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THE WHITE HOUSE
PRESS CONFERENCE
OF
LEONARD WOODCOCK
PRESIDENT, UNITED AUTO WORKERS

THE BRIEFING ROOM

AT 1:10 P.M. EDT

MR. HUSHEN: Ladies and gentlemen, we have Mr. Leonard Woodcock, President of the United Auto Workers, who met this morning for about 30 minutes with the President.

MR. WOODCOCK: I guess the best thing to do is just go to questions and answers.

Q Was there anything you wanted particularly to tell the President or anything he particularly wanted to tell you?

MR. WOODCOCK: Well, we had a discussion of the general problems we face in the economy, which certainly are extremely grave. And many of the problems are of the variety that any single domestic government has difficulty in finding the solutions.

Of course, we are at a time when, for the first time since the end of World War II, all of the industrialized countries have their economies moving in a downward direction which has terrible implications for the whole world situation.

And beyond discussing the things that are under way, there was nothing specific with regard to the whole conversation.

Q Have you a reaction to any request for a hold down on wages?

MR. WOODCOCK: That was not talked about.

Q What is your reaction without talking to him?

MR. WOODCOCK: My position is no different than it was in 1970. Price and wage controls, absent the pressures of a war situation, I think, are unmanageable. I felt that all the way through. We were opposed to them in 1971. They bring distortions into the economy and they do not bring any remedies.

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Q What would you have the government manage?

MR. WOODCOCK: Well, I think the question of holding down the budget has more psychological implication than any direct impact on inflation. Monitoring restraint can, I suppose, in the long run, work, but obviously if it works, it is only by slowing down the economy which brings a rise in unemployment and I am gratified to see the President is keeping a close watch on the possibility of public service employment, which is certainly the most non-inflationary way to meet the problem of growing unemployment.

I think, too, that if we could have a tax cut for the lower and middle income groups, but compensated by an increase in the tax on those in the upper income brackets and taking away some of the concessions that have been made in the last six years to the corporations, so that we are not unbalancing the budget, would also give a stimulus to the economy by increasing the purchasing power of individuals, the persons in the lower income brackets.

Q Did you express this to the President?

MR. WOODCOCK: Yes, I did.

Q What was his response?

MR. WOODCOCK: There was no response except just to listen to the point I was making.

Q We got the impression from the briefing here today that the President is leaving open the possibility of a tax increase for next year if he feels circumstances warrant that. How would you react to that?

MR. WOODCOCK: I would be opposed to a tax increase across the board because, again, I think it would have a counter-productive effect, but a tax increase on those that would then be counter-balanced by a tax decrease to the lower income groups, I think, would be very valuable to the whole economy.

Q Did you discuss General Motors' price increase?

MR. WOODCOCK: That was mentioned, yes. I said to the President, as I have said publicly, I have no way of knowing whether or not what was originally proposed by General Motors was warranted by their situation. I do know that in the first six months of this year the Chrysler Corporation on its North American activity lost money. It made money overall, but the fact they made a profit totally was by virtue of their earnings overseas and obviously that has to be a factor in the whole automobile price situation.

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Q If you were going to negotiate a three year contract starting this fall, what would you have to ask for for your members as far as an increase?

MR. WOODCOCK: Well, the kind of wage contract that we have, if we were bargaining now, I don't think we would be trying for anything essentially different. It is a small annual increase tied to the national productivity, but with the wage levels protected in part -- and I underscore "in part" -- by quarter annual adjustments for the cost of living.

Q What would that amount to as far as an increase? What would you think you would have to give your workers as an increase?

MR. WOODCOCK: The way it is working now, there will be in the first pay period of September, in addition to the three percent general increase, there will be an increase further of 13 cents an hour by virtue of the cost of living index.

Q Mr. Woodcock, did the President ask you if you would serve on the Advisory Committee to the Cost of Living Council?

MR. WOODCOCK: No, I am not even aware there is such a body.

Q Did you discuss the possibility of some type of wage-price guidelines?

MR. WOODCOCK: No, we did not.

Q What was your general reaction to the visit?

