

PRESS CONFERENCE NO. 38

of the

PRESIDENT OF THE UNITED STATES

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October 14, 1976
Thursday

In Room 450
The Old Executive Office Building
Washington, D.C.

THE PRESIDENT: Good evening. Will you please sit down.

I do have a brief opening statement. When I was chosen to be Vice President, I underwent the most intensive scrutiny of any man who has ever been selected for public office in the United States. My past life, my qualifications, my beliefs all were put under a microscope and in full public view. Nonetheless, all of you here tonight -- and many in our listening audience -- are aware of allegations that came forth in recent weeks involving my past political campaigns.

As I have said on several occasions, these rumors were false. I am very pleased that this morning the Special Prosecutor has finally put this matter to rest once and for all.

I have told you before that I am deeply privileged to serve as the President of this great nation. But, one thing that means more to me than my desire for public office is my personal reputation for integrity.

Today's announcement by the Special Prosecutor reaffirms the original findings of my Vice-Presidential confirmation hearings. I hope that today's announcement will also accomplish one other major task -- that it will elevate the Presidential campaign to a level befitting the American people and the American political tradition.

For too many days this campaign has been mired in questions that have little bearing upon the future of this nation. The people of this country deserve better than that. They deserve a campaign that focuses on the most serious issues of our time -- on the purposes of Government, on the heavy burdens of taxation, on the cost of living and on the quality of our lives and on the ways to keep America strong, at peace and free.

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Governor Carter and I have profound differences of opinion on these matters. I hope that in the 20 days remaining in this campaign we can talk seriously and honestly about these differences so that on November 2 the American people can make a clear choice and give us, one of us, a mandate to govern wisely and well during the next four years.

Ladies and gentlemen, I will be glad to answer your questions.

Fran?

QUESTION: Mr. President, would you also like to set the record straight tonight on an issue that John Dean has raised?

Did you at any time use your influence with any Members of Congress or talk to lobbyist Richard Cook about blocking a 1972 Watergate break-in investigation by Wright Patman's House Banking Committee?

THE PRESIDENT: I have reviewed the testimony that I gave before both the House and the Senate committees and those questions were asked. I responded fully.

A majority of the Members of the House committee and the Senate committee, after full investigation, came to the conclusion that there was no substance to those allegations.

I do not believe they are any more pertinent today than they were then, and my record was fully cleared at that time.

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QUESTION: Mr. President, in the past several days you have made two major decisions, one to sell Israel compression bombs, sophisticated weaponry, even though their request had been hanging fire for many months. You also decided to give the wheat price support, the 50 percent boost, even though the Agriculture Department said the day before that there was no economic justification for these.

Can you state flatly that none of these decisions was designed to enhance you politically?

THE PRESIDENT: Categorically, those decisions were based on conditions I think justified fully the decisions that I made. In the case of the four items that were cleared for delivery to the Government of Israel, those items have been on the list for consideration. Those items have been analyzed by the various departments in our Government. And the net result was that I decided, after discussing the matter with my top advisers, that those items should be cleared for the Government of Israel.

QUESTION: On what justification do you give such weapons and why did you bypass the Pentagon and the State Department?

THE PRESIDENT: I made the decision, and that decision is mine --and they may have been a little disappointed that they did not have an opportunity to leak the decision beforehand--and I felt that it was a decision only for the Commander-in-Chief, and I made it as such, and based on recommendations that were made to me by responsible people, the top people, giving me advice in this regard.

On the other question regarding the increase in the loan rates, in May of 1975 I vetoed an agricultural bill on the basis that I thought it was not good legislation at that time. But I said at that time in the veto message that I would be very watchful to make certain that if conditions changed we would increase the loan rate.

In May of 1975, for example, the price of wheat was about \$3.35 a bushel. Recently, the price of wheat was about \$2.79 a bushel. There was a very severe drop. And in order to make certain that wheat will be marketed properly and the farmer will have an opportunity to market that wheat which he produced at our request of full production, and in order for the farmers, the wheat farmers, to have adequate financing to proceed with their fall planting of winter wheat, I decided that it was in the best interest of full production for the American farmer that those loan rates be increased. They were based on a commitment I made in May of 1975, and changed conditions today.

