

# Transcript of the President's News

Special to The New York Times

WASHINGTON, Sept. 16—Following is the official transcript of President Nixon's news conference here today: THE PRESIDENT: We will go right to your questions.

## 1. Extension of Draft

Q. Mr. President, the Senate is now in the process of deciding whether to extend the draft bill or not. Mr. Ziegler this morning reflected some of your thoughts on the subject. I wonder if you could tell us if the draft bill is defeated, where that will place you in negotiation with the Soviets on mutual troop withdrawals from Europe, SALT, and any other negotiations?

A. I don't like to speculate as to what would happen if the draft bill is defeated, because I think this would be one of the most irresponsible acts on the part of the United States Senate that I could possibly think of.

When we consider where the United States is today in the world in terms of world leadership and in terms of our peace initiatives, what we have to recognize is that if the draft fails to pass the Congress, and if the United States then must build its defenses without the draft, that our peace initiatives in the Mideast, our peace initiatives in Europe with regard to mutual balanced force reductions which I mentioned, our peace initiatives with the Soviet Union which are in other areas, and also our talks which will take place later in Asia.

Now I say this for a reason, that all of the talks that we have planned are based on mutuality, and putting yourself into the position of those on the other side of the table, if they can get what they want—in other words, a reduction of America's ability to maintain its own defenses without negotiation—they are not going to give anything.

So I would summarize by saying that a vote against the draft, in my opinion, would be a vote that seriously jeopardizes peace initiatives of the United States around the world, and without question it is a vote that will make the United States the second strongest nation in the world, with all the implications that has, insofar as the ability of the United States to keep the peace and to negotiate for peace in this critical period.

## China and the U.N.

Q. Mr. President, on the subject of the United States debate over China, some critics of your new policy on the U.N., and I refer specifically to Dr. Walter Judd, who made a statement yesterday, are saying that the expulsion of the nationalist Government would not be legal under the charter without a vote of the Security Council making such a recommendation to the General Assembly. Now I recognize that we hope they will not be expelled. Can you address yourself to the legalities of that and what the Administration position is on that.

A. Mr. Bailey, we have spent many months in looking into the legality of the situation. In fairness to Dr. Judd, I would say that there are different legal opinions you can get with regard to what action is needed for purposes of expulsion and whether Security Council action is required as well as others.

We, however, have reached the conclusion that the position we presently take, which has been stated by the Secretary of State and by Ambassador Bush, is the legally sustainable one.

To also put our policy in clear perspective, we favor the admission and will vote for the admission of the People's Republic to the United Nations and that will mean, of course, obtaining a Security Council seat.

We will vote against the expulsion of the Republic of China and we will work as effectively as we can to accomplish that goal.

Beyond that, I would have to further comment at this point.

Q. May I follow up with one point? A. Sure.

Q. When you say you favor the obtaining of a Security Council seat by the People's Republic of China, that implies that the Republic of China would be removed.

A. Our analysis indicates that this is really a moot question. In the event that the People's Republic is admitted to the United Nations, the seat in the Security Council would go to the People's Republic and that, of course, would mean the removal of the Republic of China from the Security Council seat. The statement that was made yesterday simply reflected the realities of the situation in the United Nations.

## 3. Outlook for 1971 and 1972

Q. Mr. President, now that you have a new economic policy, I am wondering if you would care to make a prediction as to what kind of year this will be and what kind of a year next year will be?

A. Well, I stick to my previous prediction that 1971 will be a good year from the standpoint of the economy and that 1972 will be a very good year. As a result of the new policy, I believe that the last quarter of 1971 will be better than I had originally thought it might be. Rather than being good, it will be considerably better than good.

I think 1972 will be a very strong year. I base these predictions, however, on the assumption that we will get the cooperation of the Congress on the tax fund. It is essential for continued economic expansion that the Congress support the tax initiatives that we have placed before the Congress. I hope that when the Ways and Means Committee finally votes out a bill that it will pass the House and then go to the Senate and will get here for signature within as short as possible time as is needed for reasonable debate.

# Conference on Foreign

# and Domestic Matters

## 4. Proposals on Taxation

Mr. President, in that same area, would you accept a 7 per cent investment tax credit rather than a 10 per cent and 5 per cent, and also would you accept an increase of \$200 or \$250 in minimum standard exemption?

