

NYTimes Transcript of the President's News

Following is a transcript of President Ford's news conference yesterday, as recorded by The New York Times:

THURSDAY, OCTOBER 10, 1974

OPENING STATEMENT

PRESIDENT FORD: Won't you sit down please? Good afternoon, ladies and gentlemen.

I never promised you a rose garden, but I guess Ron Nessen did, so I hope you enjoy this new setting and the new format and I hope I enjoy it, too.

I do have one business announcement. I'm pleased to announce this afternoon that President Echeverria of Mexico and I have agreed to hold a meeting on the U.S.-Mexican border on Monday, Oct. 21.

I'm very much looking forward to this opportunity to meet with President Echeverria in the Nogales area. We plan to visit both sides of the border. The United States and Mexico have a long tradition of friendly and cooperative relations.

It's my hope that our meeting will contribute to maintaining that relationship and to strengthen the goodwill between our countries over the years to come.

At this meeting, we will discuss obviously, a wide range of subjects of interest to both countries.

One of the first responses to our WIN program yesterday was John Osborn signing up. I have his application right here. Thank you, John.

Well, the first question. Dick Lerner.

QUESTIONS

1. Is There a Recession?

Q. Mr. President, a few things were left unsaid in your economic address yesterday. I was wondering if you could say now if the United States is in a recession, and how soon Americans can expect to see a meaningful reduction of inflation and unemployment?

A. I do not think the United States is in a recession. We do have economic problems, but it's a very mixed situation. And that was the reason that we had some 31 specific recommendations in my speech yesterday.

We have to be very, very careful to make sure that we don't tighten the screws too tightly and precipitate us into some economic difficulty and at the same time we had to have provisions and programs that would meet the challenge of inflation.

I'm convinced if the Congress responds, if the American people respond in a voluntary way, that we can have, hopefully early in 1975, some meaningful reduction in the rate of inflation.

Yes, Mr. Cormier.

2. Surtax Extension

Q. Mr. President, no one that I know of has suggested that inflation can be licked within a year, and yet the surtax you seek is only for one year. Is there a pretty good chance you'll next year have to go back and ask for it all over again, assuming you get it this time?

A. I do not think that the surtax requested to be applicable in calendar year 1975 will have to be extended beyond Dec. 31, 1975.

We're in a temporary situation and the surtax on both personal and corporate income will provide us with sufficient income to meet the additional expenses for our community improvement program and at the same time will help to dampen inflation by reducing the amount of money of 28 per cent of the taxpayers of this country.

Conference on Foreign and Domestic Matters

And you might be interested — I checked on it this morning — there has been some criticism of this surtax, both political and otherwise — for a family of four with a \$20,000 gross income — that's wages — the one-year extra tax will amount to \$42, which is 12 cents a day.

For a person on a \$15,000 a year income, a family of four, there's no extra tax. And if you take it to \$16,000 a day—a year, I mean—the added cost of the 15 per cent—of the 5 per cent surtax is \$3, which is less than one cent a day.

3. Other Measures

Q. Mr. President, following up on Dick Lerner's question, if your economic program does not have the impact that you hope that it will by early 1975, what other measures might be necessary, what proposals do you have in mind to follow on this program if it indeed is unsuccessful?

A. Well I am very confident in the first instance that if all 31 of the recommendations are implemented, including those that I've asked the Congress to give me, that the program will work. And we're going to concentrate on making it work. And I therefore don't think we should speculate about something that I don't think will take place.

4. Surtax Called Equitable

Q. Some people think—a great many people, in fact—think that your proposals were not tough enough, or at least tough on the wrong people. In view of your somewhat apocalyptic vision about what will happen to this country if we don't lick inflation, why didn't you propose mandatory gasoline taxes or gasoline rationing in order to conserve fuel, for example?

A. We believe that the surtax charges that we have recommended are a more equitable approach to the achievement of greater income so we could give some relief to the less well off, the people who have suffered greater—who are suffering greater hardship.

We took a look at the gasoline tax recommendation and we found that this might be harmful to people and it would be more harmful to the people less able to pay and in balancing out all of the tax proposals, we came to the conclusion that what we have recommended which affects only 28 per cent of the personal income taxpayers in this country, was the appropriate way to raise the revenue and dampen inflation. Yes?

5. Gasoline Rationing

Q. If the purpose is to conserve fuel because oil being such a large factor in inflation, why not gasoline rationing now?

