

Transcript of the President's

Special to The New York Times

WASHINGTON, June 22—Following is a White House transcript of the news conference held today by President Nixon.

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News Conference Emphasizing

Domestic Matters

OPENING STATEMENT

Next week before the Congress recesses, I am planning to have a general news conference. Prior to that time, in talking to Mr. Ziegler, I found that a number of members of the press, looking back at previous news conferences, have indicated that there is a tendency for foreign policy and defense policy questions to dominate the conferences so much that questions on domestic policy do not get adequately covered.

As a matter of fact, I have noted several of you in your commentaries, after some news conferences, have indicated that we have not given enough attention to the domestic issues.

So, subsequently, after discussing the matter with Mr. Ziegler, I thought it would be useful this week, on this occasion, to have you here in the office for the purpose of covering domestic issues only. The session next week will be open to foreign policy, defense policy and domestic issues.

So, today we will take all questions on domestic issues and next week you can cover all three areas to the extent you wish to.

1. Break-in at Democratic Quarters

Mr. O'Brien has said that the people who bugged his headquarters had a direct link to the White House. Have you had any sort of investigation made to determine whether this is true?

A. Mr. Ziegler and also Mr. Mitchell, speaking for the campaign committee, have responded to questions on this in great detail. They have stated my position and have also stated the facts accurately.

This kind of activity, as Mr. Ziegler has indicated, has no place whatever in our electoral process, or in our governmental process. And, as Mr. Ziegler has stated, the White House as had no involvement whatever in this particular incident.

As far as the matter now is concerned, it is under investigation, as it should be, by the proper legal authorities, by the District of Columbia police and by the F.B.I. I will not comment on those matters, particularly since possible criminal charges are involved.

2. Controls on Food Prices

Q. Mr. President, wholesale food prices have led an increase in the cost of living in the last few weeks. Are you considering any permanent controls over the price of food?

A. In the whole area of inflation we have had a period of pretty good news generally. As you know, in 1969 and early 1970 the rate of inflation, the C.P.I., peaked out at 6 per cent. Since that time it has been moving down and particularly since the Aug. 15 new policy with the control system was announced, it has now been cut approximately in half, running at around the rate of 3 per cent. The most troublesome are, however, is the one you have referred to — food prices.

We cannot take too much comfort from the figures that came out yesterday because as you know, they actually reflected a slight drop in food prices. I met yesterday, however, with the Quadriad and Mr. Stein reported that the weekly reports that we get which, of course, were not reflected in yesterday's numbers indicate that meat prices, particularly, are beginning to rise again and rising very fast.

For that reason, I have directed that the Cost of Living Council which will be meeting this afternoon look into this matter to see what further action can be taken to deal specifically with food prices but particularly with meat prices.

Now with regard to meat prices, to give you an indication of the direction of my thinking, you can move on the control side. But as we all remember in that period immediately after World War II when we had controls but too much demand and too little supply, and all the black markets, controls alone will not work unless you also move on the supply side.

At the present time, we have apparently a world shortage of meat, and particularly a shortage of meat in the United States where the demand is constantly going up, as the income of our people also goes up.

We have to get, therefore, at the problem of supply. Consequently, one of the areas that I am exploring is the quota system. I have directed our staff to check into the advisability of a temporary lifting of the quotas on imported meat which will move on the supply side. It will not affect the problem immediately but at least it would affect it over the next few months.

That does not rule out, also, the possibility of moving on the control side and the control side is a matter where the Cost of Living Council is presently, or will be at 4 o'clock this afternoon, considering a number of options which I will consider as the matter develops.

3. Offensive Weapons and SALT—

Q. Mr. President, this may be a borderline question in the domestic field, but I believe it may fall there since the issues are before Congress. Could you tell us your view of the relationship between the development of offensive weapons, as proposed in your defense budget, and the SALT agreements?

A. I have noted the progress of the debate in the committee, and particularly the controversy, or alleged controversy and contradiction which seems in some quarters to have been developed between the views of the Secretary of Defense and the views that I have expressed, and the views that have been expressed by Dr. Kissinger and Secretary Rogers.

