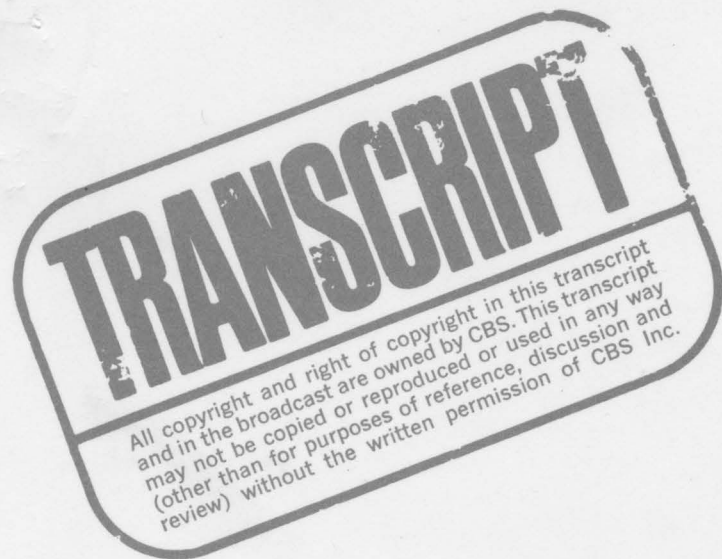


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FACE THE NATION
as broadcast over the
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Sunday, December 7, 1975 -- 11:30 AM - 12:00 Noon, EST

Origination: Washington, D. C.

GUEST: HOWARD "BO" CALLOWAY
Campaign Chairman
President Ford Committee

REPORTERS:

George Herman, CBS News

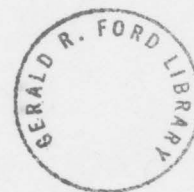
Walter Mears, Associated Press

Connie Chung, CBS News

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HERMAN: Mr. Calloway, what is the most important thing that President Ford and your campaign organization must do or win to insure the victory of the President in the nomination?

MR. CALLOWAY: Well, George, the most important thing in any campaign, particularly for an incumbent President, is to do a good job in being President. And if this President--which I think he definitely will and has done--can show the American people the leadership of doing a good job for President in a very difficult time, then we'll win clearly.

ANNOUNCER: From CBS News, Washington, a spontaneous and unrehearsed news interview on FACE THE NATION, with the Campaign Chairman of the President Ford Committee, Howard "Bo" Calloway. Mr. Calloway will be questioned by CBS News Correspondent Connie Chung, Associated Press Special Correspondent Walter Mears, and CBS News Correspondent George Herman.

HERMAN: Mr. Calloway, you've told us that what you think the President must do--must do most importantly to win nomination is to be a good President, but there's also campaigning to be done. What is the most important thing in the campaigning process that needs to be done to insure his nomination?

MR. CALLOWAY: George, I think probably the most important thing is what politicians call organization--that is, the canvassing, the identifying the vote that is for you; having identified that vote, see that they enthusiastically support the President, and then get to the polls. As you know, and particularly in a primary, much more so than a general election--and as you're well aware, there are more primaries this time than ever before; the old convention is much less important



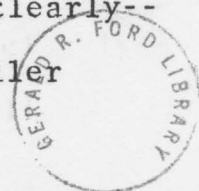
than before--to identify our people and get them out probably is the most important job we have in the campaign.

MEARS: The President says he's going to campaign on his own record and not against other candidates, but you do have another candidate running against you. If President Ford isn't going to campaign against Ronald Reagan, who is? Or are you going to give him a free ride?

MR. CALLOWAY: Oh, I don't think there'll be a free ride. The President--one of the great joys of this job that I've got now is really getting to know the President intimately, and I really believe that of all the people I've ever seen that have run for any office whatsoever, he is more determined to run a high road on his own record and not throwing any mud at all. I believe that.

CHUNG: Mr. Calloway, you were one of the first to call Nelson Rockefeller Ford's number one problem in winning the nomination, and you said that President Ford might seek a younger man to be his running mate. Well, the President's ratings have not improved since Nelson Rockefeller stepped down; what hurdles have you achieved and what--how much better off is Ford now that Nelson Rockefeller is off the ticket?

MR. CALLOWAY: Well, Connie, as you know, that--I never said that Rockefeller was the number one problem. I did say that some Reagan people had said that he's the number one problem, and by that I got quoted, which is fair enough, I guess. I don't think we've had any particular advantage with Governor Rockefeller being off the ticket for the moment, but I do think it's an issue that Reagan very clearly-- in all of his mail, Senator Laxalt was saying the Ford-Rockefeller



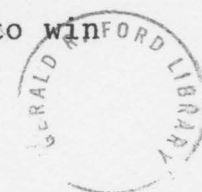
ticket, all of this was being done. And I think that that was going to be made into an issue, and now that cannot be made into an issue; so because of that in the long run, I think the ticket will be better. My only point from the very beginning--and Governor Rockefeller agreed with me totally--was that the President should not make any commitment to anyone for a Vice President, but should keep an open mind as to whom he would recommend to the convention. That was the only point I ever made, and Governor Rockefeller openly agreed with that.

CHUNG: Well, you also said at that time that Reagan leads the President in the south--this was last summer--because Rockefeller was still on the ticket. Do you still believe that Reagan leads Mr. Ford in the south?

MR. CALLOWAY: I don't recall I ever said it quite that way. Perhaps I did, but the south is probably Governor Reagan's strongest part of the country, and he is very strong down there; in every southern state he's very strong. But we've got places of the country where we're much stronger. I'm not concerned about that.

CHUNG: Are you saying, though, that he does have--is he that much stronger than the President?

MR. CALLOWAY: Oh, no; no, no. See, people think somehow that the south is one homogeneous mass, and that sort of thing. There's not a single southern state that has winner take all. So even if Governor Reagan did lead in the south--which I by no means say that he does--even if he did, he might win fifty per cent of the delegates and Ford might win fifty per cent of the delegates--that kind of thing. So then when we go to our strong point, then we go picking up. All he's able to do in the south to maybe hold his own; but we expect to win



every southern state.

HERMAN: Let me make sure I understand you. Did you at no point think that Governor--Vice President Rockefeller was a problem to the President's nomination and election?

MR. CALLOWAY: I never described him as a problem. I--

HERMAN: No, I'm talking about what you thought, rather than what you said. I don't want to get involved in semantic problems.

MR. CALLOWAY: Well--okay, let me just say that for the good of the nomination, I think having the issue of Governor Rockefeller as Vice President out of the way is very helpful to the campaign--

HERMAN: Do you think the situation has improved for the President since Mr. Rockefeller left?

MR. CALLOWAY: Yes, on that point, not because of anti or pro-Rockefeller, but because you've got it open. What you need to have is--you don't need to make decisions ahead of time. And because it's open, I think it's much better.

HERMAN: Can you give me some evidence, some signs that you've seen that it is better?

MR. CALLOWAY: Oh, I just--we get in touch with our field men every day; we stay in touch with what the issues are; we know how the people are feeling about New York, about the Supreme Court, about the major issues. And on this issue, it has been universal that it's a plus, in every single state, since--

MEARS: Mr. Calloway, why is President Ford's incumbency an advantage and Vice President Rockefeller's is not? I mean, you've given up here a very experienced, very widely known political leader, and now you say that you don't think he was a liability to the ticket



I don't see what you've accomplished by his departure.

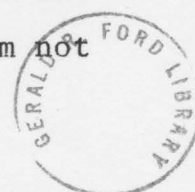
MR. CALLOWAY: No, no, the Vice President was the first to admit the very controversial--you know, we all--we know that--very controversial person. And to have a very controversial person clearly on the ticket, when not another candidate out there has said who he wants for Vice President--and to have that where an entire campaign--and the Reagan campaign was clearly started that way, to everything they--every letter they wrote for money, everything they were doing was talking about Rockefeller, Rockefeller, Rockefeller. Now to take that issue away is a plus. It just is. The Vice President would agree with that.

CHUNG: Well--but Mr. Rockefeller said that it was your comments that first alerted him to the party squabbles that he was experiencing. In other words, it was you who started all of the talk about the Rockefeller problem. And prior to that, he said, he really wasn't quite alert or quite aware of it.

MR. CALLOWAY: Well, let me just, Connie, assure you I had nothing to do with that decision of his. I was as surprised as any man in America. What I'd like to do is get on and talk about this President. Rockefeller is not on the ticket now. This--we've got a President with some leadership; I hope I'll get some questions on him, some issues out there. Rockefeller is no longer an issue.

HERMAN: Are you prepared to define the President's stand on the issues. Is that--

MR. CALLOWAY: Sure. Well, no, I cannot speak for the President on what he will do on the issues, but I think I'm prepared to discuss the political effects of some of the issues that are there. I'm not



going to say what the President's going to do on any issue. I don't speak for him on that.

MEARS: Well, what will be the political effect if the President signs the bill that would permit picketing of an entire construction site if one union is on strike?

MR. CALLOWAY: When in the primary, I think, Walter, you would well know that not only the mail that the White House has received, but our chairmen from around the fifty states that we talk to are very much opposed to common situs picketing. I think that's very clear.

MEARS: And do you have input on that issue? Are you able to say this is going to hurt us if you sign this bill?

MR. CALLOWAY: Oh, yes--oh, yes, I have input on that, and very clear input with the President and with his advisors, which it should be. You know, you get the feeling from some people that politics is all bad. It isn't. Politics is the American democracy at work, and the fact that the American people feel some way should be taken into consideration by the President. But by no means do I think he should make his decisions just politically. He should and he does, and very clearly makes his decisions on what's best for the country.

MEARS: Do you think he will sign that bill?

MR. CALLOWAY: He hasn't told me. I don't know.

