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THE WHITE HOUSE

REMARKS BY THE PRESIDENT
AT THE
WASHINGTON GOP LUNCHEON

OLYMPIC HOTEL

2:14 P.M. PDT

Dan, and Bob Packwood, Joel Pritchard, distinguished public officials, ladies and gentlemen:

It is a great delight and great privilege and pleasure to be here again in Seattle. I always enjoy coming back to Washington because your great, although somewhat moist weather, and if you are in politics, it really is great. It is the only place I know where you can be all wet and still get elected. (Laughter) Scoop, if you are listening, I am only kidding. (Laughter)

Let me say, with all the sincerity and the conviction that I have, it is meetings like this and the one I was privileged to attend an hour or so ago, and the one I attended in Maine last Saturday noon, and the great one I was privileged to participate in in Rhode Island last Saturday night, I find everywhere that the enthusiasm that exists in one State is apparently contagious in another. And the net result is that the views, the people, the attitudes of the Republican Party are expanding and I think it is good for the country and let's keep it going.

Of course you in Washington are extremely fortunate to have Dan Evans as your Governor. He sets the tone, he sets the spirit, he is substantive in the manner in which he approaches the problems, he is far more skillful than I in getting a legislature to respond. (Laughter) But I just want to thank Dan for his very kind remarks and say to you that we who operate on the national scene look upon Dan as a great Governor, and you are fortunate to have him, and we are lucky to have him in the Republican Party.

Now, we have Senator Bob Packwood here. He is from Oregon and I am not going to say anything about him now because I am going down to Oregon tonight so I will just revise and extend my remarks in the case of Bob at the moment.

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But you do have in Bill Pritchard the kind of a person that I could feel -- the minute he walked into the House of Representatives and I had an opportunity to watch and observe -- that he was going to stay and represent you. After you have been in the House and, particularly, in the leadership, you can observe and after a relatively short period of time, you can get a feeling that that person wouldn't be back the next time or this one is just beginning a great, new career. It was my observation in the time that I served jointly with Joel that he is the kind that will stay.

You have a good investment in him, he will do a good job. I certainly hope you will make certain that he comes back, and a good many more times than 1976.

I think it is fair to say that no political party can really be strong and effective over a long period of time if they don't have a sound, well-led State organization. And I think from all I have heard and what I am told, particularly from the people who work for me who have been out here, in Ross Davis and the others in your State organization, Washington is in good hands and I thank you for making that possible.

It seems to me that there are three very basic issues that we, as a country, not just as a party, have to face: energy, the economy and foreign policy.

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I have some prepared notes here, but if you will permit me, I will extemporize rather than read the script.

Let's talk about energy. You, in the great State of Washington, of course, are the beneficiary in one respect because of your great utilization of hydroelectric energy.

On the other hand, you are showing some vision in protecting yourself with development of some of the newer sources but, equally important, you are a very vital part of making certain that the Alaskan pipeline is built on time and that great reservoir of oil that is there will come to the Lower 48 on time.

I am not going to quote the statistics--I am sure that many of you are far more knowledgeable than I-- but we in the Lower 48 are dependent on the contribution that all of you are making here in the State of Washington in this regard.

The United States on the broader sense has a tremendous energy problem. On the other hand, we could have an energy crisis overnight. Every day that passes, the country as a whole is becoming more and more dependent on foreign oil sources. Our domestic production of oil, whether it is old U.S. oil or new U.S. oil, is going down.

1973 was less than 1972; 1974 was less than 1973, and 1975 is less than last year. It is going down slowly but seriously, and as we have less and less American production, we buy more from overseas.

Until we get alternative sources or until we find means of sufficiently conserving energy, our country could be extremely vulnerable tomorrow on foreign sources of oil.

So, we have tried to promote in the Congress, I think, a comprehensive energy program. It was a massive job to put it together, and it is a big proposal in words and dollars.

As a matter of fact, it is about 200 pages that we put all the bills together, and we sent it up to the Congress and said, here is a plan, we can have energy independence in the next decade if Congress will pass this.

There were many hues and cries and critics. I said, "Well, if you don't want to buy this, come up with your own plan." I am being not literal but figurative. The first week we had 535 plans in the House and Senate. (Laughter)

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We have winnowed it down now, Bob, how many -- about five or six -- but not one of those has been enacted into law, not mine nor any one they are proposing.

We are trying to negotiate in a responsible and reasonable way to achieve a plan that is going to move. I met this morning with the Democratic and Republican leadership before I came West. We are getting some cooperation from some of the Democratic leaders.

I hope we can get more. I think we can get more. I think we can get significant support from our Republicans, but if we don't, this country is making a serious mistake that could affect our future because on any day there could be a turn-off of a substantial part of our energy capability.

America can't look down the road with optimism for success if our security is dependent on somebody else. So, if you have influence -- and I know you do -- try to get some action in the Congress on this important issue.

Let me turn quickly, if I might, to the situation in the economy. I start out by saying unemployment is too high, inflation is too bad, but let me be quite candid with you.

A year ago the rate of inflation was roughly 12 percent, maybe 12 to 13, the highest inflation in this country for this century, at least. Some corrective actions were taken. We tried to put the lid on fiscal policy, and there were some restrictions as far as monetary policy.