I think that I can put the thing in context best by first pointing out the Secretary of Defense's position, and then relating that position to the over-all position of the United States in attempting to develop policy that will adequately protect the security of the United States and also move forward on the arms limitation front.

The Secretary of Defense has a responsibility, as I have a responsibility, to recommend to the Congress action

that will adequately protect the security of the United States. Moving on that responsibility, he has indicated that if the SALT agreement is approved, and then if the Congress rejects the programs for offensive weapons not controlled by the SALT agreement, that this would seriously jeopardize the security of the United States. On that point he is correct.

What I would suggest to the Congress and would recommend to individual Congressmen and Senators, who will have the responsibility of voting on this matter, is the following course: first, the arms limitation agreements should be approved on their merits. I would not have signed those agreements unless I had believed that, standing alone, they were in the interest of the United States. As a matter of fact, the offensive limitation is one that is particularly in our interest because it covers arms where the Soviet Union has ongoing programs which will be limited in this five-year period, and in which we have no ongoing programs.

So, consequently, I would recommend and strongly urge that the Congress approve the ABM treaty, and also the limited, temporary, offensive limitations curb. However, after the Congress moves in that field, all Congressmen and Senators — and this would, of course, concern them all — who are concerned about the security of the United States should then vote for those programs that will provide adequate offensive weapons in the areas that have been recommended by the Secretary of Defense and by the Administration.

Warns of Soviet Gains

Now the reason for that is twofold: First, because if we have a SALT agreement and then do not go forward with these programs, the Soviet Union will, within a matter of a very limited time, be substantially ahead of the United States over-all, particularly in the latter part of the seventies.

If the United States falls into what is a definitely second position, an inferior position to the Soviet Union over-all in its defense programs, this will be an open invitation, in my opinion, for more potential aggression in the world, particularly in such potentially explosive areas as the Mideast.

Therefore, it is important from the standpoint of the United States being able to play its role of maintaining peace and security in the world, a role that the United States not fall into an inferior position.

Therefore, the offensive weapons programs — which incidentally were not conceived after the SALT agreements, they were recommended prior to the SALT agreements and stand on their own because the Soviet Union has programs in which they are moving forward. As I pointed out to the leaders, and you ladies and gentlemen were present there, or some of you were and the rest of you covered it through the broadcasting system, the Soviet Union is moving forward.

Russians Press Programs

Mr. Brezhnev made it absolutely clear to me that in those areas that were not controlled by our offensive agreement that they were going ahead with their programs. For us not to would seriously jeopardize the security of the United States and jeopardize the cause of world peace, in my opinion.

Now, the second reason why those who vote for the arms limitation agreement should vote for an on-going program in those areas not covered by it, is that this arms control agreement, while very important, is only the first step and not the biggest step.

The biggest step remains. The biggest step is a permanent limitation on offensive weapons, covering other categories of weapons, and we trust eventually all categories of weapons. This would be as dramatic as the one step that we have already taken—this would be an even more dramatic step in limiting arms overall between the two superpowers.

In the event that the United States does not have ongoing programs, however, there will be no chance that the Soviet Union will negotiate Phase Two of an arms limitation agreement. I can say to the members of the press here that, had we not had an ABM program in being, there would be no SALT agreement today because there would be no incentive for the Soviet Union to stop us from doing something that we were doing, and, thereby, agree to stop something they were doing.

Offensive Program Essential

Now in the event that we do not therefore have any new offensive systems under way or planned, the Soviet Union has no incentive to limit theirs and so consequently—and I have studied this very, very carefully, I can assure you that there is nothing I would like better than to be able to limit these expenses — I am convinced that to achieve our goal, which is the goal, I think, of all Americans, to achieve our goal of an offensive limitations curb, covering all types of nuclear weapons, that it is essential for the United States to have an ongoing, offensive program. For that reason, I think that the position of the Secretary of Defense, speaking for the security of the United States, is a sound one.

I would hope that members of the House and Senate, on reflection, would recognize that the SALT agreement, important as it is by itself, does not deal with the total defense posture of the United States. By itself it is in the interest of the United States, and it stands on its own, but by itself, without a continuing offensive program, we can be sure that the security interests of the United States would be very seriously jeopardized and the chance for a permanent offensive agreement would, in my opinion, be totally destroyed.