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QUESTION: Mr. President, in the course of the Watergate Prosecutor's investigation of your income taxes, your taxes were made public, leaked to the press at one point, and in those taxes, it showed at one point you took money from your political organization and used over \$1,000 for a family vacation to Vail and several hundred dollars for personal clothing.

I wonder if you would address the propriety of action like that.

THE PRESIDENT: I think you have to bear in mind, as I recall those initial payments, for airline tickets and for the others, were made out of what we call the Fifth District account, and within, I think it was a week, or two weeks at the most, I reimbursed that account fully in both cases.

QUESTION: In the case of reimbursements, the tax information also showed that your personal bank account, if it were, went down in the red something like \$3,000, but it was soon reimbursed, and there was a question left as to how you reimbursed that \$3,000.

THE PRESIDENT: That was my next paycheck. (Laughter)

I think a few people in this country have written checks and then waited until the end of the month and then mailed the checks -- maybe you haven't done it, but I suspect a few people have -- and we mailed those checks after we had the money in the bank account. But I wrote the checks before the end of the month. It is a perfectly legitimate thing and there was never an overdraft in my account. (Laughter)

QUESTION: Mr. President, there have been some questions a few weeks ago about your taking, accepting, golfing vacations and travel from lobbyists and corporations. It has been quite some time since these allegations were made. I wonder if you can clear this up tonight. Just how often, how many times, did you accept free travel and golfing vacations from lobbyists and corporations?

THE PRESIDENT: To the best of my recollection, the ones that came to light are the ones involved -- there might be one or two more, but I can't recollect the instances.

QUESTION: Mr. President, if I may follow up on Frances Lewine's first question, I don't think you quite answered the question. The question is not about your testimony at the time specifically, it is about the new allegations from John Dean that, in fact, you did discuss six times with Mr. Cook the matter of blocking the investigation by the House of Watergate and at the time you said, at the time that you went through your investigation, you mentioned, you said you did not recollect such discussions. Do you now recollect discussions with Mr. Cook on that subject?

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THE PRESIDENT: I will give you exactly the same answer I gave to the House Committee and the Senate Committee. That answer was satisfactory the House Committee by a vote of 29 to eight, and I think a unanimous vote in the Senate committee.

The matter was fully investigated by those two committees and I think that is a satisfactory answer. I am not going to pass judgment on what Mr. Dean now alleges.

QUESTION: Mr. President, would you oppose, on the Dean matter, would you oppose a review of White House tapes and investigation by the Special Prosecutor an investigation that has been called for by Congressman Conyers and Congresswoman Holtzman?

THE PRESIDENT: That is a decision for the Special Prosecutor to make. I have never, at any time, in the just previous investigations or at any other time, interfered with the judgment or the decisions of the Special Prosecutor, and I wouldn't in this case.

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QUESTION: Mr. President, you have been going up and down the country, most recently in New York and New Jersey, saying things are getting better, things have improved and there is a definite difference between you and your other candidate, Mr. Carter.

There is a 7.8 percent unemployment rate. The Commerce Department today announced that retail sales fell by 1.1 percent. The stock market took a nose dive. Mr. Friedman, a conservative economist, says nothing that either you or Mr. Carter offers will cause a change in the rise of Federal spending, and finally Mr. Greenspan -- your own advisor -- predicted today a continued 6 percent inflation rate.

THE PRESIDENT: Let me set the record --

QUESTION: I don't understand how things are getting better.

THE PRESIDENT: Let me set the record straight. There is a very distinct difference between Federal spending proposals by President Ford and those of Governor Carter. Governor Carter has endorsed, embraced, sponsored, 60-some new programs that will cost \$100 billion a year at a minimum and \$200 billion probably on an annual basis. So, there is a distinct difference between Governor Carter on the one hand and myself. He wants to spend more and I want to hold the lid on Federal spending.

Let's talk about the status of the economy. In the first quarter of this calendar year, the rate of growth of GNP was 9.2 percent. It fell in the second quarter to 4.5 percent. It looks like the third quarter will be in the range of about 4 percent.