The net result is we made slow but steady progress in achieving some success in reducing the rate of inflation. We are down now somewhere between 6 and 7 percent. That is not good enough, but if we do what we have been doing, I think we can continue progress in this critical area.

I said at the outset in discussing this subject that unemployment is too high. The Governor was talking to me, and I think it is 9 to 10 percent in your State. But because of the initiative of the Governor and others in your State, you have taken it down from what it was, what, 16 percent roughly several years ago.

I commend you, and the policies that you followed during that span of time were right. It is not easy, as the Governor and others know, to tackle this problem and it is no easier on a national basis than it is on a State basis.

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But I am convinced, as we look at the statistics and look at the future -- and let me quote one or two that are important -- even though unemployment, the rate of unemployment has been between 8.5 and 9 percent for the last two or three months, since March of this year, we have had an increase in the number of people employed of one million two hundred thousand. In other words, the people are being put on the payroll in increasing numbers.

The unemployment rate is affected by the total number who are also in the labor markets and the number who are unemployed, but as long as we keep steady progress, I am convinced that we can come out of a recession, the worst we have had since World War II, not with a quick fix that will only lead us to a more serious problem in a year or two, but we can come out of it with a sound and secure position as far as inflation is concerned and a healthy growing economy that will provide jobs for people.

That is what we want, and we have to provide around one million and one half of new jobs every year for young people coming into the labor markets. I am an optimist, despite the problems we face in this area.

Let me talk for a moment, if I might, about foreign policy. For the last two weeks or thereabouts, Secretary Kissinger has been in the Middle East. He arrived back last night. I talked to him for an hour or so upon his return, and I had a meeting with the Democratic and Republican leadership at the White House at 7:45 this morning, where we had a report from him first-hand.

Let me summarize very quickly how I see the situation because this agreement is a key to building a firmer and broader program for peace in the Middle East.

I can put it this way: If we had not had this agreement, the probability of another war, the fifth in 20 years, would have been very, very high. You know what happened in the 1967 war and the 1973 war, particularly the latter, with the oil embargo and the economic dislocations that resulted.

If we had not been able to help get Israel and Egypt together -- and Secretary Kissinger played a very key role -- the prospects for war in that area would have been exceedingly high in a relatively short period of time.

But, we got the agreement, and the net result is the path of peace has been broadened and made stronger and we will work with others to keep the momentum going. We have eliminated stagnation and stalemate, and the momentum for peace on a broader basis, I think, can be kept going and can materialize.

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I am not going to be foolish enough to pick a date, but I am firmly of the conviction that the attitude, the atmosphere is such that this momentum will keep going. So, I am pleased to report to you that after the meeting with the leadership this morning, some 20 Members of the House and Senate, both sides of the political aisle, there was near unanimity, that the concurrent resolution that will be submitted to the House and Senate will be approved.

The one issue that I am sure bothers you -- it was the one issue that was raised primarily in the meeting with the Congressional leaders this morning -- why is the United States agreeing to send up to 200 -- up to but not more than, and those are the precise words in the agreement -- civilians, technicians, to be a partner in the manning of these early warning stations.

Let me tell you the history of it. President Sadat, when I met him in Austria in early June, suggested it. Prime Minister Rabin several weeks later independently suggested it. So, we have in this case both Israel and Egypt wanting us to do it.

Secondly, they are highly skilled technicians. They are nonmilitary, and they will operate in the U.S. zone with roughly 7,000 to 8,000 U.N. military personnel.

They are, under these circumstances, a contribution to peace, and they are not vulnerable as our early technicians were, or military personnel were when we sent them to Vietnam.

There was a war going on. The North Vietnamese didn't want our military personnel in there. This is a totally different situation. Both sides in a period of peace want American civilians to be there surrounded by U.N. peace-keeping forces, and this is added insurance for the maintenance of peace in that important area of the world.

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Let me quickly turn to another subject. We have an opportunity later this year, possibly, to put a firm cap on strategic arms. It was my privilege last November and December to meet in Vladivostok with Secretary Brezhnev and we made a broad agreement to put a cap on strategic arms. They have to cut back and we have to level off. Now, we anticipate further negotiations sometime in the next several months, hopefully the possibility for an agreement.

I think the prospects are encouraging and, if we are successful, it will be possible for us to have a more economic military budget and still have American security and still be second to none.

On the other hand, if we don't get a strategic arms agreement, SALT II, there will be no choice on my part, except to ask the Congress for another \$2 billion in funds for additional strategic arms because if there is no cap agreed to between the Soviet Union and the United States and they go off, as they have a capability of doing, of increasing their ballistic missiles, increasing their high performance manned aircraft, and increasing their submarine construction and their other strategic arms, if they go off as they have capability, the United States can't sit idly by.

But the choice is a better one--to put a cap on that can be monitored and where you have an opportunity to control it. The United States, I can assure you, is going to be strong domestically in energy and our economy. The United States is going to be strong internationally. We will be a leader for peace in the future as we have in the past. But to do that, we must be strong at home and capable in our national security program.

Your great State makes a contribution in so many ways, not only in the leadership of your Governor, but in the products that you produce, whether on the farm or in the factory.

I thank you for your help. Thank you very much.

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(AT 2:35 P.M. PDT)