

Transcript of the President's News

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

QUESTIONS

1. Military Aid For Vietnam

It's a privilege and a pleasure to be in Atlanta. I've enjoyed this day and looking forward to this press conference. Mr. Cutts of the Atlanta Papers.

Q. In the last 24 hours you've spoken at length about domestic concerns. I'd like to ask you what options in Vietnam, if the Congress does not go along with your supplemental appropriations request, as well as the fiscal year '76 request for Vietnam.

A. If the Congress does not respond to the requested additional military assistance for the current fiscal year an amount which the Congress last year previously authorized it will certainly complicate the military situation from the point of view of the South Vietnamese.

The South Vietnamese on their own with our financial assistance, our military aid, have done very well. But the Congress did not fully fund the requested military assistance that was requested.

I believe that if the Congress funds the additional money that I've proposed for this fiscal year and continues the money that I have recommended for next fiscal year the South Vietnamese can and will be able to defend themselves against the aggressors from the North.

Q. Yes sir. The question is, if the Congress fails to do that, what options will you have then?

A. I do not think that the time for me to answer that question is at the present. I, in the first place, believe the Congress will fund the money that I have requested, and if they do, then I have no need to look at any other options because they will be capable of defending themselves and of the good judgment of the Congress will fund the South Vietnamese will defend themselves and I don't think there will be any other needed options.

2. Impeachment of Douglas

Q. Mr. President, when you were a Congressman and called for the impeachment of Justice Douglas, did you have access or were you slipped any secret F.B.I. data?

A. I don't know what the source was of information that was given to me, but I was given information by a high-ranking official of the Department of Justice. I do not know what the source of that information was.

Q. Was it Attorney General Mitchell, then-Attorney General Mitchell? **A.** It was not Attorney General John Mitchell.

Q. Was it F.B.I. Director J. Edgar Hoover? **A.** It was not. Two times and you're out, Helen.

3. Candidacy in 1976

Q. Mr. President, we have a story that Senator Howard Baker from up here in Tennessee is seriously considering seeking the Republican nomination. In view of a late poll which gives you a rating of 60 per cent negative with the American people, in view of your findings here, sir, what is your feeling about any chance or any opportunity you will seek a full term as President.

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A. I have indicated that it is my intention to be a candidate in 1976, and of course, in our system, anybody can, if they so desire, qualify to be a candidate in any primary. I can only indicate what my intentions might be and I can pass no judgment on what anybody else might do.

Q. Do you think the economic situation though, that you will be able to lick it, of course, increasing your chances.

A. I believe that the economic situation in 1960, er, 1976, will be an improving economic picture. It won't perhaps be as we would like it, but I believe that unemployment will be going down and employment will be going up and we will be doing a considerable amount better in the battle against inflation than we did in the last 12 months. So with the optimism that I think will come from more employment, less unemployment and a better battle against inflation, I think the economic circumstances will be good enough to justify at least my seeking re-election.

4. Brezhnev's Visit

Q. Mr. President, when you left Vladivostok in November, we were led to understand that General Secretary Brezhnev would be in Washington in May or June. The time is running short and not has happened in American-Soviet relations since then. Do you still look forward to welcoming Mr. Brezhnev just three or four months from now?

A. Mr. Cormier I look forward to having the General Secretary in the United States in the summer of 1975. The negotiations which we concluded in Vladivostok are moving along and the negotiations that are necessary to put the final draft. These negotiations are taking place in Geneva. I see no reason why we can't reconcile any of the relatively minor differences. The basic agreement is still in effect, and I'm confident that we can welcome the General Secretary to the United States in the summer of 1976, and I look forward to it.

5. The Energy Package

Q. Mr. President, I'm Alva Haywood, president of the Georgia Press Association. Your program for the solution of the problems of energy and the economics is submitted to Congress as a package, and you're asking Congress to approve this as a package. The concern, sir, is that Congress will lift out points of your program, substitute points of their program, and leave some areas lacking. Would you comment on the possibilities of such a situation.

A. It is true as you have stated that I submitted to the Congress a comprehensive plan or program to solve our energy problems. As a matter of fact, the bill that we sent to the Congress is about 196 pages and that didn't include the tax proposals because a President doesn't submit in writing tax proposals. He submits the ideas, and it did not include the proposal I have

submitted for the strip mining bill of 1975. But this is a comprehensive, inter-related program to solve our energy problem by reducing consumption and stimulating additional production. The Congress I hope will consider it as a package.