4. Irritation With the Press

Q. Mr. President, is Mr. Ehrlichman correct when he says that you sometimes get irritated with us for our dumb and flabby questions, so-called?

A. You are not dumb and flabby. No, I noted that comment and expected a question on it. I am afraid if I begin to characterize the questions you will begin to characterize my answers, but you probably will anyway. In any event, as far as questions are concerned, I



United Press International

BEFORE NEWS SESSION: President Nixon in White House office yesterday.

think what Mr. Ehrlichman was referring to was the tendency in the big East Room conferences for questions to come in from all over the place and no follow-up, as there can be in a conference like this.

Sometimes the questions may appear somewhat less relevant. I have found, for example, although we do not rule out the big conference where everybody gets to come, I have found that these smaller sessions do provide an opportunity for members of the regular White House press, who study these issues day by day and who know what is relevant and what is not relevant and who can follow up, I think that the possibility of dumb and flabby questions is much less and I don't, frankly, complain about it.

The other point that I should make is this: In looking over the transcripts of various press conferences, I have not seen many softballs and I don't want any because it is only the hardball that you can hit or strike out on.

5. Welfare Bill Compromise

Mr. President, how badly do you want a welfare bill to pass Congress and how much are you willing to compromise either on the principle or the price tag of H.R. 1?

A. Well, as you know, I have been having a number of meetings on this matter over the past week, and I will expect to have more during the next week and after the Congress returns from its vacation in Miami.

But, whatever the case may be, looking at the welfare program, I believe that the position that we have taken, a position that has been overwhelmingly approved by the House, is the right position.

It provides for welfare for those who need it. It provides also for those incentives that will move people from welfare rolls to jobs, and it does so at a cost we can afford. And all of those matters, I think, have to be taken into consideration in any program that we recommend.

Now, the tactical situation is that Mr. Ribicoff and several Republicans have indicated that unless the Administration moves toward their position, that we have no chance to get a bill.

First, I question their analysis on that point.

Secondly, I believe that on the merits, moving in that direction is the wrong step because it would substantially increase the cost of welfare and move in the direction that I think the country does not want and that I believe would not be in the interests of the welfare recipients themselves.

On the other side of the coin, when it was known that I had had, as I did have, long conversations with those who were advocating the movement toward the Ribicoff positions, the members of the Senate Finance Committee have requested equal time. I intend to give them equal time, of course, to hear their arguments, after the bill is written in its final form. As you know, it has not yet been finalized.

My own present intention, however, is to stay by our middle position. I think it is the right position and I believe that it is a position that can get through this Congress.

Now on that score, I would just point out that we can all go back and look at speeches that have been made and maybe a few columns that have been written, indicating that the Administration's failing to move from the position that we had taken on revenue sharing meant that we would never get revenue sharing.

Well, we got it today in the House because our position was sound and I think we are going to follow these same tactics and same position now. I will watch it, of course, day by day, because I want welfare reform and the country wants welfare reform, but we cannot have welfare reform that moves in the direction of increasing the cost and putting more people on, rather than getting them off.

6. Immigration and Jobless

Q. Sir, I have seen a letter from a high official in the immigration department of the State Department saying we had 4,800,000 people in this country on temporary visas who were employed. I wonder, in view of the large number who come in illegally, if you don't think

these two groups together have a great impact on our high rate of unemployment.

A. The President of Mexico spoke to me about the problem of illegal aliens and as you know, it is a problem in which many of our labor organizations are very vitally interested. It does certainly contribute to the unemployment problem. It is one which Administration after Administration has wrestled with without too much success.

It is one, however, after my consultation with the President of Mexico that I have asked the Department of Labor to examine to see what steps could be taken to see that illegal aliens and particularly those—the Mexican problem is the biggest one, as you know—those from our friends and neighbors to the south, if that could be brought into greater control.