A. The problem of what the President accepts, of course, is somewhat controlled by what he can get. Now, in this instance, I have read Secretary Connally's testimony very carefully before the Ways and Means Committee. As you know, he faced these realities in answering questions.

We believe that the 10 per cent — 5 per cent approach is much the better

one, because it will give the charge to the economy in the year we need it, which is now. On the other hand, 7 per cent would be better than nothing.

When we look also at the situation with regard to raising the standard deduction or minimum exemption,

there are a number of proposals, as you know, in this area that have been suggested to both the House and Senate. We believe that our package is a balanced one. It is the right one and we are going to fight for it.

On the other hand, if the Congress, after due deliberation, moves in another direction which is essentially aimed at our goal, then I will have to consider the measure when it comes here, and I would tend to consider it affirmatively unless it completely blew the top off of our budget.

The main problem on the second thing you mentioned is the degree that we go in terms of providing additional relief for individuals. If that degree is too high without a corresponding cut in spending, the budget implications are enormous and that would mean an additional fire on the boiler as far as inflation is concerned.

## 5. Nuclear Tests in Aleutians

Q. Mr. President, have you reached a decision on the advisability of nuclear tests in Amchitka?

A. Mr. Kilpatrick, we are considering all of the factors involved, including the environmental factors. I will be reaching a decision, I would say, within the near future. But that is a matter which has been discussed in this office on several occasions.

I am awaiting for all of the evidence to come in and then I will make the decision. We will announce it, of course, at an appropriate time.

## 6. Race in South Vietnam

Q. Mr. President, might the changed political picture in South Vietnam, specifically a one-man race for the Presidency there, have any effect on your future plans as far as the level of United States troops and United States activity in that region?

A. As far as our plans for ending the American involvement in Vietnam are concerned, we have to keep in mind our major goal, which is to bring the American involvement to an end in a way that will leave South Vietnam in a position to defend itself from a Communist takeover.

Now, as far as President Thieu's political situation is concerned, I think it is well to put that subject into perspective. We would have preferred to have had a contested election in South Vietnam. We, however, cannot get people to run when they do not want to run.

It should be pointed out, however, that in fairness to the democratic process and how it is working in South Vietnam, the Congressional elections, the elections to the National Assembly should not be overlooked. Eighty per cent of the people of South Vietnam voted as compared with 60 per cent who voted in our Congressional elections in 1970, and one-third of those who were elected opposed President Thieu, and some of those who were elected to the National Assembly were those that charged that they could not be elected before the election because the election would be rigged.

Now, President Thieu has made the election in October for the Presidency a vote of confidence. There are criticisms to the effect that this vote of confidence will not be an accurate one, but he has invited foreign observers to see it and observe it.

My view is that the United States should continue to keep its eye on the main objective, and that is to end the American involvement just as soon as that is consistent with our over-all goal, which is a South Vietnam able to defend itself against a Communist takeover and which includes, from our standpoint, our primary interest in obtaining the release of our P.O.W.'s.

I note one thing, incidentally, on your question, Mr. Jarrell, that is presently apparently before the Senate or a Senate committee, and that is the recommendation or a resolution to the effect that the United States should cut off aid to South Vietnam unless President Thieu does have a contested election.

Now let's just look at what that means in terms of worldwide policy. We presently provide military and/or economic aid to 91 countries in the world. I checked these various countries as far as their heads of government are concerned, and in only 30 of those countries do they have leaders who are there as a result of a contested election by any standard that we would consider fair. In fact, we would have to cut off aid to two-thirds of the nations of the world, in Africa, in Latin America, in

Asia, to whom we are presently giving aid, if we apply the standards that some suggest we apply to South Vietnam.

I again say that we would prefer, as far as South Vietnam is concerned, that its democratic process would grow faster. We believe that considerable headway has been made. We believe that the situation from that standpoint is infinitely better in South Vietnam, where they at least have some elections, than in North Vietnam, where they have none, and we are going to continue to work toward that goal.

## 7. Leverage in Saigon

Q. Mr. President, may I follow that up, please? Senator Jackson said that the United States need not feel helpless in this circumstance because it has leverage which could redeem the situation even now. Your answer just now suggested that we don't plan to do anything about it. What would you say to Senator Jackson's statement about it?

A. Mr. Lisagor, when we speak of leverage, of course, we have leverage because we provide military and economic assistance to South Vietnam.

Secondly, Ambassador Bunker, working diligently, I can assure you, has attempted to, in every way possible, to get people into the race so that there would be a contested election.