HERMAN: But do I gather correctly that you have urged him not to, or you have said it will be to his detriment if he does sign it?

MR. CALLOWAY: Yes, again, I don't urge him to do one thing or another, George. I'm not trying to get into semantics, but I do think politically, if you're talking about the nomination, the best thing for him to do would be to veto that bill.



HERMAN: And you have told him that?

MR. CALLOWAY: Yes.

CHUNG: Mr. Calloway, if President Ford does not win in New Hampshire and Florida--and you've predicted that he will--wouldn't it be a serious blow to his--to your campaign, to the campaign that you're running, and wouldn't it mean that you've obviously failed, and would you be willing to step down?

MR. CALLOWAY: Connie, let me answer those two questions. One, I didn't ask for this job. I'd be willing to step down any moment that I thought I could help President Ford. I have one mission in this job--is to help President Ford, and the minute I'm not doing that, I'm in the way and I would get out so willingly that there would be--there wouldn't be anything except I would get out. Now let's talk about New Hampshire and Florida, because you brought that up. New Hampshire and Florida are important, because they're important states in their own right, but because they're two of the first three, or perhaps the first four primaries, depending on what Vermont does. But they're not our best states. Everybody knows that. New Hampshire has some very particular things in New Hampshire. They have a governor, and the only statewide newspaper who's enthusiastically for Reagan--the only state where that's true in the whole country. Governor Reagan has clearly identified New Hampshire as his best northern state. Then we go to Florida, and Governor Reagan is concentrating so much on those two states, he's even said they're the first two primaries; they're not, but he just--that's all he's thinking. He has a two-state strategy. His campaign manager in Florida has said that they will win Florida by 66 per cent, and he stays with that. Florida is clearly



his best, or at least as good as any southern state.

Now if Reagan should win his best states, you know, we haven't gotten to Michigan; we'll fight him in Michigan, you know, that's our home state, of our governor. Here's what we're going to do. We're going into New Hampshire, Reagan's clearly--by his own admission--best northern state; we're going to beat him in his best northern state. Then the third primary, on the ninth of March, we're going to Florida; we're going to beat him in his best southern state. Then we're going to his home state of Illinois on the sixteenth of March, where he has tremendous home ties, and we're going to beat him in his home state. Having beaten him in his best northern state, his best southern state, and his home state, I think all of this talk about the President hasn't faced an electorate will be over.

HERMAN: You've kind of put yourself--in a phrase, you've kind of put yourself out on a limb by predicting these three victories.

MR. CALLOWAY: That's right.

HERMAN: If any of them should turn into a defeat, would that be serious?

MR. CALLOWAY: It would be very serious, George, very serious, but we're not over. We've still got our good states coming, you see. The luck of the draw, which he's taking proper advantage of, are his good states came early. All right. Now if we got beat in Michigan, yes, okay, I'd say now you've beat us in one of our states. That's not going to happen.

HERMAN: But these three which you've predicted--New Hampshire, Florida, Illinois--if you got beaten, say, in all three of those, would that be a fatal indication?



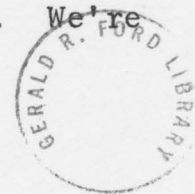
MR. CALLOWAY: I don't think there's such a thing as fatal. It would be serious. It would be very serious. But that's--we're not going to do that.

MEARS: What is the President going to do personally to--in these campaigns? How much time is he going to spend in those states?

MR. CALLOWAY: Well, Walter, one of the disadvantages of incumbency, of course, is that you've got other things to do. The running of the country is, again--as I said in the first question, I think the most important thing this President should do politically is to do an outstanding job as President, which I think he's doing. Now, in doing that he can't spend the time in New Hampshire. Governor Reagan has indicated he'll spend fifteen days there. Obviously, we're not going to do that. We'll probably spend a day or two.

MEARS: He spent a full day campaigning for a Senate candidate up there. Won't he do as much in his own campaign as he did for Louis Wyman?

MR. CALLOWAY: Well, that's one of the great things about this President, you know. All of this campaigning he's been doing, and criticized, rightly or wrongly, for doing campaigning when perhaps he should be in Washington--all of that has not been for himself. It's been for Senator Wyman, it's been for the Republican Party in various states, and prior to his going there, a great many Democrats were saying that the Republican Party, as a result of Watergate and other things, was at such a low ebb it needed help for the good of the two-party system. The President was working for that. The President hasn't raised a nickel in his own behalf--not yet -- everything for others. Now right or wrong, he did that. Now that time's over. We're



now getting into the President's campaign, and from now on most of what he does politically will be in his own behalf, which I of course--

(MORE)



MEARS: Is he going to spend as much time and do as much traveling then in his own behalf as he has been in the past four, five months, at the Republican Party's --

MR. CALLOWAY: Well, I would guess something like the same. This isn't decided, Walter, but something like the same, where he will be every week or so doing something in his own behalf -- 31 primaries, perhaps as many as 33 -- he won't campaign in all 33 states; he will be entered in all primary states, wherever that comes out, 31 or 33.

MEARS: But he will, as he said last summer, for the party, be going out every week, or every weekend, to campaign then?

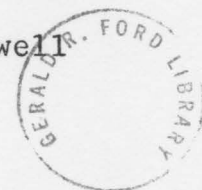
MR. CALLOWAY: No, I'm not committing -- I'm saying something like that, and we've not yet worked that schedule; it depends on what the pressures of the presidency are, what's happening with the budget, which will be a very busy time for a while now, ^{as you know,} he's worked on that even in China and Manila; what's happening on the state of the union; what the pressures are; what trips he's taking for the presidency.

HERMAN: You offered a few moments ago to talk about the issues, which you said you thought was very important. Are there any other issues on which you have advised the President on political consequences?

MR. CALLOWAY: George, again, my job is not to tell the President what to do; he's got a Domestic Council --

HERMAN: But your job is to report to him --

MR. CALLOWAY: Yes, and I would say last week two big issues, last couple of weeks -- New York and the Supreme Court. Both of them came out very well politically. Now I'm not saying that the President picked Judge Stevens for a political purpose, but it came out well.



politically; it's been well received, good. New York came out very well politically. Those who've tried to say the President is waffling, it just, you know, that won't sell. He stuck firm and New York did what it had to do to get its house in order -- a lot of leadership. There are three issues coming up now --

CHUNG: Is he in better shape in New York because of that?

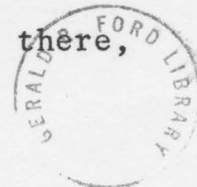
MR. CALLOWAY: What's that?

CHUNG: Is he in better shape in New York because of that?

MR. CALLOWAY: I wouldn't say he's in better shape yet, Connie. The people of New York have had some pretty bad press, two editorials a day by the New York Times, New York Daily News saying drop dead. You don't get over that in a hurry, because it's been very severe against the President; 520 banks organized against the President to take them out of bankruptcy on their own bonds. You know, that's heavy, that's heavy stuff, you don't get over it quick, but around, away from New York, and away from the northeast, the President is perceived, and we know this, we check with our people, as one of great leadership in holding firm when Governor Carey and Mayor Beame thought they couldn't do it, and then they put it together.

HERMAN: We interrupted you when you were saying there were three issues coming up now?

MR. CALLOWAY: There are three coming up right now. There are 100, George, but there are three that are really sort of important from the campaign viewpoint -- common situs picketing, the tax cut, and the energy bill. Now those are some pretty tough decisions, you know. Reagan can talk about his rhetoric and what he did as governor and stuff like that, which he exaggerates a little bit here and there,



but we've got a man who's got to stand on there, and these three issues, all will cut both ways.

HERMAN: What is your advice on them?

MR. CALLOWAY: I think politically the President would be well advised to veto all three bills, but I'm not -- again, don't say that-- I'm not the one responsible for advising him. The Domestic Council has far better input on the domestic things; Frank Zarb has much better input on energy; but --

HERMAN: But you have a responsibility too to tell the President the political consequences; I presume you have done that?

MR. CALLOWAY: I have, and will continue to, yes.

CHUNG: You think he can veto a tax cut bill in an election year?

MR. CALLOWAY: Connie, I think he will not only do it, but I think he will do it in a way the American people will understand. He has said over and over that we've got to do something about big deficits, and he has said that if we have a tax cut that is not coupled with a spending cut, then he will veto it. Now, I think that makes sense. You know, the political thing, and people say what's he, a political president, the political thing is to veto tax cuts and put more spending in. We all know that, that's third-grade politics. He's not going to third-grade politics; he feels that the government is big enough and we ought to get a handle on it, and to cut taxes without cutting spending is in his view irresponsible and -- you know, again I'm a little out of my field in predicting what he's going to do, but I would not be at all surprised if he vetoed that tax bill, even as politically damaging as the conventional wisdom would say it would be.



CHUNG: Mr. Calloway, what is your field is the campaign, and you've been accused of running a clumsy, inept campaign, that you mishandled the Rockefeller situation. Do you think that you should really take all the blame for that? There has been also some talk that the campaign lacks White House direction. Would you say that you could use a little help from that side?

MR. CALLOWAY: Connie, naturally we started off in the campaign with a feeling in the White House that governmental should be separately from political, and after the last campaign, you know, I understand that; there's a lot of merit in that. But now, in the last few weeks, we are working much closely -- more closely together. Again, I have no responsibility for telling the President what to do. My only responsibility is to say here's what the political effect is, and then he weighs with a thousand other effects, and I'm -- now I have that opportunity. I've always had it with the President, but we are now working with the various advisors much more than we used to.

MEARS: Is your campaign in financial trouble?

