be imposed at some future time. There is thus a rush by business and labor to raise prices and negotiate large wage increases before the controls are slapped on. Compounding the problem, the resulting rise in wages and prices then provides the seeming justification for imposing controls.

Seidman/Porter
1/4/75

QUESTION: The automobile industry is in trouble. Twenty percent of all automobile workers are now unemployed and more will likely be laid off soon. Do you plan to move to rescue the automobile industry?

ANSWER: The situation in the automobile industry is serious. In view of the situation I called a meeting with the major domestic automobile companies and they provided me with several thoughtful suggestions. The recently enacted unemployment legislation helps to cushion the casualties -- those who are laid off. My economic advisers and I are currently in the midst of a comprehensive review of the economic situation including the automobile industry. I will announce later this month a series of measures designed to deal with our changed economic conditions. It would be premature to discuss what might or might not be done in particular sectors of the economy.

Seidman/Porter
1/4/75

QUESTION: There has been much speculation that you will announce a tax cut in your State of the Union Message. Will you propose a tax cut to the Congress?

ANSWER: My economic advisers and I are currently in the midst of a comprehensive review of the economy. I will announce later this month a series of measures designed to deal with our changed economic conditions. A tax cut is one of the alternatives being considered but it would be premature to discuss what might or might not be included in the economic program.

Seidman/Porter
1/4/75

TAB C

MILK PRICE

Question:

Why did Secretary Butz increase the price of milk which is directly contrary to the action you took by pocket vetoing the legislation which would have done the same thing?

Answer:

I decided to veto the bill which would have set the price support for milk at not less than 85% of the parity price because of the impact this would have on consumers. This bill would have left the Administration with no discretion to vary the amount of support based on need. It would have resulted in an increase of fluid milk prices to consumers of about 6 cents per half gallon of milk and 12 cents a pound for cheese.

Such a large increase in price would have, in the long run, reduced the demand for milk and dairy products. This would, of course, hurt the farmers as well as the consumers.

Under existing law the Secretary of Agriculture has the power to raise parity price up to 80%. Due to the impact of inflation and other reasons this had dropped down to about 72%. The administrative increase was necessary because some dairy farmers are currently being paid less for their products than it costs to produce them. This is a compromise step designed to help the dairy farmer at a time of critical need and yet minimize the impact on the consumer. We estimate that this administrative action will result in increase of 3 cents per half gallon of milk.

M. Duval
1/4/75

HIGHWAYS

Question:

On Saturday you signed the highway bill which increased the allowable weights of trucks on Interstate routes. It has been proven that trucks cause a significant number of deaths on our nation's highways largely because it takes them longer to stop than automobiles. Why did you permit this weight increase which will simply add to the carnage on our nation's highways?

Answer:

The highway bill I signed contained a modest increase in weights of trucks - less than 10%. It also made permanent the national 55 mile an hour speed limit which is absolutely necessary as a part of our efforts to conserve energy.

This reduced speed limit has made our nation's trucks less productive thus increasing the price consumers must pay for goods. The purpose of this small increase in allowable weight is to permit the trucks to regain this lost productivity.

I do not believe that this bill creates a safety problem. We must remember that the lower speed limit has dramatically reduced the number of lives lost on our nation's highways. We intend to take additional measures to insure the states adequately enforce this lower speed limit. Furthermore, the Department of Transportation has just issued a tough new regulation requiring trucks to have much more effective brakes. This new regulation and the reduced speed limit will result in a decrease of the lives lost on our nation's highways.

Background:

The DOT regulation will increase the cost of truck trailers by 5 to 7%. At your direction, Secretary Brinegar, in issuing the regulation, has stated that efforts will be made to develop a cheaper technology to accomplish the same safety result.

The highway bill which you signed Saturday also contains authorizations (\$700 million) for highway construction. You will ask Congress to defer most of these funds. \$50 million of this authorizations is for highway beautification which you support. The bill also contains funds for the DOT car pooling program which you also support.