7. Supreme Court Rulings

Q. Two questions about recent Supreme Court decisions, if I may ask them as two questions, because I am asking in both cases if you have any plans for meeting the situation. In the first case, the Supreme Court ruled your wiretapping program unconstitutional, saying that in cases of domestic security, wires could not be tapped without a court order. So my first question is whether you have any plans to ask Congress for legislation to restore that authority in the form of an amendment to the Safe Streets Act or other legislation.

In the second case, the Supreme Court left it up to Congress whether organized baseball came under antitrust laws. This being a matter of national interest, I wonder if you have any plans to ask for legislation to clarify the status of organized baseball.

A. On the first question, I think it is appropriate to point out that the wiretapping in cases of civilian activity, domestic civilian activity, is not, as you have described it, just this Administration's policy. As you know, this type of activity of surveillance has been undertaken, to my knowledge, going back to World War II. It reached its high point in 1963, when there were over 100 cases, as Mr. Hoover testified, in which there were taps used in cases involving domestic security.

Since that time the number of taps has gone down. It went down during the Johnson Administration, and it has sharply been decreased during the three and a half years that this Administration has been in office.

Now, as far as the Supreme Court's decision is concerned, I see no need to ask for legislation to obtain that authority because the Supreme Court's decision allows the Government, in a case that it believes necessary, to go to a court and get a court order for wiretapping. It simply prohibits wiretapping unless there is a court order. So we shall abide by that.

I should also point out that the Supreme Court's decision does not rule out wiretapping in the United States in domestic matters where there is a clear connection between the activity that is under surveillance and a foreign government. That, of course, allows us to move in the internal security matter where there is a clear connection between the two. So we will, of course, abide by the Supreme Court's decision in this instance, and I see no need to ask for additional authority from the Congress.

On the baseball matter, I must say I cannot even tell you who is in first place at the present time because I have not had a chance to check it lately.

Yes, I can. I called the Mayor of Houston and congratulated him on the fact that he had just been elected to be head of the Conference of Mayors, Mr. Louie Welch. He thought I was calling to congratulate him on the Astros being in first place.

In any event, as an old baseball fan, and the rest, I have no present thoughts on that. I would like, perhaps, to talk to [Commissioner] Bowie Kuhn, who is a good lawyer and also interested in baseball.

8. Debating Democratic Opponent

Q. Mr. President, can you give us some of your reasons, sir, for deciding against debating your Democratic opponent this fall?

A. The question that he asked is requesting me to give reasons for deciding against debating my Democratic opponent this fall. As you ladies and gentlemen have often heard me say, and I will continue to hold this position, questions that deal with the campaign, questions that deal with matters that involve candidacy, are ones that I will respectfully not comment upon until after the Republican convention. At that time I will be glad to take that question and answer it. I have not made a decision on it yet. That is my point.

9. Higher Education Bill

Mr. President, can you tell us what your plans are for the higher education bill? Do you intend to sign it?

A. I have to make the decision tomorrow. I will be very candid with you and tell you that it is one of the closest calls that I have had since being in this office. I have some of the members of my staff, and members of the Congress who are enthusiastic for signing it, and others are just as enthusiastic for vetoing it.

I have mixed emotions about it. First, as far as many of the strictly educational provisions, they are recommendations of this Administration. I think they are very much in the public interest. If they could be separated from the rest of the bill, and stand on their own, there would not be any question about signing the bill. On the other hand, the Congress, as you know, did add a provision, Section 803, with regard to busing. It was certainly a well-intentioned position, but from a legal standpoint it is so vague and so ambiguous that it totally fails to deal with this highly volatile issue.

What brought that home to me was when I asked the Attorney General for an opinion as to whether or not it could deal with the problem of the busing order that has been handed down in Detroit. The answer is that it is highly doubtful that Section 803 of the Higher Education Act, in the event that it is

signed into law, will deal with that problem, because of its vagueness and because of its ambiguity.

The Detroit case is perhaps the most flagrant example that we have of all the busing decisions, moving against all the principles that I, at least, believe should be applied in this area. It completely rejects the neighborhood school districts, including the busing of kindergarten children, up to an hour and a half a day, and it puts the objective of some kind of racial balance or attempting to achieve some kind of racial balance above that of superior education or quality education for all.

