

# Transcript of the President's News Conference

Following is a transcript of the broadcast of President Ford's news conference yesterday on the South Lawn of the White House, as recorded by The New York Times:

## OPENING STATEMENT

Please sit down. I think this is a delightful place to have a press conference, and I hope all of you feel the same way. I do have an opening statement.

I commend the House of Representatives for its vote to sustain my veto of the housing legislation. This vote demonstrates a growing sense of fiscal responsibility in the Congress and a realization by an increasing number of Congressmen that economic recovery need not be bought at the price of unwise legislation and costly inflation.

I am prepared to work with the Congress in reaching our common objective: a revitalized housing industry, more jobs in construction and a sound economy.

I again urge the Congress to extend for another year the Emergency Home Purchase Assistance Act of 1974 and to expand it by another \$7.750-billion as quickly as possible.

To head off the foreclosure of homes whose owners are temporarily out of work, I again ask the Congress to act expeditiously on legislation introduced by Congressmen Lud Ashley of Ohio and Jerry Brown of Michigan, and others, to provide mortgage payment relief and co-insurance for lenders who refrain from such foreclosures.

I am confident that we can and will meet to solve these problems.

Miss Thomas.

## QUESTIONS

### 1. Use of Nuclear Weapons

**Q.** The United States, as a matter of policy, has consistently disavowed the first use of nuclear weapons. Is that still our policy in view of recent developments?

**A.** Well the United States has the policy that means that we have the maximum flexibility for the determination of what is in our own national interest.

We had a change of some degree about a year and a half ago, when I took office—since I've taken office, I have discussed this change to maximize our flexibility and to give us the greatest opportunity for our own national security with Secretary Kissinger—er, Schlesinger—and I can assure you that it's a good policy and it's a policy that I think will help to deter war and preserve the peace.

**Q.** Well, may I follow up, sir, you haven't said whether you will use the first strike, in terms of tactical, or strategic. And don't you think the American people should know?

**A.** I don't think it's appropriate for me to discuss in a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interests.

And I don't believe under these circumstances that I should discuss how, when, or what kind of weapons should be used. Mr. Cormier.



The New York Times

President Ford with his press secretary, Ron Nessen, after conference

JUNE 26, 1975

on Foreign and

Domestic Matters

## 2. Middle East Reassessment

Q. On the declaration of candidacy, the completion of the Middle East reassessment is getting closer every day, I wonder how close is it now; and does it look more like the return of step-by-step diplomacy or a move to Geneva?

A. The reassessment that we're undertaking in regard to the Middle East has not been concluded. We have met with a number of heads of governments in the Middle East; we have discussed the alternatives and options with a number of other people who are knowledgeable in this area.

But I cannot give you a date as to when that reassessment will be concluded. Obviously, it's getting closer and closer because we must not permit to the degree that we can affect it, a stalemate or stagnation; because the longer we have no movement toward peace in the Middle East, the more likely we are to have war and all of its ramifications.

I can only say we're working on the problem with countries in the Middle East and with others and that the reassessment will be concluded in an appropriate time and it will provide for movement as far as we're concerned.

Q. Is it more likely to be in the direction of Geneva or more shuttle diplomacy?

A. The options are still open.

## 3. Rise in Popularity at Polls

Q. Mr. President, your popularity in the public opinion polls has risen rather dramatically recently, and I know you've discussed this matter with pollster Louis Harris. To what do you attribute your improvement in the public opinion polls recently?

A. Naturally I'm pleased that the polls have shown improvement. I think this is a reflection of the fact that we have had a consistently strong policy domestically, aimed at doing something affirmatively about inflation and showing our concern and compassion in the field of finding a remedy to the recession.

I think it also reflects some of the hard decisions we had to make in the area of foreign policy. Obviously the Mayaguez incident and the way it was handled has had a good reaction, but we've done other things in foreign policy.

The trip to Europe, I think, was effective in that it showed the alliance is strong and we're committed to the alliance, and of course the alliance has contained aggression and maintained peace in Western Europe.

There is a whole series of things that in my judgment have been good for the country, and when something is good for the nation, people who have something to do with it do benefit to some extent.