I have checked with the responsible advisors to me in this area and they expect a resumption of the rate of growth of GNP in October, November and December of over 5 percent and probably closer to 6 percent, and they expect that same rate of growth in 1977.

We have had a pause, but we could not sustain the rate of growth of the first quarter of 1976, when it was 9.2 or .3. We are now coming out of the dip or the pause that we had, and I believe that all, or practically all, economists recognize that the economy is continuing to improve and will get better in this quarter and in 1977.

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QUESTION: Mr. President?

THE PRESIDENT: Yes?

QUESTION: Mr. President, in keeping the lid on Federal spending, are you willing to accept the continued physical and social deterioration of the big cities of this country? A Marshall plan sort of approach has been offered. Would you, if elected, move in that direction?

THE PRESIDENT: I would not embrace any spending program that is going to cost the Federal Treasury and the American taxpayers billions and billions and billions of dollars. We have good programs for the rehabilitation of our major metropolitan areas. I just signed a general revenue sharing bill. We fully fund the Community Development Act. We fully fund the mass transit legislation.

We have a number of very good programs that are in operation today, and about three months ago I appointed the Secretary of HUD, Carla Hills, to head a Cabinet Committee on Urban Development and Neighborhood Revitalization. That committee is working together very closely so that we get the full benefit out of all the Federal dollars now available to help our inner cities and major metropolitan areas.

I think we are doing a good job and to all of a sudden just throw money in doesn't make any sense because you are bound to have more deficits, more taxes and more inflation.

So, I think we ought to make the programs we have today work and they are working and will solve the problem.

Yes?

QUESTION: Mr. President, a review of your travel logs from this fall and last fall shows that for a comparable period last fall you spent exactly as much time on the road -- 15 days last fall -- when there was no campaign and no election than you have this fall when there is a hotly contested Presidential election.

Doesn't this lend a little bit of credence to Governor Carter's charge that you have been hiding in the White House for most of this campaign?

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THE PRESIDENT: Tom, didn't you see that wonderful picture of me standing on top of the limousine with the caption "Is He Hiding?" The truth is, we are campaigning when we feel that we can be away from the White House and not neglect the primary responsibilities that I have as President of the United States.

I think you are familiar with the vast number of bills that I have had to sign. We have done that. That is my prime responsibility, among other things. We do get out and campaign. We were in New York and New Jersey earlier this week. We are going to Iowa, Missouri and Illinois between now and Sunday.

We will be traveling when we can, but my prime responsibility is to stay in the White House and get the job done here, and I will do that and then we will campaign after that.

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QUESTION: Mr. President, how do you account for, at this rather late stage in the campaign, so many voters are telling pollsters that they remain undecided and many more are saying that they may not bother to vote at all?

THE PRESIDENT: It is disturbing that there are these statements to the effect that voters are apathetic. I believe we have tried to do everything we possibly can to stimulate voter participation. I want a maximum vote in this election on November 2 and in every way I possibly can we are going to stimulate it between now and November 2.

I can't give you an answer as to why there is apathy. I am going to do what I can to overcome that apathy and, naturally, I hope to convince 51 percent of the people in enough States so that we get enough electoral votes so that we can continue the policies of trust, peace and growing prosperity in the United States.

QUESTION: Mr. President, do you think it is proper for a Member of Congress to accept a golfing vacation or golfing weekend trip, and would you, now that you are in the White House, accept such a trip?

THE PRESIDENT: I have not accepted such a trip since I have been Vice President or President. And when I was in the Congress I have done as I said in the limited number of instances that have been in the paper.

Yes?

QUESTION: Mr. President, you said that in your debate with Jimmy Carter, your statement on Eastern Europe demonstrated a certain lack of ability to think fast on your feet. Without intending to once again review the merits of that debate, how important, in your judgment, is it for a President to think fast on his feet to do his job properly?