MR. CALLOWAY: Not at all. We're not in the shape we'd like to be -- gosh, money is not coming in easy the way people thought it would. We've raised \$1,200,000; we've got some \$300,000 in the bank; and during the Christmas period when money is really hard to come by, we're spending it a lot faster than it's coming in, so that concerns us. We've got a new finance chairman, Bob Mosbacher, who in my judgment will do an outstanding job; he will be available to be here full time, which is just a great, great advantage to us in the campaign. He's well known, and I have no long range concerns. I will admit that things will get a little bit tight because traditionally people don't



give political money at Christmas time.

MEARS: Will you be -- will you accept, or will you recommend that the President accept the federal campaign subsidy after the first of the year?

MR. CALLOWAY: Walter, we haven't got there yet, but I think the likelihood is that we will. That cuts both ways politically; some people say, well, you shouldn't take federal money, because what's the federal government financing for; and others say, my goodness, I pay enough taxes, if it's there available in the federal checkoff, why don't you take it? So we haven't made that decision, probably will make it within a week; we have asked the Federal Election Commission to certify us for matching funds, so that if we do make that decision, we'll get it promptly.

MEARS: Will Reagan's decision on that have anything to do with yours?

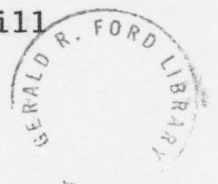
MR. CALLOWAY: I don't think so.

MEARS: If Reagan turns down the money, doesn't that put you in a little more difficult position if you accept it?

MR. CALLOWAY: Oh, perhaps it could, but that would be far down the line. You know, believe it or not, we're not running this campaign to counter Reagan at all; we're running our own campaign.

CHUNG: You mentioned Mr. Mosbacher; he's a big oil and gas man out of Houston, and he is the President's finance chairman. Do you see any problem with the President squaring that with his energy policy?

MR. CALLOWAY: Well, I'm sure that Bob Mosbacher would say he could quickly raise Texas oil money a lot easier if the energy bill



is vetoed -- we know that -- but that's not -- I don't even mention things of that kind to the President. That's not -- I don't think that's worth mentioning -- the President knows that. He knows the oil companies are against this bill.

CHUNG: I'd like to get back to New Hampshire --

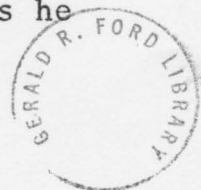
HERMAN: Can I just stop for a second there and say do you think that knowing that, he's in any way influenced by it?

MR. CALLOWAY: Well, George, you're influenced by everything in life, but I think it's a very minimal influence. His -- he has a balance in this energy bill, and it's a tough, tough call. I have no idea what he's going to do -- a balance between -- he's gone up with his bill -- the country needs a comprehensive energy bill. Here is a comprehensive energy bill that's done five or six or seven things that he wants to do, but in control of prices it's just opposite of everything he's tried to do in deregulation, in trying to lower the demand by increasing the prices if necessary. It's just backwards of everything he's said, so what do you do? You don't get a bill, you can take this and veto that. It's a tough call. You know, I could no more -- that's why he's President and I'm not -- it's a tough, tough call, and whatever you do, you make enemies.

MEARS: A couple of times you've said that you're not running against Reagan, but in a campaign don't you come down to a situation where somebody has to say, my guy is better than their guy, and here is why?

MR. CALLOWAY: We're prepared to do that, Walter.

MEARS: Who's going to do it? I mean, the President says he won't --



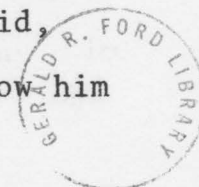
MR. CALLOWAY: Well, let me say this -- the President -- his record is well known in 50 states. Reagan's record is really only well known in one state, and that's California, because that's the only place he's really served and been looked at closely. And he's had a free ride -- nobody looking at him closely. I don't think he'll have a free ride much longer. I think it's interesting --

HERMAN: Does that imply some kind of a truth squad, or something of that sort?

MR. CALLOWAY: No, let me go what it might imply, and talk about that a little bit. I think it's very interesting that in California, that's the one state where Reagan is well known, and normally a major candidate of a state, his own governor, can get ^a favorite son, just carry everybody in that state -- that's not too difficult -- it's normally done. We have the state chairman, party chairman, for President Ford, the national committeeman for President Ford; we have the largest state that has a Republican mayor (SIC) in the country for President Ford; we have a majority of the congressmen, and that's not ideological, that's all the way from Chuck Wiggins to Pete McCloskey for President Ford. We have the people he worked with in the legislature; the majority leader of the State Senate is actively for President Ford. Now they're coming to us and saying, you know, Reagan is getting away with murder, he's saying things about what he did in New York -- excuse me, in California -- and those people who knew him best, who worked with him, it just isn't so.

HERMAN: So how are you going to bring that out?

MR. CALLOWAY: Well, they have come to us, and they've said, look, we would like to -- to talk a little bit -- those who know him



would like to talk about what he really did -- change -- how the rhetoric was, and what the actuality was. We haven't made a decision; under the old days -- we just say, do what you want.

HERMAN: What are you thinking of?

MR. CALLOWAY: Well --

HERMAN: If not a truth squad?

MR. CALLOWAY: Well, if not a truth -- Reagan himself has said, look, I want to be judged on my record. Now the record is -- the record is not what he said it is --

HERMAN: How are you going to bring it out?

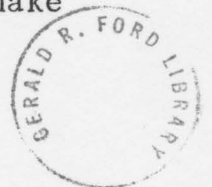
MR. CALLOWAY: Well, I think if Denny Carpenter, the majority leader of the senate, perhaps wanted to do that, which we understand he does, he can point out that this great fiscal conservative, as he says he is, went from 4.6 billion to 10.2 billion while he was governor.

HERMAN: Would you finance this? I'm trying to find out what you're going to do with all this material?

MR. CALLOWAY: George, I don't know. Under the new law we've got to -- under the old law, as I said, we could just say, do what you want to. Now if he comes in and goes from California to New Hampshire, and the people in New Hampshire have an article of faith -- they say no new taxes, and he says that you know under Reagan personal income taxes went up 500 per cent -- that's on the record.

HERMAN: Will you bring somebody into New Hampshire to say that?

MR. CALLOWAY: George, we haven't made that decision. It's a decision we haven't made. But you know the taxes did go up 500 per cent, personal income taxes, under Reagan. Somebody needs to make that record --



HERMAN: What somebody, and how are you going to do it?

MR. CALLOWAY: Well, I'll say Denny Carpenter --

HERMAN: Besides you here on this program.

MR. CALLOWAY: Well, but -- okay -- but I'm saying Denny Carpenter but that decision is not made, and if Denny hears this and he's watching, he'll say --

HERMAN: When will you make it?

MR. CALLOWAY: Oh, I think -- everything is in a lull for politics during Christmas; it will be made in January, I think.

MEARS: Can I put another question on this Reagan-Ford situation. It's been demonstrated in past campaigns that the ideological candidate, the candidate who represents one wing of the party, tends to do better in primaries. You're casting the President in the middle and saying he's going to stay home and be president; doesn't that give him a particular problem against Reagan--

MR. CALLOWAY: It does.

MEARS: -- who has an identifiable constituency wherever he goes?

MR. CALLOWAY: Tough, tough problem, because Reagan would tend to get the activists who get out in primaries. Now, on the other hand, when you get to the general election, Reagan's got most of his votes already in the primary, and we take our primary votes, the Republican votes, add independent votes --

MEARS: Yes, but your problem is to get to the general election, and that's what I'm asking you -- how are you --

MR. CALLOWAY: We're going to get there by winning in his best northern state, his best southern state, and his home state, and then come to see me -- I think he'll look better.



CHUNG: Mr. Calloway --

MEARS: Sure will. (LAUGHTER)

CHUNG: Mr. Calloway, if the President does not do that well in New Hampshire, and if Reagan comes through with a fairly good showing, isn't that a good enough showing for Reagan, because look at McCarthy in '68, and McGovern in '72 -- they didn't win, but they came up pretty well, and that was something that moved their campaign on.

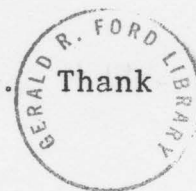
MR. CALLOWAY: Different kind. Different. What they have done, and the Reagan forces have done this, they have said this President has never had a constituency outside of Grand Rapids, let's give him one. They have said this is our best northern state, it's the state we're going to win,; we're going to win Florida by 66 per cent. And you know the old saying in politics that close counts in horseshoes -- close doesn't count in politics. If we win by 50 plus one vote, 50 per cent plus one vote, it will have been a dramatic victory because Reagan has made this his best northern state.

CHUNG: Well, couldn't that apply to you too, because you're predicting victory in New Hampshire, and you're predicting victory in Florida?

MR. CALLOWAY: Connie, if we lose New Hampshire and Florida, as I've said to George, we're in serious trouble, but we're not over, it's his best state.. Now if we lose in Michigan, we're in serious, serious trouble. Compare Michigan with New Hampshire, his best state with our best state, or our home state. Or Illinois with Michigan, his home state with our home state. See, those are the ground rules we think are appropriate.

HERMAN: And our ground rule is that we've run out of time.

Thank



you very much, Mr. Calloway, for being with us on Face the Nation.

ANNOUNCER: Today on FACE THE NATION, the Campaign Chairman of the President Ford Committee, Howard "Bo" Calloway, was interviewed by CBS News Correspondent Connie Chung, Associated Press Special Correspondent Walter Mears, and CBS News Correspondent George Herman. Next week, Shimon Peres, Defense Minister of Israel, will FACE THE NATION.



...ing with the Governor)
Lyn Nofziger, Press Secretary
(In Los Angeles)
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(213) 477-8231

Saturday, December 13, 1975

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Excerpts of remarks by the Hon. Ronald Reagan,
former Governor of California,
to the Southern Republican Conference Banquet,
Albert Thomas Convention Center, Houston, Texas,
Saturday, December 13, 1975.