## 4. Attitude Toward Alliances

Q. Mr. President, on the subject of foreign policy, Secretary Kissinger spoke in Atlanta the other night and had something to say about our alliances: That no country should imagine that it is doing us a favor by remaining and in alliance with us. Is this a signal of a new attitude toward our allies?

A. I don't think it's a signal of a new

attitude. Any bilateral agreement is in the mutual interest of both parties. And any alliance, such as the North Atlantic Alliance, is also in the mutual interests of all of the participants.

Now occasionally, I suspect, some partner gets the impression that his country is getting less out of an alliance than another.

We think it's important to keep them on a mutual basis, and we intend to do so, but there was nothing in Secretary Kissinger's comments in Atlanta the other night that was aimed at any one country or any one alliance.

Q. Well, if he might have had Turkey in mind as one country, I'm just wondering if this is a diplomatic thing to say at this time when our bases are at stake and the welfare of NATO?

A. Secretary Kissinger's comment, as I said a moment ago was not aimed at any one country or any one alliance. We are concerned about the conflict in the Mediterranean which has resulted from the Cyprus difficulty of about 18 months or more ago which has resulted in differences between Turkey and Greece. I can assure you that we are going to work as we have in the past to try and find an answer to that problem, but I don't think the Secretary's comment in Atlanta was aimed at either Greece or Turkey or any particular alliance.

## 5. Unemployment and Election

Q. Mr. President, your aides say that unemployment next year—an election year—will be very high, perhaps as high as eight million Americans. Yesterday George Meany charged your Administration with callous disregard for human misery. My question is this, sir: Why should the American people vote to put back in office a President whose policies accept such a high rate of unemployment among the American people?

A. We don't accept that as a figure that we want. We have to be realistic in that with the high inflation we had of a year ago—12 to 14 per cent—we have to do something affirmatively in regard to inflation, and we have cut the inflation rate in the last six months by 50 per cent. As you bring down the inflation, we may have to suffer for a short period of time higher unemployment than we like, but I'm convinced that with the policies we're pursuing we can gradually increase employment and gradually decrease unemployment, and I'm glad to indicate that in the last two months, according to the statisticians, we've had an increase of about 550,000 more people gainfully employed. This is a good trend, and I think you're going to see it increasing, and I hope in the process that we'll go down from the 9.2 per cent unemployment. I think we will that we reported several weeks ago.

Q. If I may follow up, sir, your own Administration forecasts say that unemployment won't go down to 5 per cent until 1980. My question is, is this, don't you consider this to be a potent political issue next year?

A. I think it's an unacceptable figure. I hope they're wrong. I can only point out that six months or a year ago some of my advisers were telling me that inflation in 1975 would be 8 or 9 per cent. It's down to 6 per cent. So I think we can hopefully expect the same kind of improvement over the speculation in unemployment that we had in forecasting inflation.

## 6. Extending Tax Reduction

Q. If the economy has not shown a significant upturn sometime late this fall, would you consider asking Congress to extend for another year the tax reduction that is now in effect?

A. If the evidence showed that the tax reduction measures that were approved early this year were beneficial in moving the economy forward and if we're convinced that the tax reduction would not create a deficit of a sizable magnitude, more than we can afford, then, and if we have an economic situation that's not moving ahead, not improving, yes, I would consider recommending to Congress that the tax reductions be extended for another year.

Q. Have you discussed this with Congressional leaders?

A. I have not discussed it with Congressional leaders. We keep a close check on economic indicators within the White House, and we have analyzed

the alternatives in this situation, and if the conditions prevail that I indicated a moment ago, we would consider this as an option.

## 7. Increase in Foreign Oil Prices

Q. Mr. President, the Congressional Budget office is concerned that if the Middle East oil producers raise the price of oil this fall as they have threatened to do it will prolong the American recession and delay the recovery. If the Middle East oil producers do in fact increase the price of oil, would you expect the American people to just swallow that increase or would you have a definitive Administration response to an increase from the Middle East and if you do, what would it be?

A. First, any increase in foreign oil would be in my judgment very disruptive and totally unacceptable. As you know, I've been trying to get the Congress to pass an energy program that would make us less vulnerable to any price increase by foreign oil sources. Unfortunately, the Congress has done nothing. But we're going to continue pressing the Congress to act. Now our program, which I hope the Congress will pass eventually, would produce more domestic oil and make us less dependent on foreign oil.