THE PRESIDENT: I think it is vitally important for a President to make the right decisions in the Oval Office, and I think I have made the right decisions in the Oval Office. I have admitted that in that particular debate I made a slip in that one instance, but I would like to compare that one slip with the documented instances that we found in Governor Carter's presentation a week ago when he made some 14 either misrepresentations or inaccurate statements.

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And while we are on that subject, I would like to say that I feel very strongly that the attitude that he took on that occasion, where he said America was not strong, where he said the United States Government had tried to get us into another Vietnam in Angola, and where he said the United States had lost respect throughout the world.

I don't approve of any candidate for office slandering the good name of the United States. It discourages our allies and it encourages our adversaries.

Yes?

QUESTION: Mr. President, on the debates, two of them have happened and one is to come. Do you have any thoughts perhaps on changing the rules for the third debate, and also, do you feel impeded since you are President and know more than you can say in public?

THE PRESIDENT: About the only improvement I would make is to get Mr. Carter to answer the questions. (Laughter)

QUESTION: Mr. President, could you tell us why it took you six days and four clarifications before you finally admitted that you had in fact made a mistake in the debate in your remarks on Eastern Europe?

THE PRESIDENT: I think it took some thoughtful analysis because, as someone may have noticed, there was a letter to the editor in the New York Times a day or two ago by a very prominent ethnic, a man by the name of Janovitz, as I recall, who said that my answer was the right one. But it all depends on how you analyze the answer.

But I wanted to be very clear to make certain that the Polish-Americans and other ethnics in this country knew that I knew that there are some 30 Soviet divisions in Poland and several of the other Eastern European countries.

On the other hand, I want to say very strongly that anybody who has been in Poland, for example, as I have in 1975, and seen the Polish people, the strong, courageous look in their face, the deep feeling that you get from talking with them,*although they recognize that the Soviet Union has X number of divisions occupying their country, that freedom is in their heart and in their mind, and they are not going to be dominated over the long run by any outside power.

Now we concede for the time being the Soviet Union has that military power there, but we subscribe to the hopes and the aspirations of the courageous Polish people and their relatives here in the United States.

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QUESTION: Mr. President, if they tried to overthrow that power, would you look favorably on helping them in some way?

THE PRESIDENT: I don't think we should answer that question. I don't think it is going to happen. I don't think we should respond to that kind of a question in a press conference.

Yes?

QUESTION: Mr. President, you have had some harsh words for your opponent's performance in the second debate, and yet every public opinion survey that I have seen showed you lost that debate and it was one that was on foreign and defense affairs, which are supposed to be your strong suit.

Do you agree that you lost that second debate and, if so, why? Or, if you think you won it, why do you think that happened?

THE PRESIDENT: I think there is a poll that shows the conclusion you have just set forth. I don't necessarily agree with that, but there were some very specific answers that were given by people who were interrogated afterwards. If you will look at that list of special questions that were asked of people who responded, it showed that in those cases -- and I think they were the very fundamental ones on specific issues -- knowledge, firmness, strength -- that a majority of people thought I had prevailed.

QUESTION: Mr. President, the Federal Power Commission has authorized the increase in the price of new natural gas. That is something you favored. The original estimate was that it would cost the American consumer \$1.3 billion a year. Now we are told that it may be as high or higher than \$3 billion a year. Do you think that price increase should be rolled back or should it stand?

THE PRESIDENT: The fundamental issue is, if you don't get a price increase you are not going to have any new natural gas. So, the question is, are you willing to pay for enough gas to heat our homes and to heat our factories so people will have jobs? We have to give an incentive to people to go out and find new natural gas sources, and if you don't give them that incentive, there won't be any heat for their homes or heat for their factories and will lose the jobs.

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QUESTION: Are you willing to risk another jolt to the economy from this large price increase?

THE PRESIDENT: I think a bigger jolt would be to have the jobs lost and the houses cold.

QUESTION: Mr. President, earlier in your campaign you said you intended to stress positive themes. Yet, in your most recent campaign appearance you concentrated on attacking Governor Carter. Tonight you accused him of slandering the name of the United States.

Do you think you have done all you can to elevate the level of this campaign and can we expect you to continue the way you have been in the last week or so?