I believe that the fact that this Section 803 would not deal with the Detroit case means that we are going to have other cases of that type, possibly in other cities before school begins this fall and the responsibility, if we have them, and if we are unable to stop those orders from going into effect, falls squarely on the Congress because a very simple moratorium bill that I have sent to the Congress and asked for enactment of would stop this. And then the Congress moving forward and I am glad to see that there has been some movement in the committee at least with the Equal Educational Opportunities Act, this action on the part of the Congress would deal with problems like the one in Detroit.

My own view is that in this whole area we face very serious problems this fall unless the Congress moves on the moratorium legislation, clearcut and soon and before the school year begins.

I have digressed a little from the bill. It is a close call. I will make the decision tonight and will announce it tomorrow. But that gives you an idea of some of the things that have been going through my mind.

10. Separate Busing Bill

Q. But to follow that up, if you were to veto it, sir, what are the prospects do you think of getting a separate busing bill and higher education bill without busing?

A. As a matter of fact, that is one of the matters I have been discussing with the Congressional leaders — For example, Senator Griffin, who as you know is somewhat interested in this issue, because he comes from Michigan — and the prospects of getting the higher education bill here on the President's desk as it should be, in the proper form, and then getting an adequate, straight-out moratorium on new school busing orders, the prospects are, frankly, somewhat doubtful.

That is the reason why, in determining whether I sign this bill or veto it, it is a very close call, but I think my statement tomorrow will address that question.

I have an idea which way I am going to go but I promised to talk to one more Senator before I make the final decision and I will not tell you the direction.

11. Consultation With Senator

Q. Is that the Senator from Tennessee?

A. As a matter of fact, Miss McClendon, you have touched upon a rather raw nerve there, because Nashville is a case that 803 might cover. I say might, because we are not even sure it would.

So, consequently, the Senators from Tennessee strongly advocate signing this, even though it will not handle Detroit, because they say we are interested in Detroit, but more interested in Tennessee.

12. Contributions for Re-election

Q. Mr. Mitchell has declined to make public the source of about \$10-million of contributions to your re-election fund. I know that this is in the letter of the law, but I wonder in the spirit of the law of more openness what you think about that, and might you make them public?

A. Mr. Ziegler has responded to that and Mr. Mitchell and Mr. Stans. I think it is Mr. Stans who has declined to do that. I support the position that Mr. Stans has taken.

When we talk about the spirit of the law and the letter of the law, my evaluation is that it is the responsibility of all, a high moral responsibility to obey the law and to obey it totally.

Now, if the Congress wanted this law to apply to contributions before the date in April that it said the law should take effect, it could have made it apply. The Congress did not apply it before that date and under the circumstances, Mr. Stans has said we will comply with the law as the Congress has written it and I support his decision.

13. Federal Troops at Conventions

Q. Mr. President, it has been decided that Federal troops will be deployed to the Miami Beach area for both Presidential conventions. First, were you a part of that decision and secondly, what is your reaction to this?

A. Well, I was not a part of the decision, actually. I think that was probably done consistent with our policy of accepting, when requests are made, the advice of local officials as to the need for Federal troops. I would hope that they would not be needed, but apparently the City of Miami Beach, the state officials in Florida, felt that they might not have adequate personnel to handle what might be conducted that would be quite explosive.

I would just make a guess at this point. I don't think that — well, at least speaking as to what goes on outside the convention halls is concerned — I don't think that we are going to have those great demonstrations and the violence and so forth that everybody has been predicting. I don't believe that we are going to have another Chicago situation as we had in 1968.

I believe that many of the younger people who have engaged in such activities in the past are rather turned off by it now. I think they will try their best to, of course, affect the outcome of the conventions, both inside the hall and outside, but I think when it comes to violence, the kind of thing that we saw in Chicago, I think that fortunately, while we are not through with it as we saw in the tragic incident involving Governor Wallace, I think that we are not going to have that great a problem. But the Federal troops will

be there if they are requested, but only if necessary.

14. Property Taxes and Schools

Q. Mr. President, would you tell us what progress you are making toward keeping your promise about finding a way to relieve property taxes and provide fair and adequate financing for public schools and save the private schools?