A. We believe that the American people will respond to our volunteer program. In my recommendations yes-

terday to the Congress I said we would cut the foreign importation of fuel by 1 million barrels per day, which is 1 million out of the six million that is currently imported per day. Now the American people last year in a much greater crisis, where we had the embargo, responded very, very well, and did as well, if not better than we're asking them to do now. So I don't think we have to put a tax on gasoline users to achieve our objective. And if we can do it by volunteer action I think it's far preferable and more in the traditions of the American system. Yes, sir.

6. Nixon Energy Program

Q. Mr. President, in June of last year President Nixon recommended a program that called for \$10-billion for five years in the hope of making the United States self-sufficient in energy. Now it's 16 months. Can you update that for us?

I must confess that we haven't done as well on Project Independence as I think most of us had hoped. This concerns me and one of the reasons that I indicated yesterday that I was appointing Secretary of Interior Morton to head up the energy council was to get this moving.

We're going to concentrate in this area.

Now, all of the blame can't be placed on the executive branch. There had been a number of legislative proposals before Congress that would increase domestic supply.

Unfortunately, in too many cases, the Congress has not responded. So the Congress has to share some of the blame with the Executive branch. But I can assure you that with Rog Morton heading this new organization, we're going to do a better job and I think we'll get the cooperation of the American people. Yes sir?

7. Conference With Brezhnev

Q. I'm sure you have other questions on economics. But let me ask just one on international affairs. There are reports today that you are planning some sort of a summit conference with Chairman Brezhnev of the Soviet Union. Can you give us any details on that?

A. When I took the oath of office, I indicated that I would continue our country's efforts to broaden and expand the policies of détente with the Soviet Union.

Since I've been in office I've had a number of discussions with responsible leaders in the Soviet Union.

About 10 days ago I met with their foreign minister Mr. Gromyko. Dr. Kissinger is going to the Soviet Union the latter part of this month to continue these discussions.

Now, as you well know, Mr. Brezhnev has been invited to come to the United States in 1975. If there is a reason for us to meet before that meeting in the United States, I will certainly consider it.

8. An Arms Proposal

Q. Do you expect the United States to have any kind of a proposal on arms to present to the Soviet Union before the end of the year? A. We are resolving our position in this very important and very critical area. When Dr. Kissinger goes to the Soviet Union the latter part of this month, we will have some guidelines, specific guidelines for him to discuss in a preliminary way with the Soviet Union. Yes?

9. Prices and Wages

Q. If inflation is as serious a problem as you have said, can you point to any of your proposals that would persuade businesses to lower prices now or that would encourage labor unions to moderate their wage demands in forthcoming contracts?

A. As I said in my remarks before the Congress yesterday there's no quick fix, or no immediate panacea in the fight against inflation. It's taken us roughly 10 years to get this unfortunate momentum for price increases at its present rate. We do have in the 31-proposal package that I submitted some recommendations which will increase supply, a very important ingredient. And we have in those recommendations some proposals to remove some of the restrictive practices of the government, of private industry, of labor, and if those restrictive practices are eliminated I think we can look forward to a reduction in prices both in the private sector and as far as the government is concerned.

10. Nixon Pardon

Q. Mr. President, at your last news conference you assured us that there'd been no deal made on the Nixon pardon either with the former President or with any of his staff members. And since then there have been published reports that the pardon was indeed discussed with former Chief of Staff Haig. I wonder if you could tell us the nature of that conversation if those reports are indeed accurate.

A. Since last press conference, I have agreed to appear before the Hungate subcommittee of the House Committee on the Judiciary.

I will appear before that subcommittee and until I do appear, I think it's most appropriate that I defer any comment on that subject.

