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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
51st NEW ENGLAND COUNCIL CONFERENCE

SHERATON-BOSTON HOTEL

2:57 P.M. EST

Thank you very much, Ed King, Mr. Stotz, distinguished Governors, my former colleagues in the Congress, Congressman Silvio Conte and Margaret Heckler, members of the New England Council, my old and very dear friend, the former Speaker of the House, John McCormack, ladies and gentlemen:

I am honored to be with you at the 50th anniversary meeting of the New England Council, marking a half a century of regional progress. Your Council has generated many instances of mutual cooperation that typify the Yankee spirit of practical problem-solving. New England has had its ups and downs since this organization was founded but hopefully we have started on another up, not only for New England but for the entire country.

The presence here today of six distinguished Governors, my good friends: Governor Dukakis of Massachusetts; Governor Grasso of Connecticut; Governor Longley of Maine; Governor Noel of Rhode Island; Governor Salmon of Vermont; and Governor Thomson of New Hampshire, is an added pleasure. I have met with your Governors in Washington and individually on my various visits to your beautiful States for Bicentennial -- and other purposes. I have tried to educate myself about their problems and can assure you that each and every one of them has been a very vigorous instructor.

While the problems of each State are different, even in New England, which has preserved its very unique identify since colonial times, the existence of this Council is proof of how many problems that you have in common. You demonstrate the advantages of dealing with them with common resources and old-fashioned common sense. You provide a showcase of cooperation that other parts of our country can envy.

Of the many topics that I might discuss with you that are of particular importance to New England, I am strongly tempted to speak of taxation in the immediate vicinity of Boston Harbor where American patriots first demonstrated what to do about excessive and unfair taxes with deeds and not words.

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Federal taxes are too high and, as you know, I have proposed a \$28 billion tax reduction for the next year providing Congress will couple with it a \$28 billion reduction in the growth of Federal spending.

Congress seems a little cool to my proposal, some preferring a cut in taxes without reducing a \$50 billion growth in spending. But I would make this non-partisan observation to the descendants of the participants in the Boston Tea Party: If they won't do anything about your taxation, maybe you ought to do something about your representation.

I could also talk about energy and the economy because they are inseparable and both are acute problems in this particular area. It has been my continuous effort to keep the unique situation of New England in mind as we endeavor to reduce our national dependence on unreliable foreign oil.

New England has a unique energy problem in your dependence on oil for heat and for power. It is my hope that you can take a new look at the bill I recently submitted for a Federal Energy Independence Authority. It will help New England, especially by supplementing and encouraging private capital investment to meet your growing energy needs.

New England's proposal for an Energy Research and Development Institute is being closely studied and I am impressed with your plans to tap such alternative energy sources as solar, wind, ocean thermal gradients, waves and tides.

I believe New England should support natural gas deregulation. While New England does not consume much natural gas, it has much to lose by keeping prices artificially low in interstate commerce. Your traditional New England industries such as paper, leather goods, textiles, electronics and plastics are highly energy-intensive. But the high cost of oil and electricity is steadily driving these industries out of your region. Industry is moving where gas is abundant and relatively cheaper, although uncontrolled.

Although most economic indicators suggest we have already been on the road to recovery for six months, I recognize that such statistics are small comfort to Americans who are still without work in areas of high unemployment such as New England and my own State of Michigan. We must now allow a resurgence of inflation which robs both the employed and the jobless. I am determined to keep inflation under control by every means possible, including my veto power over inflationary Federal spending.

But I have decided to talk about another topic, one of supreme importance to all Americans and indeed to the world-- that is the national security posture and policy of the United States as I see it.

It is entirely appropriate to discuss defense in New England, in Massachusetts, in Boston, because it was here that Americans first took up arms in defense of their personal liberties and their national independence.

My last visit here was on the 200th Anniversary of the signal from the Old North Church from Paul Revere and his companions who carried the warning to embattled farmers of Lexington and Concord. I said then and I say now, from a Nation virtually alone, America is now allied with many free nations in common defense. World leadership was thrust upon America and we have assumed it.

In accepting that role, the United States has assumed responsibility from which it cannot and will not retreat. Free nations need the United States and we need free nations.

A national security policy of this country, long a solid non-partisan policy and a policy which I have supported all of my life, some 25 years in the Congress, is that weakness invites war, that strength is the only sure foundation for peace and that America, in concert with our allies, must maintain a defense capability second to none. That policy has not changed and will not change.

I reiterate this policy because there has been some criticism and speculation, following my announcement on Monday of several new appointments among my top national security advisers, that such personnel changes signal a policy change in the United States in this extremely important and significant area. I want to be absolutely sure that these domestic political potshots are:not heard around the world. Our allies and our adversaries must not be confused and mislead. There will be no change in any life-long devotion to America's strength and vigilance as we seek a safer and saner world.

There is not now, there never has been and there will not be, so long as I am President, any softness or weakness in the Administration on the subject of national defense of the United States and its vital security interests, both at home and abroad. Among the new members of the Administration team are Don Rumsfeld, whose dedication to a strong defense policy was amply demonstrated in the Congress and as our representative in NATO.

And George Bush, who was born in Connecticut and now h lds an extremely sensitive post as head of our mission in Peking. Our own former Lieutenant Governor and Attorney General, Elliot Richardson, who has served as Secretary of Defense himself, will become Secretary of Commerce. Most significantly, when the United States Senate confirmed Ambassador Rumsfeld, Bush and Richardson for key policy posts in the area of foreign policy at NATO, the United Nations and the United Kingdom, it was without a dissent.

I look for their early confirmation to their latest post of duty and of service to their country. They will be strong, they will be tough and they will be true to the highest interests of all the people of the United States.