Now, if they don't agree with the package, I think the Congress has an obligation to come up with their package. I don't believe they can pick and choose with press release answers. They have to have something solid. Now if they want to change, in a minor way, a part of my package, I will understand it. But they can't come up with a part of an answer because the problem is altogether too broad and sweeping. It affects us in industry, in our homes, in our driving, etc.

I just hope the Congress understands the need for a comprehensive plan and will act accordingly.

6. Unemployment in the Cities

Q. Mr. President, recently in Washington, the big city Mayors expressed concern over the high unemployment rate, particularly in the cities where it runs, as you know, much ahead of the national unemployment rate. Considering that your budget method predicts that we may have high unemployment for up to another year to 18 months, have your advisers given you any forecast on the possible effect, in terms of the concern of the Mayors, which was a return to urban violence? The possible effect of continued high unemployment for such a prolonged period of time.

A. I did notice the request of the Mayors for an additional \$15-billion over and above what I have recommended in helping the cities through general revenue sharing, through the community development program, through the emergency unemployment program. I believe that the combination of recommendations I've made and those I've mentioned and some others will meet the problems in our major metropolitan cities and I don't believe that we should go beyond those in meeting the particular problems in those communities.

Q. With your austerity program will they be able to get that \$15-billion that they requested?

A. Well, I must respectfully disagree with the way you labeled my program as an austerity program. It's not an austerity program. When you submit a budget for \$349-billion, \$36-billion more than the budget for the current fiscal year, and a budget that provides for \$15-billion more in income transfer payments. So it's not an austere budget. It is a very expensive budget.

Because we have good programs to help the unemployed, to train those people who are unemployed, to help people on Social Security and other retirement programs, I don't believe we need the extra \$15-billion recommended by the various men.

7. Congress and Defense

Q. Mr. President, Ron Wilson of Georgia Network. Would you comment, please, on Senator Jackson's assessment of the 94th Congress. He says it could possibly be the most dangerous in history in terms of the willingness, on the part of some Congressmen, to relax our defense posture?

A. I have not seen Senator Jackson's description of the potentials of the 94th Congress.

I hope that that description is not an accurate one, and I am going to wait and see whether they do take the kind of action that might destroy our military capability. I usually agree with Senator Jackson on national defense appropriations, policies, etc. If this Congress does slash without rhyme or reason the military budget that I have submitted, it could jeopardize our national security. I think it's premature to say they will. I certainly hope they don't. But I can say without any hesitation that I will vigorously oppose any attempt to slash, without rhyme or reason, our military strength as represented in the budget that I've submitted.

8. Recession and Inflation

Q. Mr. President. Some people believe that your economic advisers, particularly Mr. Greenspan and Secretary Simon, would like to have this recession get somewhat deeper so it will take a bigger bite out of inflation. Is that a correct assessment?

A. I've spent a good many hours with Alan Greenspan as we went over the various options in our economic and energy program, and I can say most strongly that Alan Greenspan does not want us to have more adverse conditions than we have today. He has joined with me in supporting the program that I submitted—a \$16-billion tax reduction or rebate—and he has also joined with me in recommending a \$17-billion curtailment of certain Federal budgetary expenses. It seems to me that this is a well-balanced program.

It is not aimed at trying to make our economic circumstances worse, it's aimed at trying to balance our economy so that we recover from the recession as quickly as possible and at the same time avoid the potential dangers of a rekindling of double digit inflation. And I think the Congress is cognizant of the problem. I hope the Congress acts responsibly, and I'm an optimist enough to believe they will.

Q. If that's the case, Mr. President, why is it that the deficits that you have proposed for fiscal 1975 and fiscal 1976 amount to only a little more than 2 per cent of the gross national product in '75 and a little over 3 per cent of the gross national product in '76. How can you turn around a trillion-and-a-half dollar economy with net stimulants that are that small?

A. I looked at a chart the other day that shows the deficits in our Federal Government for the last 10 or 15 years, and the deficit that we will have in 1976 is higher as a percentage of G.N.P. than any deficit in the last 10 or 15 years, as I recollect. The deficit in 1975, which is \$35-billion, is among the top-ranking deficits as a percentage of G.N.P. So two of those back to back in my opinion are potentially dangerous from the point of view of rekindling inflation, and they are sufficiently stimulative to, I think, take us out of the current recession.