M. Duval
1/4/75

REVENUE SHARING

Question:

It has been reported that a top-level task force has recommended that General Revenue Sharing be extended. What is your view?

Answer:

I was, I am and I will be an advocate for the renewal of General Revenue Sharing in substantially its present form.

Background:

The Domestic Council study is in its final stages and a decision paper is being prepared for the President. He may decide to recommend some changes in the legislation to make the program work better, but will be asking Congress to extend or re-new this program substantially as it was originally enacted.

JHF - 1/4/75

LORTON REFORMATORY

Question:

Doesn't the recent riot at Lorton Reformatory convince you that it must be federalized to protect the public's safety?

Answer:

Security at Lorton, as well as the so-called "furlough program", are real, immediate problems for this area -- but the answer does not lie with the Federal Government. With Home Rule finally realized, I have no doubt but that Mayor Washington and the newly elected City Council will make solving this problem one of their top priorities.

Background:

Lorton has been a festering sore for years, especially to the residents of Northern Virginia. Senator William Scott once wrote Nixon that Scott would quit if he couldn't see Nixon about the Lorton Reformatory and I-66 problems. Turning the prison over to the Federal Bureau of Prisons would only make this a Federal responsibility -- it would not solve it. The solution lies with the D.C. Department of Corrections changing its lax policies and programs for release.

GCS
1-3-75

NATIONWIDE CRIME RATE

Question:

The FBI released figures recently showing crime for the first 9 months of 1974 was up 16 percent over 1973. What do you plan to do about the rising crime rate?

Answer:

The FBI Uniform Crime Report clearly demonstrates that crime, especially violent crime, is a continuing major problem for all of America. I have discussed this with the Attorney General and with a number of Chiefs of Police. Most recently I met with top Justice officials, two days before going to Vail, to review a number of proposed initiatives. This is a problem area where Federal, State and local governments must work together to better utilize existing resources and to assure that criminals are brought to justice.

Background:

There are no easy answers to combatting crime, but it is clearly the major responsibility of State and local governments. The Law Enforcement Assistance Administration was set up in 1968 to provide Federal aid and has spent over \$3 billion so far. The answer is not more money, but better use of the money already being spent and better utilization of police, courts and corrections to deter criminal conduct.

HOUSING STARTS

Question

Does the President have any comment about the continuing decline in housing starts?

Answer

The November housing start figures are disappointing, but not unexpected.

Because of the lag effect of housing starts, these figures reflect a serious shortage of mortgage money earlier this year, and further justify the actions taken by the Congress and the President to make more mortgage money available.

These actions include:

- \$6.6 billion released in January under the GNMA FHA/VA Tandem Program;
- \$10.3 billion by the Federal Home Loan Bank Board and GNMA in May;
- \$3 billion under the Emergency Home Purchase Assistance Act of 1974 in October.

This support of the mortgage market, coupled with the first signs of net inflow of money into S&Ls, should produce a turnaround in housing starts in the coming months.

We will continue to examine any and all actions that might be taken to improve the housing industry.

Background

In November, housing starts declined to a seasonally adjusted annual rate of 990,000 units, down 10.5% from the October pace of 1,106,000 units and off 40.9% from last November's rate of 1,675,000 units. It is the fifth consecutive month that home-building declined and the November rate was the lowest in eight years. Building permits fell to a seasonally adjusted annual rate of 720,000 units in November, down 8.6% from the October rate of 782,000 units and off 48% from last November's pace of 1,361,000 units. Last month's rate of building permits issued was the lowest recorded. Previously, the low had been 736,000 units which was recorded in November 1966.

(The November figures are the latest available; December housing start figures will be released in mid-January)

TRH
1/4/75

TAB D

PROSPECTS FOR PEACE IN THE MIDDLE EAST

Q: How do you assess the impact of the postponement of the Brezhnev visit to Cairo? What are the prospects for our Middle East peace efforts? Have the chances for war increased? When will the Geneva Peace Conference resume?