"It's a pleasure to be here this evening. We go back a lot of years and a lot of campaigns. I've spoken in most of your states and know that we share the same basic beliefs and philosophy of government.

"Those beliefs have persuaded me to enter this race for our Party's Presidential nomination.

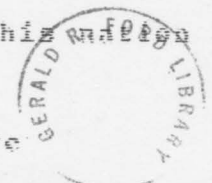
"We are at a point where the basic tenets of our Republican philosophy must be restated with clarity and in positive terms. Eleven months from now, the people of America will make a choice between our candidate and one selected by the other party to represent its point of view.

"Too often in recent years we have glossed over the differences that separate our two parties. Too often the people have been offered only a choice between Tweedledum and Tweedledee. And there have been those who have unkindly said there have been times when the choice has been between Tweedledum and Tweedledum.

"Some years ago, I left the Democratic Party because it no longer stood for things I could believe in. The Republican Party did, and I hope it will continue to do so.

"A political party dies when it forsakes its basic beliefs. Our party will die if it becomes a 'yes, but' version of the Democrats -- a party that, instead of saying 'no' to the social tinkering and the excesses of the Democrats, says 'Yes, but a little slower', or 'Yes, but a little less', or 'Yes, but we can do those same things better'. The people of this and they are looking for more than that today.

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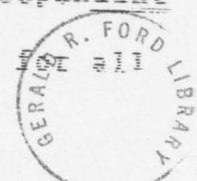
"Daniel Boorstin, the historian, has said, 'What is the main difference between a political machine and a political party?' A party is organized for a purpose larger than its own survival. A political machine exists for its own sake; its primary, in a sense only, purpose is survival.' Which do we want to be? You know the answer to that as well as I do. We've fought too long and given too much to settle just for survival. We have a purpose. It is nothing less than the survival of this way of life we call America.

"Since January, in more than 30 states I've talked to Republicans about a banner for our party -- a banner with bold, bright colors; no pale pastels. Not only Republicans, but disaffected Independents and Democrats will also rally to such a banner.

"I speak of colors, but you know that is a synonym for beliefs we will not compromise. Beliefs that will once and for all mark us as the party of the people -- the people who pay our government's bills, fight our country's wars, do the daily work that makes our society function, and who still have time and the desire to care for the less fortunate.

"We're the party of the small businessman. The party of the independent entrepreneur, the farmer, the self-employed, the worker who has used his job skill to earn his share of the American Dream for himself and his family. The party of the concerned school teacher and the PTA parent. Of those who care when Big Government intrudes into our lives and ~~disturbs our~~ businesses and busies our children and squanders our hard-earned wages, cheapening the dollar so that none of us can be sure of the future or of our ability to provide for ourselves and our families in our non-earning years.

"To put it in two words, we are the party of independents, spelled d-e-p-e-n-d-e-n-t-s, and independence, spelled d-e-p-e-n-d-e-n-c-e. The party of independent people who believe ardently in personal liberty and ~~independence~~ from the oppressive hand of government.



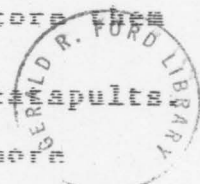
"These words have been both our strength and our weakness. Our strength, because our sense of independence has allowed us to endure. We lose some battles, but come back to fight another day. Our weakness because, as strong-minded individuals, we have often refused to pull together to win the big political battles we must win to keep our people independent of a government that continues to encroach on every facet of their lives.

"Another one of the bold colors in our banner must stand for a strong national defense and a foreign policy based, first and foremost, on what is good for the United States. Peace with freedom was not, and is not, an empty phrase; for peace without freedom is meaningless. And, freedom without peace means only that once again some foreign aggressor has mistaken our lack of military preparedness for an unwillingness to defend our freedom.

"As long as we are second to none in military strength, no one will risk attacking us. To be second in military power is the same as being last. No nation in all man's history that placed its faith in treaties and let its hardware go has ever lived to write many pages in history. A great and free society must also be a strong society. Appeasement leads only to war.

"For 25 years, the Roman Senator Cato concluded every speech with the line, 'Carthage must be destroyed'. Finally, he had his way -- Rome set out to war on Carthage. The people of Carthage were affluent, given to art, culture and sports. Theirs was the highest standard of living in the world and they wanted peace desperately. Envoys were sent to negotiate with the Romans. Finally, Rome relented on condition that Carthage send as hostages the sons of their 300 leading families. It was done. Then, Rome demanded all of Carthage's warships and weapons. They were delivered. Then came the final demand -- that the people of Carthage leave their city because Rome intended to destroy the city. Recognizing the enormity of history's greatest deception, the people of Carthage turned on their leaders and tore them limb from limb. Then they set out to build ships, spears and catapults

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It was too little too late. The people of Carthage were slaughtered, the city leveled and the earth plowed and sown with salt so it could never again be planted.

"It must be our commitment to spend whatever is necessary to remain strong to consider our nation's own self-interests first in international dealings Not at the expense of others and not without generosity to those who need a helping hand, but always with the realization that our self-interests must not be cast aside just for the sake of making a deal.

"This is not jingoism or gunboat diplomacy. It is ~~complete~~ recognition of the need in a hostile world for self-protection. It means keeping the Panama Canal, which we have managed with fairness to all the world and which is essential to the defense of the Western Hemisphere against those who might have designs on us or intentions for global domination. In short, we bought it, we paid for it, it is sovereign U.S. territory and we should keep it. Our stewardship has been beneficial to all and ~~more~~ more so than the people of Panama, who, because of it, enjoy one of the highest standards of living in all of Latin America. The U.S. presently has plans for a billion-dollar modernization of the canal which would mean a great stimulus to the economy of Panama and an increased prosperity for the Panamanian people.

"All of this is being held up by a pro-communist dictator who seized power eight years ago by overthrowing the duly elected government of Panama. In eight years, there have been no elections and no civil rights. There has been instead censorship of the press, poverty for the people and totalitarianism.

"We have a sovereign right to the canal zone, affirmed by our own Supreme Court and acknowledged by an elected government of Panama. We also have a responsibility to the free world to keep that vital passage way out of the hands of a ruthless and irresponsible dictator.

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"And, on the subject of dictators, in my opinion, it is not in our best interest, nor in the interest of freedom to ease our restrictions on trade and diplomatic relations with Castro's Cuba until we see positive signs that he no longer will allow his nation to be a convenient Caribbean outpost for the Soviet Union's military machine and that he will no longer plot trouble in the Americas and in new third world nations such as Angola.

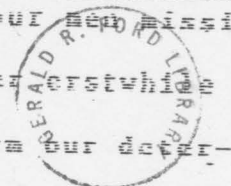
"Speaking of Angola, it is ironic that the same Soviet Union that talked loftily of the rights of other nations at the Helsinki conference is today pouring millions of dollars worth of ammunition and supplies to communist forces in that newly-freed land. It seems to me the cause of freedom would be well served if we and our allies would grant recognition to the non-communist regime of Angola providing it with the legitimacy it needs in the eyes of its neighbors.

"We cannot abdicate our free world leadership even though it was not sought by us. Nor can we deny our interest in protecting the fragile peace in the Middle East. We are, and must remain, committed to a strong NATO alliance in Europe and to the fact that we are a power in the Pacific.

"To those who say we shouldn't be interfering in the problems of other nations around the rim of the Pacific Basin, the answer is -- in years past we did interfere and by so doing caused some of these very problems.

"It was in the days of Camelot -- the New Frontier -- that the U.S. used its power to force the anti-communist government of Laos to give in to communist insurgents and accept them as part of a coalition government. Now, in the long established communist pattern, the coalition is no more. Without regard to treaties and agreements, the communist Pathet Lao has taken over that country. Once again the curtain has come down on freedom.

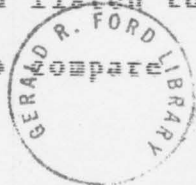
"If now there is to be talk of extending an olive branch to Hanoi, well so let it happen only after there has been a full accounting of our missin in action. And we might well ask assurance that the rights of our erstwhile alive will be guaranteed. Basic morality demands that we reaffirm our depar- mination to stand by long-time friends and allies in Taiwan and South Korea.



"There should be a bold color on our banner standing unmistakably for fiscal integrity; an end to the cycles of inflation, recession, unemployment, then more and greater inflation. When it comes to the argument over whether we should have a Republican \$60 billion deficit or a Democratic \$80 billion deficit, I find there's no room for me on either side. Our goal must be a balanced budget. Oh, but we are told three-quarters of the budget is uncontrollable -- fixed by statutes passed by Congress. Well, statutes passed by Congress can be repealed by Congress; and since the Democratic majority in Congress shows no inclination to do this, then it's time to elect a Republican Congress that will.

"If the federal government won't put its house in order instead of debauching our dollars by running the printing press overtime, then how in the name of heaven can we demand fiscal responsibility from New York or any other city? Just the other day, the Council of Democratic Mayors went on record demanding federal help for all cities. That's like asking the captain of the "Titanic" for a lift. Three-fourths of the American people live in cities. Are they suggesting the other one-fourth can pay to provide city services for the three-fourths? In the meantime, the federal government spends a billion dollars a day and goes \$1-1/2 billion deeper into debt each week and grows like a fungus, on the assumption if it gets big enough it can manage the nation's business.

"We need a color in our banner that stands for the free market system -- free enterprise. For under that system, our country has prospered like no other in the world. And yet, for more than four decades, social engineers have tinkered with that system, claiming its imperfections can be eliminated by such tinkering. Others would forsake the tinkering and the free market system to plunge us into the idiocy of Karl Marx. Why do we even listen to them? If they are too obsessed with their economic tinkertoys to



our way with the examples we have of Socialist failure, they deserve no audience from us.