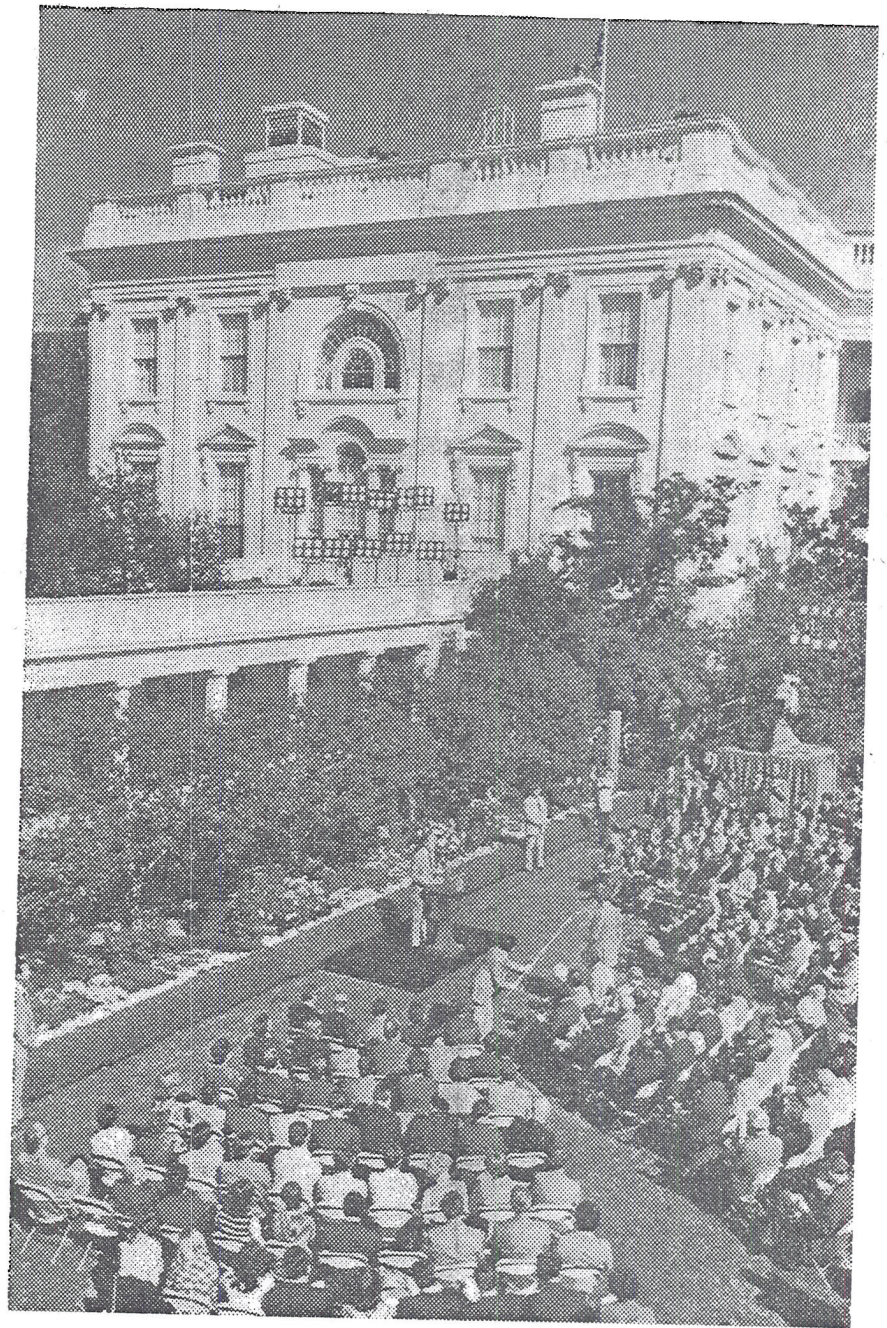
11. Demand Inflation

Q. Mr. President, two of your main anti-inflation proposals—the tax surcharge and cutting Government spending—are intended to curb inflation by reducing demand. But many economists do not believe that this is a demand inflation. They believe it's a wage-price spiral and a shortage inflation. In view of that, how can the tax surcharge and the cut in Government spending reduce inflation if they are directed at a kind of inflation that we don't have?

A. Let me answer that question in two parts, if I might. If the Federal Government reduces its expenditures — and we're going to do it by roughly \$5-billion—it makes money more easily available in the money markets of the United States. So that home purchasers will have more money at a better rate of interest to borrow so they can build homes.

This will stimulate the home building industry. And I think provide jobs.

Now, the 15 per cent surtax — 5 per cent surtax — is only on 28 per cent of the total personal income tax payers in this United States, the people who are better able to pay these minimal amounts extra. I don't think taking away from a family who's earning



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A view of the White House Rose Garden yesterday as President Ford, at lectern in center, discussed inflation during a news conference.

\$20,000 the sum of \$42 a year is going to have any serious adverse impact on the purchasing power of that family.

12. Wrong Kind of Inflation

Q. I'm not sure that we're talking about the same thing, Mr. President. I'm talking about the fact that these are proposals directed at reducing demand and many economists don't think we have that kind of inflation. You're talking about stimulating home building. I'm forced to repeat my question. Why are we attacking the wrong kind of inflation?