A. First, with regard to the general problem of tax reform, I would like to commend Chairman Mills for the position that he has taken. I had breakfast with him and Congressman Byrnes and with Secretary Connally before I went to the Soviet Union.

We discussed the problem of tax reform. He is very interested in tax reform. I am interested in tax reform and, of course, I have noticed several candidates that have expressed themselves on this point.

The problem is that tax reform, or tax legislation, in an election year, as Mr. Mills, who is one of the most experienced men in this field, and Mr. Byrnes both agree, is simply not a wise course of action. It is hard enough to get a responsible tax law in a nonelection year. In an election year, it will be totally impossible.

Consequently, I think Chairman Mills's announcement that he will begin hearings on tax reform legislation early in the next session of the Congress shows high statesmanship. Now we will be ready for those hearings.

Secretary Connally instituted, at my request, an intensive study within the Treasury Department of how we could reform the tax system to make it more equitable and to make it more simple and also to deal with problems like property tax, which fall on 65 million people and therefore are, in my view, unfair.

These studies have gone forward. Considerable progress has been made. Secretary Shultz is continuing these studies and I will make a decision on it prior to submitting the budget and will present recommendations to the next Congress dealing with these issues.

I will not at this time prejudge the various proposals that have been presented before me. Certainly included in that decision will be relief for nonpublic schools. I am committed to that, and the approach of tax credits in this area will be included in that proposal.

Just so that somebody won't say I was trying to duck a hard one here, I know the question of value-added will come up. There has been a lot of speculation about that. Value-added — I have instructed or directed the Secretary of Treasury, along with my Council of Economic Advisers — can be considered as a possible approach but only if we can find a nonretrogressive formula.

Tax reform should not be used as a cover for a tax increase. Value-added has to be evaluated under those circumstances.

One final point I will make is that, as we move in this area, we have to realize that we have had considerable tax reform over the past three years. Nine million poor people have been totally removed from the Federal tax rolls. The lower-income taxpayers have had reductions of 83 per cent in their taxes since 1969 and middle-income taxpayers have had reductions of 13 per cent.

But there are still inequities. One point I particularly want to emphasize: At a time when we have made some necessary reforms, some of which I have referred to, we have moved in the wrong direction in another way. The tax system, particularly the Federal income tax system, is hopelessly complex. In law school I majored in tax law. As a lawyer I used to do quite a bit of tax work. I naturally don't take the time to make up my own income tax returns now. But when Manolo came in recently and asked me to help them figure out the forms, I had sent him to a lawyer and when that is the case with a man who is in basically not a high-income bracket, then it is time to do something to make the system not only more equitable but make it more simple. It will put some lawyers and accountants out of business, but there are other things they can do.

15. Tax Reform Timing

Q. Are you saying these proposals won't come until after the first of the year?

A. We will make the proposal before the first of the year, but it will not be considered by the Congress until after the first of the year.

It would not be fair to the American people, it would not be fair to those, for example, interested in nonpublic school relief, to suggest that the Congress, in this sort of sputtering, start-and-stop — I mean, there're stopping next week and they come back for six weeks and maybe come back after the Republican convention and the rest — that they can enact tax reform. It is not going to happen, and I am aware of that.

16. Antibusing Amendment

Q. Mr. President, back on the subject of busing, are you moving at all toward the position of favoring an antibusing constitutional amendment?

A. A constitutional amendment is a step that should be taken only if the legislative route proves to be inadequate or impossible — impossible due to the fact that the Congress will not enact it. As far as I am concerned, we do need action here. I prefer the legislative route. I think it is the most responsible route, but if the Congress does not act, then the only recourse left is for a constitutional Amendment, and I will move in that direction. We must deal with the problem.

17. Court-Martial for Lavelle

Q. Mr. President, do you think that there should be a court-martial in the case of General Lavelle to bring out all the facts there, and what is your opinion about that?

A. First, that does deal with the foreign policy defense area, Vietnam and so forth. But since it does involve a current case, I will comment upon it.

The Secretary of Defense has stated his view on that, has made a decision on it. I think it was an appropriate decision. I will not go beyond that.

Q. Thank you, Mr. President.