A: The postponement of General Secretary Brezhnev's visit to Cairo is a matter for the sovereign nations involved to address and I will not comment on it.

Regarding our Government's views, I remain fully committed to a step-by-step effort toward an overall settlement in the Middle East. There must be further movement between Israel and the Arabs, building upon the successfully concluded disengagement agreements. I do not believe that any of the parties wants to abandon peace efforts, and I believe they recognize the tragic consequences for the whole world of another war. We are in close contact with all the parties and we are hopeful that the current period of quiet diplomacy will produce progress.

Regarding Geneva, I discussed this matter with Soviet leaders in Vladivostok. We agreed that the Geneva Conference should play an important part in the search for peace and that it should resume its work as soon as the concerned parties believe it possible.

MIDDLE EAST -- OIL AND MILITARY FORCE

Q: Was Secretary of State Kissinger reflecting your views in his recent statements that do not rule out the use of military force to secure oil or otherwise protect our interests in the Middle East? Are we in fact considering such an option?

A: Secretary Kissinger was addressing a specific question on a hypothetical situation involving only the gravest kind of emergency. In doing so, he accurately reflected my views but I want to stress that neither he nor I see such a situation arising. Our basic policy is to deal with this question through cooperation between consumer and producer.

We seek no confrontation with the oil producers, either politically, economically, or militarily. Instead, we are seeking cooperative efforts to bring about a stable supply and pricing system.

BREZHNEV'S ILLNESS

Q: Mr. President, would you have any comment to make on the nature of General Secretary Brezhnev's illness?

A: I have seen the same press reports you have, but we have no direct information on the state of the General Secretary's health.

US-USSR TRADE

Q: Mr. President, in light of the Soviet Statement of December 18 and more recent press reports that the USSR may bring the entire US-USSR trade relationship into question, would you have any comment to make on whether or not you plan to extend Most-Favored-Nation Treatment to the USSR?

A: The United States and Soviet Union entered into a Trade Agreement in 1972 in which the United States stated its commitment to extend MFN treatment to the USSR. I stand by that commitment fully.

The provisions of the Trade Bill, as signed into law last week, are clear enough on this issue. At the same time, as I said when signing the bill, they are complex and may prove difficult to implement.

We have the authority we need, and we will now have to see how this works out in practice.

Of importance, I would add that this Administration fully supports the expansion of mutually beneficial trade between the United States and Soviet Union -- first and foremost because this is fully in the best interests of the United States.

SALT

Q. Senator Jackson says he does not like the agreement because it sets levels too high and leaves advantages in throw weight for the Soviets. Also, he raises the question of whether there were any secret agreements. Can you comment on these points?

A. I am hopeful that when Senator Jackson has an opportunity to study the agreement carefully he will recognize that it is in our interest and fully protects our military and security needs.

The ceilings established by the Vladivostok agreement will result in two important benefits. First, they will reduce the need for defense planning on both sides motivated by fear of what the other side might conceivably do in the absence of agreed ceilings. Such planning leads to ever increasing expenditures to strategic forces.

Second, the levels of the Vladivostok agreement are much lower than our intelligence projections of what would be the case in the absence of an agreement. It is not reasonable to compare the Vladivostok numbers with some ideal limits that were not negotiable.

Compared to what would have happened in the absence of an agreement we find that these levels are a solid achievement for the U. S.

Regarding throw weight, we have the option to increase the throw weight of our ICBMs if we conclude that it is necessary. There is nothing in the Interim Agreement or in the Vladivostok Agreement which prevents us from taking that step.

However, I might add that missile throw weight is only one measure of strategic power. Proper consideration must also be given to other measures of strategic strength, such as missile accuracy, number of nuclear warheads, and the number of strategic bombers. In each of these areas the U.S. holds a substantial advantage over the Soviet Union.