Third, he has, of course, worked toward the end of—once it appeared that others would not run—to get others to at least have a vote of confidence in the President. If what the Senator is suggesting is that the United States should use its leverage now to overthrow Thieu, I would remind all concerned that the way we got into Vietnam was through overthrowing Diem and the complicity in the murder of Diem, and the way to get out of Vietnam, in my opinion, is not to overthrow Thieu, with the inevitable consequence of the greatly increased danger, in my opinion, of that being followed by coup after coup on the dreary road to a Communist takeover.

## 8. Democratic Goal in Vietnam

Q. Mr. President, on the South Vietnamese election, once it is completed, will you feel then that the American objective of achieving a democratic process in Vietnam, the objective that you stated, and before you President Johnson, so many times—do you think that with the election that objective will have been met?

A. No. As a matter of fact, that objective will not be met perhaps for several generations. But at least we will be on the road. I think sometimes we forget, as I tried to point out a month ago in my answer to the question with regard to military and economic assistance to countries around the world, how difficult the process of democracy is.

It took the British 500 years to get to the place where they had what we could really describe as a democratic system under the parliamentary setup and it didn't spring up full-grown in the United States.

I was reading a very interesting account of the battle in 1800 between Jefferson and Adams, and I was curious to know how many people were eligible to vote in that great battle of 1800 that changed the future of the United States. And that time the United States had 4¼ million people. There were only 150,000 people eligible to vote. So, as we look at our own history, we find that it took us time to come where we are.

You cannot expect that American-style democracy, meeting our standards, will apply in other parts of the world. We cannot expect that it will come in a country like South Vietnam which has no tradition whatever, without great difficulty. But we have made progress.

## 9. Prison Deaths at Attica

Q. Mr. President, on the Attica prison deaths, in November, 1969, you made a statement saying that most American prison and correctional facilities presented a convincing picture of failure. What happened at Attica — has that made you reconsider plans that you offered to Attorney General Mitchell to call a conference to speed up the proposal, and what do you think the Attica incident will do to penal reform?

A. Like all tragic events, it has its affirmative aspects. In this case it is, I think, very helpful to note that Governor Rockefeller has already moved in that direction of prison reform, prison reform with regard to the problems of prisoners and their proper treatment and prison reform which will deal with the problem of guards in the prison and their protection.

As far as I am concerned, I still believe that the problem of prisons in the United States which, incidentally, is primarily not a Federal problem so

much as it is a state and local problem — but the problem of prison in the United States is one that very much needs attention.

I have been particularly impressed in that respect, incidentally, by articles that have been written by Al Otten of The Wall Street Journal. As a result of having read his articles, I talked to the Attorney General and we are working on this project. Perhaps this will give the additional impetus.

With regard to Governor Rockefeller's action, I know some of you ladies and gentlemen of the press were surprised that I, with all the other problems I have, would step in and support him on a problem that was not mine. That just happens to be the way I react.

You may recall that when Prime Minister Trudeau had a somewhat similar situation of hostages, I called him and said I backed what he had to do under very difficult circumstances.

I can imagine that this is the most painful, excruciating experience that Governor Rockefeller, a very good man and a very progressive man, has had in his term of public service. I knew that he would never have gone this far when he called that morning, when I was in the Cabinet meeting, unless he felt it was the only thing he could possibly do to try to save some of the guards that were hostages.

When a man is in a hard place and makes a hard decision and steps up to it, I back him up and I don't try to second-guess him. The next day, when some of the other returns come in, I still back him.

I believe people in public positions, heads of government or Prime Ministers, or maybe even Presidents, cannot give in to demands for ransom, as was the demand made in this instance.



Associated Press

President Nixon listening yesterday to Gov. Warren E. Hearnes of Missouri at the White House yesterday. Also at the meeting were Governors John C. West, right, of South Carolina and Thomas J. Meskill of Connecticut.

#### 10. Plans for Phase Two

Q. Mr. President, we are told you have not made any decisions on phase Two, but on the basis of the consultations you have had so far, have you been able to accumulate any impressions or any insight that you could share with us that would sort of indicate what might happen after the freeze has ended?

A. Mr. Kaplow, I do not want to give advance notice at this point as to what thinking we may be doing in this—the thinking is all right, but the direction of that thinking—for the reason that we still have consultations to take place.