THE PRESIDENT: I think it is very positive to talk about tax reductions, as I have recommended to the American people that we increase the personal exemption from \$750 to \$1,000. That is very positive and very affirmative, and certainly in contrast to what Mr. Carter wants, which is to increase taxes for people with a medium or middle income level, which is about \$14,000. That is a distinct difference.

I am on the affirmative side. He is on the negative side.

QUESTION: Mr. President?

THE PRESIDENT: Yes, Sarah? (Laughter)
You knew I would get around to you.

QUESTION: Thank you. When you were in Congress you filed an income tax return for those years saying that you had very little money left over. Like a lot of us, you have about \$5 left over for spending money, I believe.

I wonder if you had included your golf fees and your dues at Congressional and Burning Tree? I believe you belonged to both of them, didn't you, and they are very expensive. You must have been strapped for funds. Who was helping you pay those large golfing expenses? You golfed three to five times a week, I believe.

THE PRESIDENT: First, that is an inaccurate statement and you know it, Sarah. (Laughter) When you are the Minority Leader of the House of Representatives and on the job, you don't play golf three to five times a week. I am sorry you said that because you know that is not true.

Now, let me just say that I paid for those golfing dues or charges by check, and the committee and everybody else, the Internal Revenue Service, the Joint Committee on Internal Revenue Taxation, the FBI and now the Special Prosecutor have all looked into those in depth and in detail and they have given me a clean bill of health, and I thank them for it.

QUESTION: Mr. President, the Washington Post had an article today which noted that Ford Motor Company paid no taxes last year, paid no taxes the year before. Do you think that is fair and what are you going to do about it?

THE PRESIDENT: Well, I think it is proper to remind the American people that those tax laws which are on the statute books were written by the Democrats who controlled the Congress for the last 22 years. If they are wrong, it is the fault of the majority party in the Congress.

QUESTION: What are you doing to change that?

THE PRESIDENT: We have made recommendations to the Congress over the last year and a half for some modifications in the income tax legislation, but how that would affect that particular company I can't give you the answer.

QUESTION: Mr. President, in a recent speech -- I am afraid I don't recall where -- you cut a line from your text in which you said something about the campaign should not be just a quiz show to see who gets to live in the White House for the next four years. And I assume you stand by that advance text. Were you trying to suggest that the debates have not been as effective as they should have been, they have not kept up the level of the campaign?

THE PRESIDENT: Ann, you know, you read the advance text. I hope you are listening when I speak. You know, on many occasions, I add a little here and I take something else out. Oftentimes, I don't get those texts until maybe a half, three-quarters of an hour before I make the speech. So, I make the judgment myself. Those are the recommendations of the speechwriters.

Now, I didn't think that was an appropriate thing to say and, therefore, I didn't include it in the text that I gave to the meeting that you referred to.

QUESTION: Let me put it this way: Do you think the debates have helped keep up the level of the campaign?

THE PRESIDENT: I think the debates have been very wholesome. I think they have been constructive. I was the one that initiated the challenge. I believe that they ought to be an institution in future Presidential campaigns. I really believe that. And for that reason, I didn't think that sentence in that prepared text which I deleted reflected my own views.

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QUESTION: Mr. President, thank you. A little while ago you gave us an idea of how you balance your family budget, you kite checks. (Laughter)

THE PRESIDENT: Oh, no, I don't. No, I don't. I have never been overdrawn, young lady.

QUESTION: The question is, then, how is it that you are able to live on from \$5 to \$13 a week in cash as has been reported by the Washington Post and the Wall Street Journal in 1972?

THE PRESIDENT: I repeat that the Internal Revenue Service, the FBI, the Joint Committee on Taxation, two committees in the House and in the Senate, and an overwhelming majority of the Members of the House and Senate, believed the testimony. They went back and checked every one of those income tax returns from 1973 back six years, and they gave me a clean bill of health. Now, it has been reinvestigated for the fourth time by the Special Prosecutor and he concurs with the previous investigations.

Those are the facts of life. I write checks.

Thank you all. Thank you very much.

THE PRESS: Thank you.

END (AT 8:00 P.M. EDT)