A. I respectfully disagree with you. I think if we stimulate home building, because we're reducing Federal expenditures and providing more money in the market place. I think we're stimulating production. And I think the people who are being taxed—I hoped will be taxed—aren't going to lose sufficiently of their earned income that they're going to cut down significantly in what they buy in the market place.

13. Oil Depletion Allowance

Q. Mr. President, this morning Secretary Simon indicated that the Administration was still supporting oil depletion allowances. You, yesterday, endorsed the Ways and Means package which calls for the phase out of oil depletion allowances. How do you reconcile your speech and Secretary Simon's testimony this morning?

A. Well that bill before the Committee on Ways and Means has a number of very good features and it has some that I don't necessarily embrace in toto and I am sure that Secretary Simon doesn't.

But I do believe that, on balance, it is important for me to endorse that bill and when you endorse a bill of that magnitude I think you have to take it as a package, because it does close some of the loopholes, it provides sufficient amount of income so that we can grant additional relief to people in the lowest brackets of income taxpayers.

It is my recollection that that bill does phase out not only foreign oil depletion allowance but it provides for a gradual phase out of the domestic oil depletion allowance.

Now, I'm not going to quibble with the committee in every detail. I think we have to buy a package that has far more good in it than those things that I might object to.

14. Phase Out Endorsed

Q. Mr. President, is it your own view that the oil depletion allowance should be phased out? A. The answer is, yes.

15. Public Education

Q. Mr. President, on another question other than the economy, on a subject you haven't talked about before, I don't believe, what is the Federal role in public education as you see it—and I have a follow-up.

A. The role of the Federal Government in the field of education is about what we are currently doing with the Federal aid to education legislation for primary and elementary schools. And I just signed the new Education Act. It was a step in the direction of consolidating some 35 categorical grant programs into six or seven. I think this is approximately the role of the Federal Government in primary and secondary education.

in higher education, if my recollection is correct, I voted for the existing Higher Education Act. Therefore, I feel that it fundamentally is what the Federal Government should do in this area.

Q. Specifically what are your views on Federal aid to private and parochial schools?

Well, I have personally expressed over a long period of time that I think a tax credit proposal is a good proposal. The Supreme Court unfortunately a year or so ago, in effect declared such a program—I think it was in the Pennsylvania case—as unconstitutional.

I think that's regrettable because competition in education between private and public is good for the student.

There's no reason why there should be a monopoly in education just on the public side. And private education has

the Congress for the figure of \$850,000 for the transition period. About 10 years ago Congress passed a law which provided for transition expenses for an outgoing President. The amount that was submitted on this occasion was roughly comparable to the amounts that have been made available to other Presidents who were leaving office.

Now the facts and the figures, I think, can be shown that what was recommended for Mr. Nixon was comparable to others. But Congress, of course, has the right to take whatever action it wants. But Congress, of course, has the right to take whatever action it wants. But under the circumstances, I'm not going to use such language myself. I'll let the Congress make its decision, right or wrong. Yes?

19. Restoration of Funds

Q. Are you going to ask the Congress to restore some of that funding or do you believe they should? A. I haven't had the bill before me yet. It's still up on the hill and until it comes down here I don't think I should make any judgment.

20. Gifts by Rockefeller

Q. Mr. President, have you inquired into the matter of gifts by Governor Rockefeller and, if so, does the question of possible impropriety occur in any instance, in your judgment?

A. The gift by Governor Rockefeller to the three individuals that I am familiar with, er, I've looked into the one that involved Dr. Kissinger.

But I think to put this in proper perspective, you have to recognize that Governor Rockefeller is a very wealthy man and that he has been extremely generous with many, many charities over a good many years, and he, obviously, has sought to indirectly compensate former employes or friends for whatever services they perform.

In the case of Dr. Kissinger, I have been assured that every tax that could be applied has been paid and that all legal problems involving that particular case were solved satisfactorily.

And, under those circumstances, I do not think there was any impropriety in the relationship between Dr. Kissinger and former Governor Rockefeller.

21. Ronan and Morhouse

Q. Since you are familiar only with the Kissinger gift, do you plan to inquire into the others? A. I will, but I haven't as deeply because Mr. Morhouse and Mr. Ronan are or were state employes. But I assume that in those two cases, as I found out in the Dr. Kissinger case, that the law has been adhered to and that there was no impropriety. Yes?