I am meeting right after this conference with the representatives of Governors, state Legislatures, cities and counties. We will meet tomorrow with the Congressional leaders, and there are other meetings to be scheduled before Sept. 30, when I have asked that all the evidence be brought in.

I can, however, give you an indication generally of how we are going to come out. First, let me say that the statement that was made by Secretary Stans represented, as Mr. Ziegler pointed out this morning, or implied this morning—represented what is a strongly felt view primarily in the business community. It does not represent that we have foreclosed the matter as far as our own thinking is concerned.

On the other side of the spectrum, on the labor side of the spectrum, there is a desire for voluntary restraints only, a tripartite board, so to speak, and in between you have various suggestions that have been made.

These are my tentative conclusions with regard to the direction:

First, there will be a strong, effective follow-on program. The American people overwhelmingly support the wage-price freeze. The American people overwhelmingly want it followed. They don't want to have a freeze followed by a thaw where you can get stuck in the mud, and we are not going to have that kind of thing.

Phase Two will be strong. It will be effective. Now, it will deal with the problem of wages and prices, and will restrain wages and prices in major industries.

Second, it will require the cooperation of labor and management.

But, third, and this is vitally important, it will have teeth in it. You cannot have jawboning that is effective without teeth.

Now, this is the direction that I have given to those working on the program, and we are pulling together the evidence. I will make the announcement in mid-October, 30 days before—at least 30 days or more before the freeze expires, so people can plan for it.

#### 11. Plans for Trip to China

Q. A two-part question. A. Sure.

Q. Have you decided in your own mind when you are going to China; if not, why not? That is only the first question. Do you want to take that first?

A. No, go ahead. I want to see what else is coming.

Q. The second half is: Can you tell us your agenda?

A. First, I am going to China.

Second, as far as the date of the trip is concerned, and the agenda, the arrangements, are concerned, all of those will be announced at an appropriate time.

Beyond that, however, I do not think it would be helpful at this point to discuss the date that may be under consideration, the agenda that may be under consideration, and the rest. All I can say is that the plans for the trip are going forward on schedule, and you gentlemen will be the first to know.

Q. Mr. President, have you decided in your own mind when you are going?

A. That is a mutual decision, and we are working it out in a satisfactory way. In a case like this, where two governments are involved, one may pick a date and the other would pick a date. It is not that kind of operation. It is going very well.

Q. Mr. President, on this China trip, Premier Chou En-lai has done quite a bit of talking since you announced your visit was going to take place, particularly in his interview with Mr. Reston of The New York Times. He was quite hard-line and quite firm on a lot of agenda issues or obvious issues that we all assume are going to come up. I would like to ask you (A) to comment on the fact that he took a hard stand on a number of things, like two Chinas, like entrance into the U.N., and the U.S. commitment in Southeast Asia, your reaction to that hard line; and secondly, did he tell Mr. Reston anything that was a surprise or news to you?

A. No, there was nothing in the Reston piece that he had not already told Dr. Kissinger in much greater detail.

Second, for that reason we were not surprised at all at the Reston piece. I think one of the reasons that these talks may be productive is that Premier Chou En-lai, both publicly and privately, doesn't take the usual naive sentimental idea, and neither do I, of, well, if we just get to know each other all of our differences are going to evaporate.

He recognizes and I recognize that there are very great differences between the People's Republic and the United States of America. He recognizes and I recognize that at this point it might serve our mutual interest to discuss those differences.

I reiterate, however, as he has reiterated to us, both privately and then repeated in his interview with Mr. Reston in less detail, that while there are differences, that we must recognize that we have agreed to discuss the differences. That is all that has been agreed. There are no other conditions.

Now that, in my view, is the proper way to begin a conference between two countries that have not had any diplomatic relations.

### 13. Timing on Tax Action

Q. Mr. President, do you anticipate the Ways and Means Committee will approve the tax package before you unveil Phase Two?

A. Did you say do I think the Ways and Means Committee will approve it?

Q. Yes, before you unveil Phase Two, there is a timing factor here.

A. I think they are moving along fairly well. It may be pretty close to a dead heat but I would hope that they would move in that way.

Let me say one thing on that point: We are working very closely with the Ways and Means Committee and when Secretary Connally returns he will begin consultations also with the Senate Finance Committee, with Senator Long and Senator Bennett and their counterparts, because we do not want to have an extended discussion in the Senate of our tax proposals as we have had of the draft.