MR. WOODCOCK: Well, I have a high regard for the President. I have known him for going back 26 years and I certainly think his conduct in the office has been excellent for the morale of the country.

Q Mr. Woodcock, I believe you supported the President in 1948. Do you see organized labor supporting him in 1976?

MR. WOODCOCK: 1976 is an awfully long time away. I have no estimate as to what anyone may do, myself included, politically in 1976.

Q In the intervening 26 years since you supported him for election to Congress, have you seen anything to cause you not to support him in '76?

MR. WOODCOCK: Well, we supported -- I was part of a group that supported Mr. Ford in the Republican primary of 1948. At that time we had a very isolationist Congressman in the form of Bartel Jonkman, who was occupying that seat.

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Senator Vandenberg was also desirous of having in his home constituency a person more aligned with his foreign policy views and that is how that came about.

In his tenure in the Congress on the AFL-CIO voting record, which would obviously be close to our estimate, Mr. Ford had a 96 percent wrong rating. But that is reflective, I think, of what is a very conservative constituency in the Fifth District of Michigan.

Q Mr. Woodcock, do you have an opinion you can give us on Mr. Ford's chief economic adviser, Mr. Greenspan?

MR. WOODCOCK: Well, I have already said publicly that I think it is unfortunate that Mr. Greenspan is becoming the Chairman of the Council of Economic Advisers. It is not that he is not a competent economist, but he is on the far right of the economic spectrum. I think it is unfortunate that he should be the Chairman of the CEA at this time when he has such views as being against the graduated income tax and being a completely laissez faire economist. I don't think a completely laissez faire policy is going to get us out of the jam we are in.

Q Did you discuss that with the President?

MR. WOODCOCK: No, I did not.

Q How do we get ourselves out of this jam?

MR. WOODCOCK: I wish I had some magic answers, I don't.

Q Mr. Woodcock, how much time do you think -- in terms of the political sentiment of your members -- does the President have to take some substantive steps towards solving the economic crisis before their honeymoon with him completely is over?

MR. WOODCOCK: Well, I think there has been a favorable reaction as far as our people are concerned with the fact that the situation is being approached with candor, that we are recognizing the problem for what it is and it is an enormous problem. I don't think the American people appreciate the enormity of the economic problem we face, that it is not simply a question of having domestic policies to meet it, but to try and fashion international agreements on the flow of raw materials, and the question of oil pricing and availability, and a whole host of things that take international agreement.

I was in Germany in July, spent an hour with the German Chancellor, Mr. Helmut Schmidt, who told me his prime concern was to restrain inflation in the Federal Republic and yet he publicly sends to the new President of the United States the warning, "Don't too much restrain the American economy or the international economy may collapse."

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So this is an extremely complex and difficult question. I hope that the summit meetings will reveal to the American people just how difficult and complex this is and that they quit hoping there can be magic answers and that we have to get a consensus built to try and find the right answers.

But certainly stating the problems is the first step towards finding what answers there may be.

Q Mr. Woodcock, in light of what you have just said, would you say that this is the time for the economic situation to be taken out of the political arena, as sometimes often foreign policy is done in critical periods?

MR. WOODCOCK: Well, possibly that may be a product of these summit conferences, I don't know. Certainly there comes a time when the country has to come ahead of the various interests that make up the country.

Q Did the President give you any idea of what direction he is taking with the economic package?

MR. WOODCOCK: No, he did not.

Q You didn't get into it with him at all?

MR. WOODCOCK: Beyond discussing the various facets, there was no indication of a total program.

Q You got no feeling from it all whether he is talking tax increases or anything like that?

MR. WOODCOCK: No.

Q You stated your opposition to mandatory wage-price controls, but isn't there going to have to be a development of some sort of guidelines, perhaps on an industry by industry sector in order to make workable and effective this new monitoring agency and would you favor such guidelines?

MR. WOODCOCK: Well, the history of the guidelines before was not too impressive. Take the automobile industry, when the automobile companies insist that they don't know what their productivity factor is -- which is an obvious absurdity -- but they insist on it to us as a union and they insisted upon it successfully with the Price Commission, well, I don't know how you can have guidelines for that industry without having access to that very basic economic factor.