9. Funds for Highways

Q. I'm Sally Lofton, with Southeast-

ern Newspapers. Forty million dollars which has been intended for highway construction in Georgia was included in highway trust funds impounded by President Nixon, and I was wondering if you plan to release any of these funds.

A. Last evening I met with a number of the governors from the Southern and Southeastern states. They did raise that question urging that I release some of the deferrals or rescissions in the highway trust funds—I mean deferrals not rescissions—and I have promised them that I will take a look at their recommendation. Some of them said their states were ready to go. They could let bids within 30 days and get construction under way very quickly. I will talk to the Federal Highway Commissioner, former Governor Tiemann of Nebraska, and will let the governors know whether we think this is something that ought to be done promptly.

Q. Was Governor Busbee one of the ones who said he was ready to go?

A. As I recall, he and several others, including Governor Askew of Florida.

10. Source of Information

Q. Mr. President. Bob Schaefer. I'd like to follow up on Helen's question. You told us the two officials who did not give you that information. Would you tell us who did, and beyond that can you tell us what sort of information it was, and beyond that, what did you do with it?

A. Well, the information that was given to me was to a substantial degree included in the speech that I made on the floor of the House, which is a printed document that's been widely distributed. The information was given to me by Mr. Will Wilson, who was then one of the assistant Attorney Generals.

11. Arab Investment in U.S.

Q. Mr. President, I'm Bobby Branch, and I publish a country newspaper in Perry, Ga. A. What have we got, segregation here between the Washington press corps and the local press corps?

Q. In view of the recent Arab oil interest investments in America, and even here in Georgia the state government is actively seeking Arab investments, I was wondering what your opinion was on the trend in this direction.

A. There have been some recent news stories to the effect that the Iranian Government, for example, wanted to invest in Pan Am. They were thinking of buying six TWA jets that weren't being used. And there is a story about one of the Arab countries buying a substantial interest in one of our largest banks in the State of Michigan.

The Department of State, the National Security Council are looking into this question. It's a matter, I think, that will require our best analysis and probably a final decision by myself. But we are not in the position where I can give you a categorical answer at this point.

12. Unemployment and G.N.P.

Q. Mr. President, I would like to return, if I could please, to your answer to a question which was asked a little earlier in which you expressed optimism that the economy would improve next year over its present situation, and that that would help your chance for reelection.

By your own statistics sir, unemployment will be 7.9 per cent next year, and that's higher than it is now; the gross national product will drop, I believe, 3.3 per cent now, which would be a bigger drop than this year. And we will continue to have double-digit inflation.

With that grim economic outlook, sir, on what do you base your hope for reelection, inasmuch as your own statistics make the outlook worse next year than it presently is?

A. Well, let's trace the history of inflation from December, 1973, to December, 1974. The cost of living went up 12.2 per cent. From December, 1974, to December, 1975, we expect the cost of living to go up 9 per cent. Between December of '75 to December of 1976, we expect the cost of living to go up 7 per cent. So that's very significant improvement, and it is not double-digit inflation. It is almost cutting in half the inflation that we had from December '73 to December '74.

From the point of view of unemployment, it is true that we expect in 1975 inflation to average over, I think it's 8.4 or 5 per cent. We do expect, however, by the second and third quarter of 1975 to have a switch that will be on the plus side.

It will be a switch that will probably mean a 5 per cent increase in the G.N.P. It will undoubtedly mean an increase of about 2 million in those employed. So the trend will be good, with higher employment and improvement in the gross national product and a slight downtrend in unemployment figures. And they will get better the further we go into 1976.

So I'm not as pessimistic as you appear to be, and I'm not as pessimistic when you look at the trends—not the averages—as some of the computer readouts tend to lead you to believe.

13. Confidence and Recovery

Q. Mr. President, Peter Vanin, WHEA Television, Atlanta. Sir, we're told that the confidence of the businessman and the consumer is essential to economic recovery. Two questions, sir:

First, your estimation of this confidence, and second, is there a possibility that as a lot of people who have not been badly hurt by our economic problems become increasingly bored with this talk of economic uncertainty, is there a possibility of a spontaneous recovery of confidence, regardless of what's done in Washington?

A. Well I happen to subscribe to the idea that the actions of the American people are oftentimes infinitely more important than what the Congress or the President do in Washington, D. C. If we get a restoration of public confidence, which has been falling rapidly and has been a major contributing factor to our economic problems, if we get a restoration of that and there is some evidence that that is taking place, then, in my judgment, we will get a faster recovery than what some of the experts are forecasting.