"Our English cousins have been going down the road of government intervention and socialism since World War II. Their nationalized, government-run industries -- steel, coal, natural gas and airlines -- lose about \$600 or \$700 million a year. Curiously enough, in the one area we are alike, we more than match them. Their post office losses about \$675 million a year, all on its own.

"But inflation in England is 25%+ and the rate of productivity in their government-run industries is the lowest of all the Western European nations.

"There is a more dramatic example for comparison which many of you have heard me tell before. Forgive me if I repeat it for those who may not be aware of it.

"If Socialism is the answer, we don't have to argue about it on theory alone -- the theory of Capitalism versus the theory of Socialism. We have our own country and we have a concrete example of Socialism. We have another great nation in this world. It has a land mass greater than our own; it's rich with natural resources; it has 250 million capable people; and for nearly 60 years they have been free to fully implement -- without hinderance or interference -- the principles of Karl Marx' Socialism. We could be just like them; but it would take a little doing on our part. We'd have to start by cutting our paychecks by 80%; move 33 million workers back to the farm; destroy 59 million television sets; tear up 14 out of 15 miles of highway; junk 19 out of 20 automobiles; tear up two-thirds of our railroad track; knock down 70% of our houses; rip out nine-tenths of our telephones; and then all we'd have to do is find a Capitalist country that would sell us wheat on credit so we wouldn't starve!



"One more word about the free market. Now I know that where most of you come from they don't grow wheat. And I know all of us worry about the price of bread.

"But let me tell you this: nobody would worry about the sale of wheat to Russia upping the price of a loaf of bread a penny or two if the taxing policies and the inflationary policies of the Congress and the federal government hadn't already run the price of bread out of sight. No matter how you slice it, the sale of wheat to Russia is not responsible for the high price of bread, it is the sale of sound, frugal Republican principles down the river by both parties that has increased those prices.

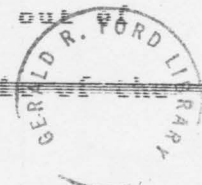
"In a hungry world, the government told the wheat farmers of America to plant from fence row to fence row, and then to sell their wheat on the open market. Well, they sowed and they reaped and bled themselves off to the market, but government had changed the rules somewhere between the harvest and the expected sale, and there they are, left with a surplus of wheat. Between weather, insects and other natural hazards, farming is a trade that makes a Las Vegas crap table look like a guaranteed annual income. The American farmer doesn't need government waffling and indecision added to his other troubles.

~~"This does not mean that we shouldn't reexamine our entire policy~~
toward trade with Russia. We have walked the extra mile with the Soviet Union in pursuit of peace -- all the way to Vladivostock, to Helsinki, to SALT I and now to SALT II.

"And, if we can believe the respected journal, AVIATION WEEK, and the charges made by former Secretary of Defense, Mel Laird, the Soviet Union has apparently been violating SALT I; and there is good reason to believe we gave away too much at Vladivostock.

"In failing to let Andrei Sakharov, the Nobel Prize winner, out
~~Russia, they proved they had no intention of abiding by the spirit of the~~

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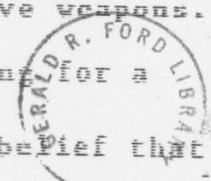
Helsinki document. They continue to promote bloodshed and trouble in Angola and Portugal.

"Detente, it seems, has become a one-way street. If we are to have Detente, then let it be without illusions. George Washington, in his Farewell Address, warned, 'There can be no greater error than to expect or calculate upon real favors from nation to nation'.

"We can exchange all the ballet dancers and opera singers we want, but Detente's success or failure will still be measured in terms of quid pro quo -- something for something.

"The Soviet Union continues to outspend us in armaments -- by 60% in ~~nuclear weapons -- 25% in conventional.~~ It is obvious they are building not a defensive force, but one designed for offense. In order to do this, they must forego production of consumer goods & even food for their own people. In other words, their vaunted economic system -- the utopia of Karl Marx -- cannot provide guns and butter. We, and our free world allies, should face the question of whether we are not contributing to the slavery of their people as well as danger to ourselves by bailing out their creaking, incompetent system when it finds itself in trouble. Would they, without our help, have to abandon arms building in order to feed their people or face the possibility of an uprising and revolution by a desperate and hungry populace? If the answer to this is yes, then we are faced with a question of national security and pure moral principle. If our decision is on the side of morality and security, we cannot ask the farmer to bear the full burden. We, as a nation, would have to think of his produce as a part of national defense and be prepared to offer a market for what he raises. Perhaps it could even be stored for future sale when and if the Soviet chooses real Detente and abandons its build-up of offensive weapons.

"We come to another color for our banner -- this one standing for a fundamental belief in our federation of sovereign states -- the belief that



government governs best the closer it is to the people.

"We have centralized in Washington control of a number of functions which, if they are to be performed by government at all, should be administered at the state and local levels. Among these, I would include welfare, medicaid, food stamps, education, community and regional development.

"It is not enough to say that under the leadership of the majority party we have the most irresponsible Congress in the memory of any one of us. A handful in both House and Senate valiantly fight a rear guard action against the excesses of the majority, but the tide of inflationary measures, unwise energy proposals and needless harassment of the productive sector, rolls on inexorably.

"The result is a fourth branch of government -- a permanent structure of unelected employees determining policy to a greater extent than most of us know. And this has led to an interlocking bureaucracy -- what I have referred to as the Washington buddy system -- that involves not only the Congress and government bureaucracy, but a growing body of employees representing other levels of government, labor, business and a host of special interests. As the federal government has expanded into new fields, these others have grown in numbers because of the necessity of dealing with the increasingly complex structure of government. Inevitably they find their personal interests are intertwined. If the federal bureaucracy is eliminated, there will be no need or place for them. And so they feed on each other.

"These are not evil men, but they are a part of a system and soon their original purpose becomes involved with perpetuating the system.

"As Parkinson said: Government hires a rat catcher and soon he becomes a rodent control officer. He's not about to eliminate the reason for his job.



"Let me give you a recent example. Early last month, a group of large corporations announced it would mount a major lobbying campaign to persuade Congress that we should sign a new treaty with Panama, giving away the canal. They are very frank as to why they are doing this. Their business interests in Central America have been threatened with sabotage and destruction if we don't give in to the military dictator's demands. Apparently the idea did not originate with them, but with our own State Department.

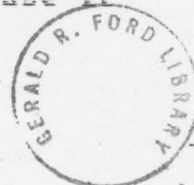
"Those within the framework of that buddy system strive to meet the nation's needs, but the system very often comes first.

"The transition from federal to state control should be phased and orderly, but I believe it should be up to the people of each state to say how much they wish to pay for such programs. Given the facts, I believe they will act with good sense and compassion.

"These programs can be better and more cheaply administered at the state level. Of course, you will not get uniformity -- but what is so sacred about uniformity. Indeed, our strength has always been diversity and it is diversity, not conformity, we should seek.

"It is true that states assuming some of these programs will have to raise taxes, but this will be more than offset by the reduction at the federal level because I assure you these programs can be administered at lower cost by the states.

"I know there are states that receive more from the federal government in aid than they send to it in the form of taxes. But they will have more to spend on themselves if the federal government is forced to reduce its own expenditures. Government should be forced to balance its budget; and forced to return back to the states much of the tax base it



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has preempted. Sometimes when you hear this talk, that some states couldn't get along without help from their sister states, remember New York is one of those sister states. I wonder if anyone is suggesting that New York is in a position now to help any other state in the Union.

"I am confident that the American people are ready to demand that the federal government gets its weight off their backs and its fingers out of their pockets and purses.

"Unless we pick leaders who are willing to go over the head of the system and take the people's case to the voters, to the citizens of the 50 states, we are doomed to a never-ending, never-successful struggle.

"Sometimes when you are up to your elbows counting alligators, it is hard to remember your original objective was to drain the swamp.

"Ladies and gentlemen, I think we can take on the system. I think the people want us to, and expect us to. I think that until we do -- and when I say 'we', I mean we Republicans -- I think that until we do we are not only failing our trust as Republican leaders, but we are also failing our trust as concerned Americans. For, until we do, we will never rally to our side those disaffected non-voters who have quit voting, not out of apathy, but because they no longer believe they can influence government to make it responsive to their needs.

"Nor will we attract those Democrats who have had it up to their necks with big spending social programs that interfere with their lives; big inflation that robs them of both jobs and money; and big cuts in national defense that leaves the nagging worry that America may not be able to defend herself in time of need.

"Our task is no longer one of selling our philosophy, our Republicanism, to a citizenry enthused about government, confident of government's ability to be the horn of plenty granting instant utopia.



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"A few years ago, more than three-fourths of all Americans did hold such a belief. No longer! Today, more than two-thirds of our people -- Republicans, Independents and Democrats alike -- are convinced they are not getting their money's worth from government.

"Even our opponents are aware of this, as their campaign rhetoric shows. In the leadership gathering in Louisville -- officially named the National Democratic Issues Conference -- they milled in confusion as they faced the revelation that big government doesn't seem to work anymore. If there was consensus at all, it was that the only solution for the problem of big government is bigger government.

"The hall rang with such phrases as 'welfare mess', 'food stamp rip-off' and the 'busing failure'. But still they cheered and applauded the familiar old tunes they've lived with for 40 years -- the recommendation for public ownership of corporations. Another stressed that 'we can't have a master plan for society run by Washington elitists', and then proposed a National Institute for Planning to be established by the federal government.