There are no secret agreements.

SALT

Q: Several Senators (Kennedy, Mondale, Mathias plus Jackson) have said that we should go back to the Soviets and renegotiate lower levels than in the Vladivostok agreement. Do you agree?

A: The Vladivostok Agreement was not the result of one day of negotiations. It resulted from the five years of detailed and difficult negotiations we have undertaken in SALT since November 1969. The levels in that agreement were a key part of those negotiations. To go back to the Soviets now and attempt to renegotiate these levels -- attained after prolonged negotiations -- would be very unwise for three reasons: First, we would be seen as having negotiated in bad faith. If we could have negotiated significantly lower levels, we would have done so. Second, the levels reached in the agreement are advantageous to the U. S. They set Soviet ceilings much lower than our intelligence estimated would be the case in the absence of an agreement. Finally, the agreement provides for follow-on negotiations on reductions. The agreement should thus be viewed as a major step in the process of significantly reducing strategic forces. It would be totally wrong to view it as the last step of our arms control efforts.

After this agreement is completed, we will make a major effort to bring about reductions.

CYPRUS AND ASSISTANCE TO TURKEY

Q: Mr. President, what are the prospects for progress in the continuing Cyprus crisis? Do you think you'll get the progress you need to meet the Congressional limitations placed on aid to Turkey?

A: When I signed the Foreign Assistance Act of 1974, I expressed appreciation for the Congress's extension to February 5 of the period during which military assistance to Turkey may continue. At the same time I regretted that the restriction was imposed at all, in the belief that this would damage our relations with a key NATO ally and have a detrimental effect on our efforts to help achieve a negotiated solution of the Cyprus problem. We give aid to Turkey not as a favor but as a contribution to our common security. I am pleased that talks have resumed between the parties on Cyprus, and I am hopeful that all the parties involved in the Cyprus crisis will renew their efforts toward achieving peace and stability. We value the friendship of Greece, Turkey and Cyprus and will continue to offer our help to achieve early resolution of the difficult Cyprus problem.

MILITARY OFFENSIVE IN VIETNAM

Q: What is your assessment of the current wave of fighting in South Vietnam? Will the U. S. intervene militarily? Will you ask the Congress for additional aid?

A: North Vietnam has consistently violated the peace agreements by sending men and materiel into South Vietnam in large quantities. We have spoken of this in explaining the need for adequate military and economic aid to the Republic of Vietnam. The North Vietnamese appear to have launched a strong offensive to expand their control in South Vietnam. However, I understand that the spirit and capability of the South Vietnamese armed forces are high. They do not lack the will to defend themselves.

I would not try to predict in advance what the U. S. would do in the event of a North Vietnamese massive offensive against South Vietnam. Any action, would, of course, be fully in accordance with our Constitutional process. But my basic belief is that this question need not arise if we give South Vietnam the military and economic assistance that it needs to defend itself.

When I signed the aid bill, I pointed out that its inadequate levels could endanger the progress made so far and said that I would be discussing with the Congressional leadership the need for additional critical assistance. I plan to do that as soon as Congress reconvenes.

U.S. POLICY IN CAMBODIA

Q: Recent reports indicate that the situation in Cambodia is hopeless and that the war is senseless. What are we trying to do in Cambodia? Does our continued aid have any point?

A: We want to see a negotiated settlement in Cambodia.

The UN General Assembly recently passed a resolution calling on both sides to negotiate. We strongly support this resolution. The Cambodian Government has called for unconditional talks. We believe that negotiations, if they are conducted in a forthcoming spirit, can lead to a settlement that would meet the interests of all parties. We know that the Cambodian Government is prepared to approach the negotiations in that spirit. Unfortunately, the other side continues to seek a military victory.