Now, there has been in the last several weeks a very interesting development and the changes in our economy in the last two or three months have shown certain sudden action that most people didn't forecast or anticipate. We have had a tremendous inventory of sellout. Much more rapid than anybody forecast. This means that in a relatively short period of time, much more quickly than anyone expected a couple of months ago, that as you bottom out and get a reasonable balance between inventory and production that the recovery will come more quickly than some of the experts had forecast or anticipated.

This development, plus what I think is a restoration of public confidence, gives to me the feeling that we're going to do better at the end of this year than what some of the experts are saying.

Q. Could you suggest a guideline or something we could look for in the next few months that might as a guidepost help restore this confidence? Any specific objective in the next couple of months that would relate to the American people and their confidence in whether or not to spend their dollars.

A. Well, the unusual and, I think, successful marketing techniques shown by the automotive industry in the last month and the announcement that some of the appliance manufacturer are going to use the same marketing techniques good old American free enterprise. I think this approach will have a very good stimulant, not only to the facts of the economy but to public confidence.

So, if they keep up this good hard marketing practice, in my judgment that's the best guideline that I can think of.

14. Tax Rebates and Cuts

Q. Mr. President, I'm Dennis Farney with The Wall Street Journal. The House Ways and Means Committee has rejected your tax rebate formula in favor of one that would provide more help to low- and middle-income people. At the same time the committee seems inclined to perhaps continue some of its tax cuts indefinitely, instead of ending them after one year as you have proposed. Could you live with these changes?

A. Well, of course the House Committee on Ways and Means has only taken tentative action. Their procedure is to make tentative decisions and then go back in the final analysis and either agree with or change what they have made as they've gone along.

This is only the first of four major steps—maybe five. The House has to approve it, the Senate Committee on Finance has to act, the Senate and then in conference. So I think it's premature for me to make any categorical judgments as to whether I would accept what the tentative agreements are in a House Committee on Ways and Means.

I think I'd better wait and pass judgment on what looks like might be the final version.

15. Environmental Goals

Q. Mr. President, John Pruitt of WSB Television. You've called for relaxing of pollution controls because of the energy crisis and some have accused you of abandoning the environmental movement. I'd like to know what you think is going to happen to the environmental movement and the strides that have been made in the past few years as a result of your proposals.

A. I don't think that I have recommended any major shift away from our environmental goals. Let me take one that I'm very familiar with: Under existing law within the next two years the automobile manufacturers would have to go to a substantially higher emission standard. And the automobile manufacturers are testifying right now that if they're forced to go to that very, very high standard there will be an added cost to every automobile that's produced and there will be no improvement and probably a decrease in the efficiency of automobiles, which means that cars sold in the next three or four years will guzzle more gasoline, not less gasoline.

With the effort that I think is reasonable we can increase automobile effi-

ciency by 40 per cent and still achieve an increase in environmental emission standards. And here's what I've recommended, that the Congress change the law to improve the environmental emission standards from the present law to the California standard, and in return for that change of the law, the automobile manufacturers have agreed with me, in writing, to increase automobile efficiency 40 per cent in the next five years.

Which means we'll get 40 per cent more miles per gallon and still have a higher emission standard than we have today in our automobiles that are sold throughout the country.

Now in the case of the Clean Air Act it would permit the utilities that are now using oil to go to coal. We have asked for some postponements, we have not abandoned the goal, but in order to cut down our importation of foreign oil we have asked the Congress and the head of E.P.A., Russell Train, has agreed that this is a reasonable request. And I think, under the crisis we face, a short stretch-out is understandable and desirable in this area.

So I haven't abandoned any improvement in our clean air efforts. I've simply, in the one case, moved up to the California standard and in the other stretched out the situation to some extent. This, in my opinion, is a realistic approach, a proper balancing of environmental needs and energy demands.

And I can assure you that in our judgment it's a reasonable position and it's wholly agreed to by Mr. Train, the head of the Environmental Protection Agency.

16. High Rate of Joblessness

Q. Mr. President, Philip Shabecoff of The New York Times. Sir, your economic policies apparently would allow a high rate of unemployment for years to come in order to prevent a new round of inflation. Sir, isn't there some approach you could take other than this that would avoid this human suffering?