The policy which this Administration has followed and will follow intthe future is consistent, clear and unchanged

Let me discuss the elements of this policy with you. History teaches one unavoidable lesson -- and I have listened to my dear friend John McCormack speak like this for a good many years -- no nation can preserve its national interests unless it can defend them. In an era of ballistic missiles and nuclear warheads, when weapons bridge continents in minutes, America's defense requires the utmost of our industrial skills and technological genius.

The time when America could spend one or two years gearing up for war is gone forever. Today our security, our prosperity, indeed the very survival of the ideas for which this country stands, depends upon our ability to counter any potential aggressor on little more than a minute's notice.

In my years of Government service, I have been second to none in my firm and consistent support for a powerful national defense. As Congressman, Vice President and as President, I have resisted the powerful economic and political pressures to cripple our defense budget. You can be certain I have just begun to fight.

America's armed forces today are second to none and I will take whatever steps are necessary to see that they remain second to none.

I am worried, and you should be worried, about the defense situation in the Congress today. Last January I submitted a defense budget calling for \$97.8 billion in fiscal year 1976. The House of Representatives cut this by \$7.6 billion. The Senate Appropriations Committee has voted to restore only \$564 million out of this cut. Under the most optimistic circumstances, there could be a reduction in our defense budget of more than \$7 billion.

In my judgment, that big a reduction is far too much. If the United States is going to remain strong, it will require the cooperation of the Congress. I deplore what the Congress has done to the defense budget to date and I urge that the Senate restore the essential funds that the Defense Department has deemed vital to our national security.

It is not just this year's cuts that worry me. Let's look at the trend.

Ten years ago expenditures for defense represented 41 percent of the total Federal budget. Five years later, it was 36 percent. For the fiscal year 1976 budget, this current fiscal year, defense represents approximately 27 percent. As defense expenditures go down, as a percentage of total Federal expenditures, domestic spending programs have gone up -- a bigger percentage of Federal outlays.

Defense is the only part of the Federal budget the Congress cuts with a vengeance. If this trend continues to the year 2000, according to mathematical projections, the United States' defense will be reduced to one soldier with one rifle, just like the statue at Concord and at Lexington. America's security rests not only in our strength and our preparedness, but in that of our allies as well and on the solidity of our ties with them. Our alliances reinforce global stability and make the world a more secure place, they reinforce our own strength.

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In dealing with our allies, my object has been to build on the unity we have achieved together over the past 30 years -- and to expand our cooperation even further. I believe that our efforts have been well received in recent months, whether in Western Europe or in the Pacific.

Last May I attended a summit meeting of the 15 member Nations of NATO where we repledged ourselves to the common defense. Next week I will meet with the leaders of Britain, France, West Germany, Italy and Japan --nations which, along with our own, represent about half of the total world trading volume.

These meetings at the highest level reflect a new intensity of allied cooperation. The industrialized democracies of the world share common values, a common political and economic system and a common interest in an open and cooperative world order. Today, perhaps as never before, these nations perceive the need to revitalize the bonds between us, not only militarily but economically.

The policies of five American Presidents before me for a strong national defense, for a reduction of East-West tensions and the threat of thermo-nuclear war, and for the bolstering of our essential allies have had the unswerving and nonpartisan support of the Congress and the American people. I will continue to seek that support, the kind exemplified for so many years by our former Speaker John McCormack.

Without a clear consensus among the 214 million Americans, the United States could not continue as the champion of freedom and peace in the world. The ability of a President to carry out his Constitutional duties would be dangerously diminished. The temptation to potential adversaries to take advantage of any apparent weakness, disunity and indecision could become irresistible. With your support and that of other Americans, the Administration will give them no such temptation.

Our potential adversaries are certainly not reducing the levels of their military power. The United States must and will remain alert and strong.

Peace is the primary objective of the foreign and defense policies of the United States. It is very easy to be a cold warrior -- especially in peacetime. But it would be irresponsible for a President to engage in confrontations when consultations would advance the cause of peace. As I said at Helsinki, peace is crucial but freedom must always come first. Today, I reiterate that priority.

We will, therefore, continue to seek meaningful arms agreements on a two-way street with credible strength of our own and in concert with our allies. Nor will we be hurried into a bad agreement. Any agreements we reach must be verifiable.

An essential element to any real arms limitation, whether of strategic systems or conventional forces, is our intelligence capability. Sweeping attacks and exposes of our intelligence activities jeopardize vital functions necessary to our national security. I did not take the sacred oath of office to stand by passively while the intelligence security of the United States is unilaterally dismantled.

I certainly do not condone improper activities or violations of Constitutional rights of Americans by any personnel or by any agency of the Federal Government. On the basis of comprehensive studies by the Rockefeller Commission and by the Murphy Commission, on the conduct of foreign policy and related matters, I will take administrative action and recommend legislation to the Congress for whatever must be done to prevent future abuses.

But intelligence in today's world is absolutely essential to our nation's security -- even our survival.

It may be even more important in peace than in war. Reckless Congressional action to cripple the effectiveness of our intelligence services in legitimate operations could be catastrophic. Our potential adversaries and even some of our friends operate in all intelligence fields with secrecy, skill and very substantial resources.

I know -- and you know -- that what we need is an American intelligence capacity second to none.

Let me say one time more -- loud and clear:

There is no struggle between the concepts of defense and detente. We have been pursuing both. But to make detente succeed, we must have a strong defense. We make the world safer by both policies.

And I will continue, as I know all of you will, to stand for strength, security, and a safer world.

Thank you very much.

END (AT 3:19 P.M. EST)