And a guideline, such as Mr. Simon indicated, just cost of living allowances only would be extremely inequitable and strongly opposed, certainly by UAW and I think labor generally.

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Q Did you leave the meeting knowing something that you had not known when you went into the meeting with the President?

MR. WOODCOCK: I don't think so, no, sir.

Q Can you tell us what you said to the President on this subject of public service appointment, or did that come up?

MR. WOODCOCK: Yes, I raised it, I said that I was gratified to see that in his press conference of yesterday that he took note of the possible need for this if the unemployment situation continued to worsen, and that we had long been supportive of such a project.

Certainly the work that is out there in the communities, both large and small, it is not a make-work project, but the work there is aching to be done.

I did say to the President that I am personally quite amazed at the fact that unemployment has been restrained to as low levels relatively as it had. I would have expected that by the summer we would have reached the point of six percent and been heading upwards.

Obviously much of the reduced production has been taken out of overtime rather than out of laying additional people off.

Q Mr. Woodcock, what kind of President do you think Mr. Ford is going to make? Do you have confidence in his ability to handle the Administration's problems?

MR. WOODCOCK: Well, I have confidence in Mr. Ford to be a competent President and I stated that before he was approved as Vice President. I think that he is bringing back our system of government to what the Founding Fathers intend, a balanced system, and I think he will build over time, a strong Cabinet and have the system operate as it should.

And I think the fact that the esteem of the Congress has moved sharply upwards, as registered by the poll that came out either yesterday or today, would indicate that the faith of the American people is being restored.

I would add to that the magnificent performance of the Members on both sides of the aisle of the House Judiciary Committee has helped in that regard.

Q Mr. Woodcock, you said you think he will form a strong Cabinet. Do you have reservations about the present one, and if so, any specific individuals?

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MR. WOODCOCK: Certainly Mr. Nixon did not have a strong Cabinet. He may have had members who would have been willing to be strong members, but weren't given the chance.

It is not for me to pass on any individuals, but I can't resist picking out one. I wouldn't cry if Mr. Butz were to leave. I still remember not only the Soviet grain deal, but accompanying that in the same spring, when we knew there were crop failures throughout the world, keeping 160 million acres out of production and not putting them back into production until the spring of 1973. Had that happened the year before, we would not be operating with a bare cupboard today.

Q How about Mr. Brennan?

MR. WOODCOCK: Well, I have not been overly impressed by the performance of Mr. Brennan.

Q What about you, would you like to serve in the Cabinet?

MR. WOODCOCK: I don't think so.

Q Even if offered you would decline?

MR. WOODCOCK: If it were offered would I decline?

Q Yes.

MR. WOODCOCK: I wouldn't be so presumptuous as to say I would decline something that has not been offered.

Q Would you tell us, Mr. Woodcock, how you feel about Governor Rockefeller?

MR. WOODCOCK: I think it was an excellent choice for Vice President. Governor Rockefeller brings an expertise in administration and strong international contacts and knowledge and I think it was a very good choice.

Q Where do you think Mr. Brennan has let the rank and file down?

MR. WOODCOCK: I don't say he has let the rank and file down. I simply say his performance does not exactly rate the mark of brilliance.

Q The UAW's Community Action Program has been somewhat critical of this Administration, is that correct?

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MR. WOODCOCK: Of the Ford Administration?

Q Yes.

MR. WOODCOCK: Not that I am aware of and I presume I would be aware of it if it had happened.

Q The President also said in his news conference yesterday that for the interim period the wage earner is going to have to tighten his belt. How does this go down with your members?

MR. WOODCOCK: Well, the wage earner is already tightening his belt whether he likes it or not because collectively the working class is several points behind where they were a year ago in terms of buying power and even the members of the UAW, for example, who do have cost of living protection, those cost of living payments are three months behind the beginning of the event. They are not a hundred percent to begin with so that on a relative basis the degree of belt tightening there, plus the elimination in many of the plants of overtime, which has certainly reduced their purchasing power substantially.

THE PRESS: Thank you.

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(AT 1:28 P.M. EDT)