

PRESS CONFERENCE NO. 1
of the
PRESIDENT OF THE UNITED STATES

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

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

THE PRESIDENT: Please sit down. Good afternoon.

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

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

Helen.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

QUESTION: And you are not ruling it out?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE PRESIDENT: Not to my knowledge.

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

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

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

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

Yes, Sarah.

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

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

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

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

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

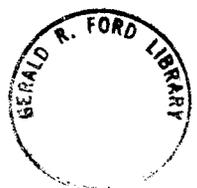
QUESTION: Mr. President, concerning the Federal budget, will domestic social programs have to bear the whole brunt of the anti-inflation fight or can some money come out of the defense budget, and if so, how much?

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

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

Mrs. Tufty?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE PRESIDENT: I intend to.

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

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

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

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

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

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

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

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

THE PRESS: Thank you, Mr. President.

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