In the meantime, we have to work with our allies, the oil consuming nations, to bring our policies closer together so we can act in negotiations with the oil-producing countries and the International Energy Agency which was formed by the oil-consuming nations has made some progress in this area.

And I hope that through this organization and our domestic energy program we can meet the challenge of the prospective or possible challenge of the OPEC nations.

Q. And is that who you mean when you say that an increase from the Middle East would be unacceptable or do you have something else in mind and could you spell that out? What does unacceptable mean?

A. It means that it's unacceptable in the sense that we as a nation individually and we as a nation in conjunction with our allies are going to find some answers other than OPEC oil.

## 8. Nuclear Weapons in Korea

Q. Mr. President, in response to your comments to Helen at the beginning of the news conference. Let me just ask you this question point blank: If North Korea attacks South Korea, would you use nuclear weapons to stop that?

A. I don't think, Mr. Schieffer that I ought to—in a news conference like this—to discuss what I might or would do under the circumstances you describe. We have a strong deterrent force, strategically and tactically, and of course those forces will be used in a flexible way in our own national interest. But I do not believe it is in our national interest to discuss how or when they would be used. Under the circumstances—

Q. You're flatly not ruling it out, though?

A. I'm not either confirming it or denying it. I'm saying we have the forces, and they'll be used in our national interest as they should be. Mr. Lisagor.

## 9. Soviet and SALT Pact

Q. Mr. President, your old sidekick, the former Secretary of Defense, Melvin Laird, has written in a magazine article that the Russians have repeatedly violated the SALT agreement and have mocked detente. He also has some things to say about what they're doing in Portugal and the Middle East. How concerned are you about these charges?

A. I have investigated the allegations that the Soviet Union has violated the SALT agreements, that they have used loopholes to do certain things that were intended not to be done under the agreement. I have found that they have not violated the SALT agreements. They have not used any loopholes, and in order to determine whether they have or they haven't, there is a standing consultative group that is an organization for the purpose of deciding after investigation whether there has been any violations, and that group after looking into the allegations came to the conclusion there have been no violations.

Now, as I indicated in Brussels at a press conference we are concerned

about developments in Portugal. We do not believe that a Communist-dominated Government in Portugal is compatible with NATO. Now it hasn't reached that stage yet, and we are hopeful that it will not and some of the developments in the last several days are somewhat encouraging. We certainly have a concern and a care and a great friendship for the Portuguese people. And we'll do what we can in a legitimate proper way to make sure that the rights of the Portuguese people are protected.

### 10. European Security Conference

Q. May I also ask you in connection with this, do you then see that the European security conference is likely to come off as the Russians would like to have it come off in late July in Helsinki?

A. There have been rather protracted negotiations involving the European security conference. It didn't look a few months ago that there would be any conclusion this summer, but there have been some compromises made and there may be some others achieved that would permit a summit this summer in Helsinki, but it has not yet reached the stage where I could say there will be a summit because the compromises have not been finally achieved.

### 11. Connally's Role in '76 Campaign

Q. Mr. President, there is a good deal of curiosity about your recent meeting with Governor Connally. Do you expect him to take part in the campaign next year or is he going to run himself?

A. Well John Connally is an old and very dear friend of mine. He's a man who has had vast experience in government. He was Governor of the state of Texas for four or six years, Secretary of the Navy under President Kennedy, he was Secretary of the Treasury under President Nixon.

He is the kind of a person with this experience who can be very helpful in giving advice, and we had a very broad discussion on a number of matters involving domestic affairs and foreign policy.

I hope in the months ahead that I can have future meetings of this kind with John Connally because I admire him as a person and I respect his experience and ability in government.

I don't know whether he's going to run for any office or not. He didn't indicate that to me, but he does have a great interest in government and he said he was going to be interested in all aspects of policy, both domestic and foreign.

### 12. President's Campaign Plans

Q. Mr. President, would you update us on your own campaign plans—when and how you plan to announce for the nomination and how much money your committee intends to raise in the primaries; whether you expect to face any primary opposition.

A. I did authorize a few days ago the filing of the necessary documents for the establishment of a committee so that money could be collected and disbursements could be made. Dean Burch was indicated as the chairman and David Packard was indicated as the treasurer. This organization is the

foundation of what we intend to do, and within a relatively short period of time I will make a formal announcement that I will be a candidate.