With our assistance, the Khmer Republic has successfully thwarted a Communist victory. It is our hope that the other side will realize that it cannot win a military victory and that it will seek a negotiated peaceful settlement. Until this point is reached, it is essential that we continue to aid and support those who rely on us for their independence.

POLICY TOWARD CUBA AND TOWARD LATIN AMERICA

Q: Mr. President, do you foresee any move toward normalizing relations with Cuba in the coming year? And how do you see our relations with Latin America developing?

A: As you know, the Rio Treaty organization meeting in Quito last November did not act to lift the sanctions imposed against Cuba in 1964. The sanctions therefore remain in effect and we continue to respect them.

It has long been our position that we would be prepared to consider a change in our policy toward Cuba if and when Cuba demonstrates it has changed its policies. We have as yet seen no evidence of a basic change in Cuban policies -- therefore see no reason to change our position at the present time.

Regarding U.S. policy toward Latin America, I would note that over the past year, the U.S. has been giving very serious attention to its relations with the countries of Latin America and the Caribbean. We have made significant progress toward resolving some longstanding bilateral problems in the region. More importantly, we have been working to broaden and deepen our hemispheric relations and important progress has been made toward establishing regular consultations and a frank, open dialogue on a broad range of subjects. I expect that process to continue over the coming year.

My Administration will work to further this cooperative effort to resolve issues through negotiation and mutual compromise and to continue to strengthen hemispheric relations.

INCREASE IN DEFENSE BUDGET FOR FY 1976

Q: Is it true that you have approved a \$11 billion increase in the defense budget for FY 1976? If so, how can you justify this?

A: I am still reviewing the defense budget for FY 1976.

In doing so I will have to consider factors such as the impact of inflation and the increased price of energy. But I will not let our defense erode because world peace depends upon a strong American defense posture.

A strong defense is our principal deterrent to aggression. Our defense posture is a fundamental underpinning of our alliances, and reinforces the will of our allies to make our common defense work. Moreover, our military strength underwrites our diplomatic strength. It insures that negotiation is the only rational course, and thus lays the groundwork for achieving, through negotiation, a relaxation of tensions with our adversaries and an enduring framework for peace.

Each Administration and Congress since the Second World War has supported -- on a bipartisan basis -- the maintenance of our military strength. I intend to continue to support a strong defense posture, and I believe the Congress will continue to do so also.

WORLD FOOD PROBLEM

Q. What is the United States really doing to help meet the world food crisis? Why have you not yet announced your decision on food aid levels for this year?

A. As I said at the United Nations, the United States recognizes the special obligation we bear because of our extraordinary agricultural productivity, advanced technology and our tradition of humanitarian assistance.

That is why we proposed a World Food Conference. Our proposals in Rome were designed to help the world community to organize itself to cope with long-term problems of feeding the world's population. It is essential now that we press ahead vigorously with the implementation of the Food Conference decisions.

The immediate short-run problem is how to make reduced supplies go around. The United States will increase its food aid contribution this year. I am reviewing now our crop availabilities and we will be announcing soon our total food aid program for this fiscal year.

I assure you that we will do everything humanly possible to insure that our contribution is responsive to the great need in the world.

TAB E

Replacement Set

CIA DOMESTIC SURVEILLANCE ACTIVITIES

Q: Mr. President, Director Colby has submitted his report to you concerning the charges made public recently of CIA involvement in domestic surveillance activities. What was your reaction to the report and does it confirm that indeed such activities were undertaken by the CIA?

A: As you know, I announced on Saturday the formation of a Blue Ribbon Panel to examine the recent allegations that the CIA has exceeded its statutory authority, review the adequacy of existing safeguards on CIA activities, and report its findings and recommendations to me.

May I just reiterate my basic approach to this issue:

Intelligence collection and evaluation is essential to the defense of our country. Equally essential in a democracy is public confidence in its Government institutions, especially those which cannot operate in full public view. I intend to insure both a superb intelligence community and public confidence in that community.