### 14. Policy's Impact Abroad

Q. Mr. President, the international aspects of your economic program seem to have shaken up our friends more than our enemies, particularly in Japan and Europe. What is your feeling about that? Is it going to be a worry for us and are we hurting some very important friends?

A. It is inevitable that those policies would shake up our potential friends rather than our potential enemies—I should say, rather than our opponents—because it is our friends with whom we primarily have trade and monetary dealings. Of course, our international policy dealt with trade and monetary policies.

On the other hand, what we have to realize is that the structure of international monetary affairs that had been built 25 years ago, and then patched up from time to time over the years, had simply become obsolete. It was essential that the United States move as it did to protect its interests and also to get a solution to that problem.

Now, one question that I know is often asked by our friends, by the Japanese, for example, in Asia, and by the Europeans in Europe, is: How long is "temporary," the temporary surcharge? My answer is that if all we were seeking was a temporary solution, "temporary" would be a very brief, but we are not seeking a temporary solution.

A temporary solution is one that I would say would be going back to the old system and patching it up a bit. What we are seeking is a permanent solution, and that is why the length of the temporary surcharge will be somewhat longer, because we need to address ourselves not only to the matter of monetary policy and exchange rates, we have to address ourselves to burden-sharing and we have to address ourselves also to trade restraints, including nontariff barriers.

This is a time for our friends around the world — and they are all competitors — to build a new system with which we can live so that we don't have another crisis in a year.

With regard to the Japanese, incidentally, I think I can best summarize our dilemma in this way: After the Japanese were here I found that, both from the information they gave and the information we had ourselves, that Japan is our biggest customer in the world and we are their biggest customer in the world.

Also, I found that Japan at the present time produces more than all of the rest of Asia combined, including the People's Republic of China. That shows you the problem.

It means that the United States and Japan inevitably are going to be competitors because we are both strong economies. On the other hand, it means that friendship and alliance between the United States and Japan are indefinable. So, what we are trying to do — and this is why these discussions were helpful — what we are trying to do is work out a new system that will recognize the realities so that we can reduce these tensions that have developed, the number of crises that have come up over and over again in the international field in the future.

The other point I would make with regard to the United States—I know that some have raised the question as to whether, in my message to the Congress, I was really announcing to the world that we were, by looking to our own interests, going to now be isolationists. On the contrary, a weak America will inevitably be isolationist. An America that is unable to maintain its military strength—and, incidentally, in the whole free world the United States pays two-thirds of the military bill today—a weak American that is unable to have its economic policies abroad, our economic and our foreign aid part and the rest, inevitably will withdraw into itself.

We have to have a strong America, strong economically and strong in the sense of its competitive spirit, if the United States is to continue to play a vigorous activist role in the world. That is why I address myself to that problem and that is why we move as drastically at home and abroad to deal with the basic problems at home and abroad.

### 15. A Black Candidate

Q. Mr. President, Senator Muskie had some comments about the political problems for a black Vice-Presidential candidate. What is your thinking on that subject?

A. Well, as you gentlemen know, I have stated and I will state again that I will not use Presidential press conferences in 1971 to discuss '72 politics, and I will follow that rule today, and in the future with regard to similar questions that come up.

With regard to the general proposition of prejudice in the United States as it affects politics, I will be glad to reiterate my own position that I stated quite often in 1960 to some of you who had to follow me — remember — and again in 1968: I believe that it is frankly alibei on the American people to suggest that the American people, who do have prejudices, just like all people, and we must agree to that—but that the American people would vote against a man because of his religion or his race or his color.

Now, having stated that general proposition, there are occasions when that happens, I am sure, but the American people are very fair-minded people and they tend to bend over backwards when they are confronted with this problem.

Before the 1960 elections it was said that America could not elect a Catholic as President based on the Al Smith case in 1928.

1960 dispelled that, as I well know, and as the country knows. I think the example of Ed Brooke in Massachusetts is eloquent demonstration of the fact, that the American people, when confronted with a superior man, will not vote against him because of his race.

Only 2 per cent of the people of Massachusetts are of the same race as Ed Brooke, yet he won overwhelmingly for Attorney General and for the United States Senate and he is going to win a landslide victory this year. What would happen on the national scene is a matter of judgment, and I am not going to get into that from a political standpoint.

I do say, however, that I think it is very important for those of us in positions of leadership not to tell a large number of people in America, whoever they are, that because of the accident of their birth they don't have a chance to get to the top.

Q. Thank you, Mr. President.