I have said repeatedly for some time that I intend to be one. We've taken one step; another step will be taken very shortly, and we expect to raise sufficient money to put on a good campaign. It'll be run exactly according to the law, and I don't know whether we'll have pre-convention opposition or not. It's always been my philosophy in politics: You run your own campaign, you run on your record and you do your best to convince delegates they ought to vote for you and the people that they ought to vote for you. I never really predicate my plans on what somebody else might do.

### 13. Impact of Oil Price Rise

Q. Mr. President, I want to ask you, sir—you said that if the Arabs hike their oil prices or there were another embargo that it would be very disruptive for the economy. You have also said recently that the recession has bottomed out or is bottoming out. May I ask you what will happen to your prediction that the recession is bottoming out if the oil producing nations hike the price of oil by \$2 to \$4 a barrel as they are threatening to do this October.

A. If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economy of Western Europe, Japan and probably and even more adverse impact on the economies of the developing nations. It would have an adverse impact worldwide. I think it would be very unwise for OPEC to raise their prices under these circumstances because an unhealthy economy in the United States and worldwide is not in their best interests.

Q. Are you making any current efforts to persuade the oil producing nations not to increase their prices this autumn as they threatened and are you meeting with any success?

A. We are seeking to solidify our consumer nation organization so that we act in concert when we have to meet with the producing nations, and equally importantly, I am trying to get the United States Congress to do something affirmatively in the field of energy so we don't have to worry about OPEC price increases.

### 14. Efforts to Save Energy

Q. Mr. President, on foreign energy, much of the country does not seem to think that we have a real energy crisis. People are acting as if there is no tomorrow. And part of the problem may be that our leadership should show in a personal way how we can save energy. Could you tell us, sir, what you personally are doing, what the White House is doing and what the Administration is doing to lead and show how we can save energy?

A. Secretary Morton, who is the head of the Energy Council in the White House, has been working with every department of the Federal Government to get them to reduce their consumption of energy, electricity.

We have taken other steps that are

probably less significant but I think in the over-all are helpful. In the White House we try to be as conservative as possible in the utilization of electrical energy. I haven't checked the figures, but we do our best in that regard.

Q. Sir, in this line, would you endorse something that might save a great deal of energy and also strike a blow for male liberation. For example, endorse something like sports shirts for summer wear in Washington, D. C., and other hot climates?

A. I'm a great believer in that attire, but I'm not sure that that would be too significant in the saving of energy, the kind of energy we're talking about.

### 15. Soviet Intelligence Activities

Q. Mr. President, The Rockefeller commission were told about extensive electronic surveillance by Soviet intelligence agents and American ability to piggy-back onto that monitoring. Can you tell us how long that's been going on and what's being done about it?

A. I don't think that I should comment on a matter of that kind. I can say very emphatically that we have an expert intelligence-gathering community in our Federal Government and we have a first-class counterintelligence organization in the United States Government. I have full faith in their responsibilities in any field such as that that you mention.

### 16. Inflation and Unemployment

Q. You said in answer to an earlier question that the unemployment rate projected by your chief economic advisers is unacceptable. That projection is that unemployment would remain at about 8 per cent through most of next year, and you said you would consider asking for an extension of the tax cut. Is it your present thinking that you probably would recommend extending the tax cut if unemployment is that high, that is, about 8 per cent at the start of next year.

A. I think you have to take into consideration not only the unemployment rate but also the impact an increase in the budget deficit of some \$20-billion on inflation.

We have two very serious problems: One, we're licking—inflation, and one, we're working on—unemployment. And as we move ahead we have to be most careful that we don't reignite the fires of inflation. Because every economist with whom I've talked tells me that if in our efforts to do something quickly in the field of unemployment we could end up with a new round of inflation and if you have a new round of inflation of a magnitude of 10, 14, 15, 20 per cent you'll have another recession and unemployment at that time will go to about 14 to 15 per cent.

So what we have to do is very carefully, very judiciously look at both sides of the coin, and we are. And I believe that we made great strides in doing something about inflation and I'm optimistic that we can do something about more employment and less unemployment.

Q. Thank you, Mr. President.  
A. Thank you very much.