22. Mass Transit Bill

Q. Sir, if you accept that mass transit is an essential part of the energy saving program, can you explain why you did not lend your support to a comprehensive Federal mass transit bill now before Congress in your very important speech yesterday?

A. The answer to that is very simple. I had some considerable part in working out the compromise on the Williams-Minich bill. If you will recall, I had about 15 Mayors from all over the country down here to see me, including some business people.

I told them I wanted to help. Within a day or so, I called Senator Williams, after it was suggested. We worked out a figure and a time and a formula, and as a result Senator Williams in conjunction with other members of the Congress arrived at a mass transit bill that provides for a little over \$11-billion over a period of six years, with a formula between capital outlays and operating expenses.

I think we made a big step forward,

and I compliment the Congress for cooperating, and there was no need for me to mention in that speech yesterday something that was fait accompli the day before.

23. Criticism of Kissinger

Q. Mr. President, in your recent U.N. speech, you added some last-minute remarks praising Secretary of State Kissinger, and last night you made an extraordinary move of going out to Andrews Air Force Base to see him off on his trip abroad. Are you upset by the criticism Secretary Kissinger is receiving from the press, the public and Congress?

I would put it this way, Mr. Jones, I am very fond of Dr. Kissinger on a personal basis. I have tremendous respect and admiration for the superb job that he has done since he has been the director of the National Security Agency and also as Secretary of State.

I think what he has done for peace in the world, what he is continuing to do for peace throughout the world deserves whatever good and appropriate things I can say about him and whatever little extra effort I can make to show my appreciation. And I intend to continue to do it.

24. Kissinger's Effectiveness

Q. Sir, do you feel—do you feel that he—his effectiveness is being undermined by this criticism? A. I haven't seen any adverse effect so far. We're making headway and I think constructively in all the areas where I think and he thinks its important for us to do things to preserve peace and build a broader base for peace.

25. Candidacy in 1976

Q. Mr. President, at your first conference you told us that you probably would run for a term of your own. Since then there has been what you have termed the surprisingly harsh reaction to the pardon of former President Nixon and the tragic illness of your own wife. Do you still plan to be a candidate in 1976?

A. The words that I used, if I recall accurately, were "I would probably be a candidate in 1976." I have seen nothing to change that decision and if and where there is I'll promptly notify you.

26. Boston School Busing

Q. Mr. President, Boston's Mayor Kevin White has appealed to the Federal Government to send U.S. Marshals to help restore order in Boston's school desegregation crisis. And black groups have asked for Federalizing the National Guard and sending in Federal troops. As the chief executive, what do you plan to do and what comments do you have on this situation?

A. At the outset, I wish to make it very, very direct. I deplore the violence that I have read about and seen on television. I think that's most unfortunate.

I would like to add this, however.

The court decision in that case, in my judgment, was not the best solution to quality education in Boston. I have consistently opposed forced busing to achieve racial balance as a solution to quality education.

And therefore, I respectfully disagree with the judge's order. But having said that, I think it is of maximum importance that the citizens of Boston respect the law and I hope and trust that it's not necessary to call in Federal officials or Federal law enforcement agencies.

Now, the marshals, if my information is accurate, are under the jurisdiction of the court, not directly under my jurisdiction. As far as I know, no specific request has come to me for any further Federal involvement and therefore I'm not in a position to act under those circumstances. Thank you very much.

contributed, over a long period of time, at the primary, secondary and graduate levels significantly to a better educated America. And I would hope that we could find some constitutional way in which to help private schools.

17. White House Practices

Q. Would you explain the difference between your executive order on White House practices, which is very tough on safeguarding the taxpayers and the legislation which you sent to the Hill, which Congressional experts say is weaker than what went on under the Nixon Administration when there were reported attempts by the White House to subvert the Internal Revenue Service.

A. Well if that legislation is weaker than the executive order that I issued, we will resubmit other legislation. Mr. De Frank?

18. Nixon Transition Expenses

Q. Mr. President, you recently asked Congress to appropriate \$850,000 to cover transition expenses of former President Nixon. The House has already cut that figure down to \$200,000. The Senate seems likely to do the same. Some of your aides have said in the last few days that they believed that the cutback from \$850,000 to \$200,000 is both stingy and punitive—and I use their words. I wonder if you agree with them that the cutback is stingy and punitive and whether or not you intend to ask the Congress to restore some of those funds?

A. A recommendation was made to