A. The proposal that I have submitted to the Congress provides for a very substantial stimulant to get us out of the current recession.

I hope the Congress will act quickly, and the quicker the better. That will be the best demonstration of what the President and the Congress can do to turn the direction of our economy from a recession to an improvement.

It's my judgment that any additional stimulant at this time could lead to the kind of inflation that we fought so hard to overcome for the last 12 months.

If we were to substantially increase, I emphasize substantially increase, the deficit of \$52-billion, it could provide a tremendous stimulant. But what would that do? It would probably dry up our financial market with Uncle Sam going in to borrow sixty to seventy billion dollars in 12 months plus 30 some billion dollars in this fiscal year. It would probably force interest rates high again, instead of the trend we're on now with lower interest rates. And it undoubtedly, with high interest rates hard to get credit, and higher and higher inflation, start us right down the road we've just avoided and I think multiply, not help, our present economic circumstances.

Q. Sir, to follow up, some economists and some Democrats have proposed—

A. I'm glad you say Democrats are not economists or vice versa.

Q. Sir, there is a proposal that a larger degree of stimulation combined with wage and price controls would solve the problems of recession while preventing another round of inflation. Do you, sir, regard wage and price controls as worth an 8 per cent unemployment rate for the next two years?

A. I don't think when you're faced with the kind of adverse economic circumstances we have today, a recession which we're trying to get out of, that wage and price control medicine is the answer to the economic problems.

And I believe that the stimulant I have proposed with a tax reduction, with the responsible expenditure limit-

ations, is a very fine line that will permit us to get out of the recession and avoid double-digit inflation.

And to put on top of this kind of an economy wage and price controls would be the worst kind of medicine that I can foresee.

17. Advice for Legislators

Q. Mr. President, I'm Selby McCaskey with The Macon Telegraph and The Macon News. The Georgia General Assembly is in session at the moment, and many state legislatures are. What advice could you give these state lawmakers to augment and to supplement your programs on economy and energy. Quite simply, is there anything that these gentlemen on the state level can do?

A. I believe that the state legislatures have an obligation such as we have in the Federal Government to try and handle their fiscal affairs in a responsible way. I don't think the state legislatures or municipal governments should act irresponsibly and then come to the Federal Government for more funds over and above what has been recommended in the budget that I have submitted to the Congress.

If they have financial problems, I think they have to face up to them.

I believe that they'll have to tighten their belts in some cases on the expenditure side, and they may have to increase taxes, as Governor Carey of New York has proposed.

But anyhow, they shouldn't act irresponsibly and then come to the Federal Government and expect us, under our circumstances, to bail them out.

18. The White House Budget

Q. Mr. President, you've asked the country to sacrifice to help us out in this time of trouble. But your own budget shows that the executive office of the President has outlays of 65 per cent more in fiscal year '75 over fiscal year '74. Furthermore, we look at the kind of habits in the administration. Not many days ago Secretary Kissinger had a speech in Los Angeles, and to make one speech, he takes two planes, two very large planes and spends tens of thousands of the taxpayers' money. Don't you think it's time for the White House to tighten its belt and other members of the Administration to do the same thing?

A. I can assure you since I took over that we have thoroughly looked into the personnel of the White House and if my memory is correct, we have cut back about 10 per cent.

And if my memory is correct we have cut back 10 per cent in personnel. The increases that have come—again, if my memory suggests—is that the White House is now being charged rent by G.S.A.; just as G.S.A. charges every other Federal department for federally owned office buildings that are occupied by a department.

And there has been an increase in compensation for Federal employees which I happen to oppose and asked to be deferred. So when you add up the items that I have indicated, plus the 10 per cent reduction in personnel, at least as far as we're concerned it's my judgment that we've been cutting back rather than adding to.

Now in the case of Secretary Kissinger, Secretary Kissinger is a very important person in this Government at this time. And it would be tragic if anything happened to him as a result of not taking necessary precautions. And, I, for one, do not want any lack of precaution to result in anything that would hurt, in my opinion, the carrying out of our foreign policy, which is a success.

And I happen to think the protection of his life, which is important to the foreign policy of this country, is worth the expenditure that you indicated.

Q. As a follow-up, Mr. President, you say you have to pay rent now in the White House. What happens if you can't pay your bills, they throw you out?

A. Well, you ask Mr. Sampson. I think they'll take it out of our appropriation bill.

Thank you Mr. President.