"One of their bright new breed of young Governors, who has beguiled the press by walking to work and declaring that the federal system as it is set up is not working, told the disciples, 'We have seen enough of failing great social programs and the bankruptcy of New York City to conclude that something is radically wrong and that more of the same won't do'. Having delivered himself of lines which any Republican could embrace, he then proposed a national health insurance plan, nationalizing transportation, a federal energy program and a federal guarantee of a job for everyone.

"They suffer from a kind of political schizophrenia. They know the problem, but can only solve it with more of the same doctrinaire liberalism that caused it in the first place.

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"In 1972, we had the votes of millions of patriotic Americans, mainly because for the first time they understood what the Democratic leadership had done to that party and to this nation. This time, we can give them a more positive reason for voting. We can prove if we are willing to take the high road that there is a difference between the parties and that we will not dilute that difference for political expediency, we will not compromise our principles. All we need to do to turn this country around and point it in the direction in which we believe it should be going is to offer it a banner around which to rally -- the banner of Responsible Republicanism."

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PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS NBC RADIO AND
TELEVISION PROGRAM TO "NBC'S MEET THE PRESS."

M E E T T H I S P R E S S

Produced by Betty Cole Dukert

SUNDAY, DECEMBER 14, 1975

GUEST:

THOMAS P. O'NEILL, Jr. (D., Mass.)

Majority Leader, House of Representatives

MODERATOR:

Bill Monroe - NBC News

PANEL:

Catherine Mackin - NBC News

Neil MacNeil - Time Magazine

Walter Hears - Associated Press

Robert Novak - Chicago Sun-Times

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This is a rush transcript pro-
vided for the information and
convenience of the press. Accu-
racy is not guaranteed. In case
of doubt, please check with

MEET THE PRESS

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1 MR. MONROE: Our guest today on MEET THE PRESS is the
2 Democratic leader of the House of Representatives. He is
3 known informally as Tip O'Neill, formally as Thomas P. O'Neill,
4 Jr. Congressman O'Neill, a close political associate of
5 Senator Ted Kennedy has represented Cambridge, Massachusetts
6 in the House for 23 years. He is likely to become the next
7 Speaker of the House if Speaker Albert retires next year.

8 We will have the first questions now from Catherine
9 Mackin of NBC News.

10 MS. MACKIN: Mr. O'Neill, do you think the United States
11 should become involved as we apparently are in the war in
12 Angola?

13 MR. O'NEILL: Well, interestingly about the Angola
14 situation, I talked with the Speaker of the House last
15 night. He hadn't been informed by the White House or by
16 Mr. Kissinger; I as part of the leadership have not been.
17 I don't know of any / ^{member} in the leadership who has been contacted
18 by the Administration or by / ^{the} State Department.

19 I do know that the Pike Committee has been informed,
20 and I do know that the International Relations Committee has
21 been informed.

22 We should have known about it through the years, that is
23 the government itself -- in 1964 when this was before the
24 panel of the UN, this was the one issue that the United States
25 was on the same side with Russia, on the decolonization of



1 Angola, taking it from Portugal and making it an independent
2 nation.

3 I would have to say at the present time, this is one
4 of the most serious problems that the Congress is coming back
5 to, tomorrow. The press over the weekend has really caught
6 the House by surprise. I have talked with some of the
7 members of the committee. They have been briefed. Mr. Pike
8 is asking for a report within 48 hours: How did we get in
9 the position we are in? What do we do about it? where are
10 we going from here? Who made the decision that the CIA should
11 use \$25 million in funds and \$25 more million in funds are
12 about to be used? What about the budget of \$65 million that is
13 brooded about they are asking the Congress? These are the
14 questions that the Congress wants.

15 The young members of the Congress that I have talked to
16 within the last 48 hours are appalled at the fact that we
17 are even in there. It is a question that within 30 days the
18 African nations are having a conference; I think we ought to
19 wait until we find out what the result of that is. Are we on
20 the right side? There are three divisions over there. The
21 Russians are supporting one. The other two seem to be together.
22 The northern group and the southern group against the group
23 that are in the middle. It is a question that is facing the
24 Congress, without any knowledge -- let me just say this.
25 I know the feeling of the Congress is, no troops, no advisors,
no Americans whatsoever, I can assure you, will be sent to
Angola.



1 MS. MACKIN: Was this a repetition then in some manner
2 or form of the Vietnam involvement? How we began to get
3 involved in Vietnam?

4 MR. O'NEILL: Well, in Vietnam, of course, we sent ad-
5 visers over there, technicians and things of that nature and
6 eventually we sent troops over. I can assure you we are not
7 going to do that. That is not the will of the Congress of
8 the United States.

9 The newer members would be absolutely apalled and there
10 would not be reaction.

11 This is one of the questions that has been facing the
12 country and that the Congress is so tremendously upset about:
13 Who sets the policy in a thing like that? Who says we should
14 send the CIA in? Who decided what group that we should be
15 with?

16 These are the things the Congress doesn't know. They want
17 to know, and they are going to find it out within this week.

18 * * * * *

19 MR. MAC NEIL: Congressman, everyone seems to agree that
20 President Ford is a nice guy but there is growing concern,
21 if not alarm, that he has the capacity to serve as the
22 President. You have known him a long time. What is your judg-
23 ment of his skill as a politician and as a leader?

24 MR. O'NEILL: As the President of the United States, he
25 has been a complete disaster, there is no question about that,



1 and I must say I as one who voted to confirm him as the
2 Vice President when Spiro Agnew resigned.

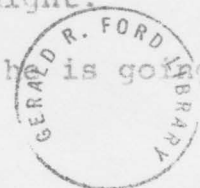
3 The truth of the matter is, you have to look at the
4 record and the record is such that unemployment has gone up from
5 about six per cent when he took over to a high of 9.3, and now
6 a 8.3 inflation has risen. Unemployment is at the rate of
7 \$7.7 million. He has no positive programs.

8 Now, in retrospect, as I look at my vote that I made,
9 should I have voted for him; should I have known that he was
10 going to be this type of President? Yes. He was always one
11 that was swimming against the stream. There was never any
12 extreme leadership; there was never anything for progress for
13 the country. He was one who -- it is a question of whether he
14 was right, or right of right. He was always trying to cut back
15 programs. Never with any definite ideas to improve the
16 country.

17 So, what I have to say, he has no qualities of leadership
18 and he has been a disastrous President.

19 MR. MAC NEIL: He has suffered a sharp fall in his standing
20 at the polls. Will this make it easier for a Democratic
21 Congress to override his vetoes such as the tax extension cut?

22 MR. O'NEILL: Well, we have the tax extension cut. I
23 anticipate it should be on his desk on Tuesday and it could very
24 well be the veto would be back in the House Tuesday night.
25 But he vacillates so that I can't say for sure that he is going



1 to veto it. If you look at his whole program along the line,
2 he comes out strongly and says one thing and then, as time goes
3 along, he changes his mind. It could well be he will change his
4 mind by Tuesday.

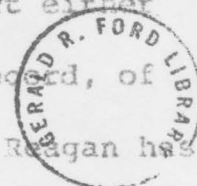
5 I would hope for the best interests of the country he
6 will change his mind by Tuesday. Will it make it easier for
7 us to pass a veto?

8 I have to look at the record for what has happened. He
9 asked for a \$395 billion budget. He talked with some of the
10 Democratic leadership the other day and he now says he is
11 interested in a \$406 billion budget. There is no earthly
12 rhyme or reason why he should veto this. This is going to mean
13 600,000 jobs in America, and an increase in inflation of 1.5
14 per cent, bringing it up to 9.5 per cent, but it is a political
15 issue. It is a political issue with him. It is the politics
16 of the thing.

17 He is trying to get right of Reagan and normally the
18 President of the United States, at a time like this, would
19 never be vetoing a bill of this type.

20 MR. MAC NEIL: Do you think it would be easier for a
21 Democratic candidate next year to beat President Ford or
22 Ronald Reagan?

23 MR. O'NEILL: I think the Democrats will defeat either
24 one of them very easily. Ford has an atrocious record, of
25 course, and Reagan's record as Governor, all that Reagan has



1 going for him is some charisma. To be perfectly truthful,
2 his record as Governor of California, he increased the tax
3 rate about 300 per cent and increased the budget a tremendous
4 amount of money.

5 Calloway -- that is a problem within the Republican
6 party right now, as to who is right of right. The Democrats
7 are going to win and they are going to win with whatever
8 candidate we bring forward. There is no question in my mind
9 that the American public wants at this time a President of
10 the United States and a Congress of the same party. They are
11 just sick and tired of the actions of eight years of the
12 Administration being of one party and the House being of another
13 party.

14 Mr. Mears. You mentioned the President's offer of what he
15 sees as a compromise on a \$406 billion ceiling as the price for
16 a tax bill.

17 Congress is in the process of approving now a \$375
18 billion ceiling for the current year. What is so drastic
19 to agreeing to \$406 billion?

20 MR. O'NEILL: It isn't the question of the agreement; it
21 is the question of the situation of the thing. First of all,
22 he came out that he wanted a \$28 billion tax cut and a \$28
23 billion cut in the budget. Then he changed and he said he
24 wanted a flat \$395 billion budget for the fiscal year 1977.

25 We are talking about starting with October of 1977.



1 is when the fiscal year 1977 starts.

2 Then the next proposal he had was a \$406 billion budget.
3 Well, the budget at this particular time is \$375 billion.
4 You have had an eight per cent increase, inflation rate, for
5 the last three years. That would automatically bring the
6 budget to \$405 billion, but we have a new process that is
7 going on and that new process that is going on is the budgetary
8 committee and the budgetary committee this year set a figure of
9 \$375 billion and, in doing so, we have saved the taxpayers
10 of America \$10 billion.

11 Now, the ordinary public isn't aware of the fact that
12 of the last seven budgets that have been sent to the Congress
13 of the United States by the Republican Administration, the
14 Congress of the United States has cut five of them.

15 In five instances in five years we have come in with a
16 budget lower than the President of the United States yet the
17 President will say "The wild spending Congress."

18 The people believe that. The people don't realize we have
19 actually cut the President's budget. We want to be under the
20 \$406 billion he is offering. We want to be under \$395 billion
21 that he is offering.

22 Take the budget of this year for example. He came in
23 with an increase for defense of 16 per cent. We gave them an
24 increase of 3 per cent. He cut back education, health
25 fare 13 per cent. We increased it 30 per cent.



1 We believe that the Congress of the United States has
2 got the priorities.

3 How do we know what is going to happen starting from
4 October on? This is purely political as far as the President
5 is concerned. He thinks this is a good issue that he's got
6 but it makes no sense whatever.

7 MR. MEARS: Is it not also political on the part of the
8 Congress?

9 MR. O'NEILL: No, there is nothing political about it.
10 We have a new system. Give us an opportunity. We are under
11 a trial this year. We have to have, by May 15th, a budget for
12 the United States. We will set at that time a figure. All
13 authorizations by committees must be in and passed and signed
14 by the President of the United States by May 15th. On May
15 15th we will give you a budget for the following year. All
16 we are asking the President of the United States is to hold
17 off and give us a temporary tax for six months.

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1 MR. NOVAK: Mr. O'Neill, you and Speaker Albert applied
2 the muscle recently, and the House Democratic Caucus defeated
3 an attempt to get a Constitutional amendment against
4 school busing on the Floor by a two to one margin. Now having
5 done that, do you have any plans for next year, to provide
6 some relief for your constituents and
7 other people from busing?

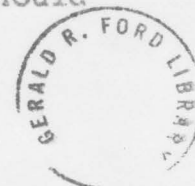
8 MR. O'NEILL: Well, the busing situation is a
9 situation, and Boston is caught in the turmoil. The truth of
10 the matter is, the question comes on the issue of segregation.
11 It is very costly busing. As a matter of fact, the polls,
12 I understand, whether it is black or white, 80 percent of the
13 people of Boston are opposed to busing.

14 MR. NOVAK: Do you have a statutory solution?

15 MR. O'NEILL: Do we have a solution?

16 MR. NOVAK: Yes, sir.

17 MR. O'NEILL: A very interesting fact about it is this:
18 It is obvious you are not going to get through a Constitutional
19 amendment. The vote of the Democratic Caucus showed that.
20 We have Richardson Pryor and Mo Udall. Both have filed legis-
21 lation. Richardson Pryor is a member of Congress from North
22 Carolina. He is a former federal court justice. He has filed
23 legislation, and he thinks that we can work it out legislative-
24 wise, and the Judiciary Committee doesn't feel we should
25 change the Constitution.



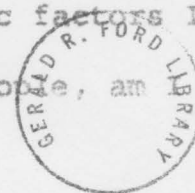
1 I as an individual? No, I am not an attorney. Is any-
2 thing being done in the Congress of the United States?
3 The Judiciary Committee and the various committees, at the
4 present time, realizing the great problem that has faced Ameri-
5 ca, realizing how this has faced the large cities of the
6 country, they are working on it. They are trying to do some-
7 thing about it.

8 MR. NOVAK: Would you agree with Senator McGovern that
9 any Democrat who favors a Constitutional amendment against
10 busing has no right to be nominated for President?

11 MR. O'NEILL: Well, no, I can't go that far at all. I
12 am opposed to it myself, to be perfectly truthful, but the
13 answer is no. I think McGovern is wrong on that. Maybe Mc-
14 Govern is looking for an issue for himself to get back in the
15 fight, but there is no question in my mind you are talking
16 about an issue that is not going to take place. It is not
17 going to pass the Congress of the United States.

18 MR. NOVAK: You are still supposed to represent your con-
19 stituents, sir. Do you think your constituents in Charlestown
20 approve of you applying the muscle to prevent a Constitutional
21 amendment from even reaching the House Floor?

22 MR. O'NEILL: No, but that is one of the things that
23 they will have to weigh when they weigh my record as having
24 served that district for 23 years. Do the economic factors I
25 do for the area, the representation I give the people, am



1 not entitled to my own viewpoints on a matter? Do they expect
2 me to come down here, because the great majority of the people
3 are for the legislation, that is the way I vote? No. They
4 know better than that. They have had confidence in me during
5 the years, and I feel I will be reelected, despite the issue
6 of busing. Busing to me is a sad issue. I am sorry, we have
7 to live within the law, and that is all there is to it. I
8 hope we can come up with legislation that will cure it.

9 MR. MONROE: If the President vetos the Tax Extension Bill
10 will the House override the veto?

11 MR. O'NEILL: I would hope we would override it, because
12 the factors that will happen -- it is a sad thing when you
13 consider the fact, here it is on the eve of Christmas. A
14 family of four making \$8,000, that means four dollars a week
15 to them. How about the person who is out budgeting something
16 to make a merry Christmas for his youngsters, and he finds out
17 that after he has given it to them, the first of the year comes
18 around and there is now \$4.00 taken away in the money he
19 wanted to give the budget. But there is a million reasons --
20 It means
21 / 650,000 jobs in America, it means increase in inflation.

22 We have got to face the fact of what has happened along
23 the line. This is a political issue between Reagan and the
24 President of the United States. I would have to say that we
25 will override the veto of the President of the United States,
unless the President of the United States comes up and really



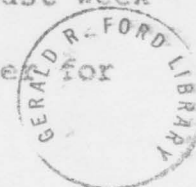
1 does arm-twisting to the members of the House.

2 When we had this bill before us, you have to take into
3 consideration that we only beat the previous question by 20
4 votes, we only passed the bill by 31 votes. They were follow-
5 ing along on the issue that we should have a flat \$395 billion
6 ceiling. They were following the wishes of the President of
7 the United States. Now it comes down to the crux: Will he
8 veto it? He says he will veto it. He has changed his mind
9 along the line. I think we will override his veto.

10 MS. MACKIN: Mr. O'Neill, do you think reporters, when
11 we are out covering candidates, do we cover their personal
12 lives? Should we tell people whether they drink or they
13 don't, whether they are faithful to their wives or not?

14 MR. O'NEILL: That is a very interesting question.
15 I kind of resent, myself, as a man of public life, those who
16 go snooping around to find out -- fortunately, I have a family
17 that is very closely knitted, and I have tried to lead a life
18 that I can be proud of, but to be trailing a candidate to
19 see if you can find the inequities in his life, I don't think
20 it is fair. I don't think the American public likes it, to be
21 perfectly truthful. I think a man should be judged on his
22 public service and the record that he has in public office.

23 MR. MAC NEIL: Congressman, you mentioned the unhappiness
24 of the House leadership on the Angola situation. Last week
25 there was an abortive attempt to cite Henry Kissinger for



1 contempt of Congress. Why is Secretary Kissinger so
2 unpopular in the House of Representatives?

3 MR. O'NEILL: Well, there was a time when Kissinger was
4 able to mesmerize the Congress. He was a new voice, he was a
5 new person, he was an international figure. They had great
6 respect because of his knowledge and the manner in which he
7 was able to field questions. He was always willing to come
8 before the briefings that the Congress has. You have the aver-
9 age Cabinet member up there, he doesn't have 25 or 50 people.
10 When Kissinger came up, he would draw 350 people and would
11 field the questions well.

12 Now the point has come in fielding those questions, well
13 they find there are an awful lot of mistakes and misanswers.
14 One time he answers one way and another time he answers
15 another way. His credibility isn't as good as it has been
16 in the past. They think he has an inflated ego. They think he
17 has been making decisions on himself. In many instances,
18 probably without the President's advice. But in all instances
19 for the most part without the Congress.
20 The Congress wants some input. The Congress at this particular
21 time, as far as Kissinger is concerned, I would have to say
22 that he is pretty low in the esteem of the Congress, in
23 as comparison where he was so terrifically high a couple of
24 years ago.
25



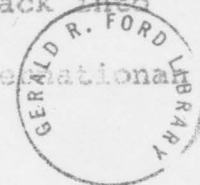
1 MR. MEARS: Mr. O'Neill, at the start of this Congress
2 the House underwent some rather drastic changes in the name
3 of reform, in committee chairmanships and the seniority
4 system. You had about one full session under this new system
5 now. What has happened as a result? What is different?

6 MR. O'NEILL: Well, there is openness in Congress; there
7 is input in Congress. The new members are alert, keen, able,
8 talented, with new views. Because of what has happened,
9 putting new members, for example, on the Ways and Means
10 Committee, we have been able to get a tax reform bill out that
11 is now pending in the Senate. We have had open executive
12 sessions. I think all this augers well for the country. I
13 think the reforms that we have done was something we needed for
14 years. There hadn't been really a reform since 1946 and we
15 should review ourselves and we hadn't reviewed ourselves until
16 we made the change.

17 MR. MEARS: Is there anything on the books that affects
18 the average citizen that wouldn't be there if you hadn't made
19 those changes at the start of the session?

20 MR. O'NEILL: No, I would have to say there probably
21 isn't, but there is more openness in America. The people are
22 more acquainted, more knowledgeable about their government
23 than they have ever been before.

24 Now, why do I say that? I say that because 92 new
25 members were elected to Congress. They have gone back into
their districts; they have talked about issues, international



2
1 and national. They have given better reporting. They have
2 had Town Hall meetings of the area around their districts.
3 They have mobile units go around. The people are more
4 acquainted and more familiar with their Congressmen than ever
5 before. There is more openness in government and I think
6 that is good for the country.

7 MR. MONROE: We have about two and a half minutes.

8 MR. NOVAK: Mr. O'Neill, over the last year you have been
9 very active and very successful in cutting off aid to Turkey
10 as a result of a Turkish invasion of Cyprus.

11 Now, the other day, when the Israeli airplanes, which
12 are obtained from the United States, bombed civilians in
13 Lebanon, I didn't see you making any proposal to cut off aid to
14 Israel. Can you explain why that is?

15 MR. O'NEILL: Very easily. That is a complete difference.
16 There is no comparison in the issues. When the Greeks under
17 Sanson had invaded Cyprus and the war was over and the
18 Greeks and the Turks and the Cypriots were sitting at Geneva,
19 it was then that the Turks invaded, when there was no war going
20 on.

21 They invaded with 40,000 troops using American arms,
22 and they overran the country.

23 Now, what has happened here is that the Israelis have
24 been fighting PLOs for years and they had reason to believe,
25 or knowledge, that the PLOs were using this particular area as



1 a base and they say there were even missiles there. And
2 so, consequently, it is a question of being able to defend
3 yourself against an attack that you are anticipating rather
4 than an invasion the Turks made when the war was over.

5 MR. NOVAK: Do you commend that use of American aid
6 then to bomb civilians?

7 MR. O'NEILL: I don't commend anything. I am a pacifist
8 by nature. I would like to say there will be no wars whatso-
9 ever but certainly in this particular instance there is no
10 comparison in the analogy you are trying to make.

11 The Israelis have no other alternative but to protect
12 themselves, and when you know somebody is laying across the
13 line with missiles pointed at you, you have no other alterna-
14 tive but to go in and smash them.



1 MS. MACKIN: A couple months ago, Mr. O'Neill, you said
2 that Senator Kennedy said for you to keep him alive in the
3 Presidential sweepstakes, or whatever you want to call it.
4 What's the latest word on that? Are you keeping him alive --

5 MR. O'NEILL: Well, very interestingly, I talked with Ted
6 last week. I said, "Ted, after the caucuses that were held in
7 New York, after the caucuses were held in Massachusetts, no-
8 body emerged. Do you want me to put you back in the fight?"

9 He said, "No way. I am not a candidate for President of
10 the United States."

11 MS. MACKIN: Do you believe that?

12 MR. O'NEILL: I do.

13 MR. MONROE: We are about out of time. Thank you very
14 much, Congressman O'Neill, for being with us on MEET THE PRESS.

15 * * * *

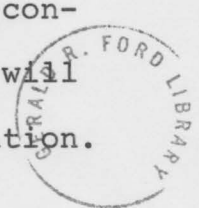
16 NEXT WEEK: William Seidman, Assistant to the President
17 for Economic Affairs
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EXCERPTS FROM REMARKS - Conway, N. H. - Monday, January 5, 1976

(1) A Republican Congressman has revealed some very startling facts. He's chairing a subcommittee. Washington generates enough paper work each year to fill 50 major league baseball stadiums. Ten years ago the Federal government had 3,800 different forms. Today there are 6,000, not counting the Internal Revenue Service which has another 4,000. The 6,000 are generated by 3,500 bureaus, agencies and services that maintain 8,000 separate record systems. And still, with all that record keeping, the Social Security couldn't tell..could tell a man that he was dead and shut off his disability amounts. And, when he appeared before them in the flesh--very much alive, they still couldn't figure out a way to get his payments restored. But he managed by for awhile, because they gave him several hundred dollars to pay for his funeral.

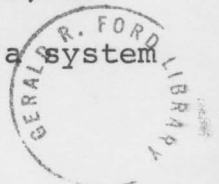
(2) Some of you here tonight, I know, must have paid into the Social Security program month after month, year after year, in the belief that you'd have a monthly benefit check as long as you lived. Now you're told there is a great imbalance in Social Security--that it's been as badly handled as the government has handled all its other finances. It's in need of overhaul, but there is one thing that must be made unmistakably certain, any reform must have as its first priority a guarantee that all who were counting on Social Security for their livelihood will continue to receive their monthly check and that the benefits will not decline in purchasing power...will keep pace with inflation.



Reform there must be. There are inequities begging to be corrected. Take Federal employees, for instance. As a group, they decided a long time ago to stay out of the Social Security system, opted instead for their own pension program. And yet, some of them retire on those pensions at normal retirement age and then they get a job out in the private sector for a relatively short time, quit and then draw full Social Security benefits along with their Federal pensions.

And, if you work 35 or 40 years in the private sector, retire at age 65, you can't even draw your full Social Security benefits unless you earn no more than \$2,760. Women are treated unfairly under the system. A woman must be married to her husband 20 years before she gains any right to his Social Security benefits. A homemaker bears and raises children but for some reason she and her husband are divorced after, say, 18 years. She doesn't get a nickel of his benefits when he retires. It's an inequity that should be corrected. A great many working women pay into the system while they're working but get nothing back. If a woman works and then retires, she gets nothing extra if her half of her husband's benefits is more than her own would have been individually. So, she pays into the program and gets nothing back.

Or, take the case of two different men reaching the age of 65. One was president of the company, made good money and invested it. He retires with enough to live on from his investments. He also is entitled to his Social Security benefits. The other man, say he is a plumber, same age. He'd like to work just for a few more years --maybe to pay off the mortgage. But, if he does, he can't earn more than \$2,760. There's something wrong with a system



EXCERPTS FROM REMARKS - Whitefield, N. H., Tuesday, January 6th

I know that some of you here today paid in for months-- years--into the Social Security program in the belief that it would.. you'd have a monthly benefit check as long as you lived. Now, even Washington is admitting that there is a great imbalance in Social Security, that it's been as badly handled as all their other money affairs. It is in need of an overhaul, but there's one thing that I think must be made unmistakably clear to everyone. Any reform must have as its first priority a guarantee that those who must depend on Social Security for their livelihood will.....

(Tape ran out, but remarks appear to be basically the same as those made in Conway on 1/5/76)



that won't allow people who want to work, and can work, to do so after age 65 without giving up the benefits they've paid for.

The system is also unfair to younger workers. No one under 40 in America today stands to get back anywhere near as much as he put into the system. First, in any reform...as I say... we must recognize the rights of our retired citizens to their regular Social Security benefits, as well as the rights of today's workers who have been paying into the system. We must work to correct the inequities that I have described. Any other reform proposals should be studied with an open mind and with great care.

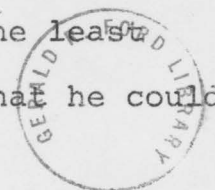
Down the road, it's possible the government might decide to make some option available to new workers entering the system, and if it does, it must make certain to do so...doesn't jeopardize today's retired people or workers in any way. And then, there is one reform that stands out above all others--that is for the Federal government to set a schedule for balancing the budget so that we can depend--those on Social Security--that their dollars will get as much next month as they will buy today or as they had bought in months past.



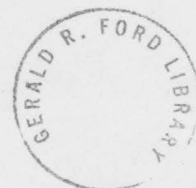
Conway, New Hampshire - Monday, January 5, 1976

QUESTION: Back in 1964, you supported Barry Goldwater and William Miller and I believe at that time--as a matter of fact I know--that you and Mr. Goldwater both recommended that Social Security be voluntary. Therefore, the whole program of Social Security, which is going to cost \$75 million dollars next year, would have been abolished because I don't know anybody below the age of--a lot of people below the age of 35--who can't say they don't want that program because they can do so much better with their own programs. How would you change now--when a great portion of your speech was for reform of Social Security rather than abolishing it?

REAGAN: People said that Barry Goldwater wanted voluntary Social Security. People said--have said since--that I abrogated the same thing--that in a speech that I made on the national network in behalf of Barry Goldwater about 10 days or so before the election. You will find that the voluntary features that I talked about were the same things that I mentioned tonight, including such things then as the fact that today you pay in to what we're told is an insurance program but you cannot name your own beneficiary. For example, I used the example in that speech, that a young man raised by an aunt--not his mother--raised by an aunt, paying into Social Security, has an accident, dies--his aunt who has raised him from childhood cannot inherit his benefits as his mother could because she's not his mother even though she served as his mother all those years. And I said that, certainly, the least that you could do is let the individual paying in do what he could



do with an insurance company and name his own beneficiaries--who he wants to receive the money when he is gone. I named a number of other areas at that time, but no, at that time Barry Goldwater and I, following suit, were trying to warn the people of this country that Social Security was based on some false assumptions but, unfortunately, we were only warning of something we felt might--that we thought was going to happen. Today, Social Security must admit that it is two and a quarter trillion dollars out of balance by actuarial standards. Now, the time is at hand to reform and make sure that some generation of Americans is not going to find the cupboard is bare when they want that money. But to do it, I will tell you now, you cannot put this program in balance without all of us participating. Maybe some place down the road--some day there might come a time where you could introduce some other features into it, but right now all of the plans that I know that are being talked about by economists are based on plans in which the compulsory features of participation would remain.

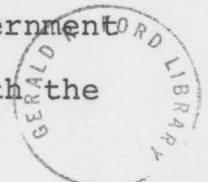


Plymouth, New Hampshire - Wednesday, January 7, 1976

QUESTION: Governor Reagan, recently I read an article in the newspaper where there was \$255 million diverted from the Social Security Fund, which is almost broke, and it was sent abroad as foreign aid where there were 9 Cadillacs bought for some shieks and...over in Iran or somewhere. What would you propose could be done to eliminate the waste of the old people's Social Security money?

REAGAN: Well, I think there is a complete reform needed in Social Security. I don't know about that particular incident, but I do know that Social Security is now two and a trillion quarter dollars out of balance on an actuarial basis and it must be reformed. But what I have insisted on is that any reform must be started with the first priority and that is the guaranteed protection of the payments to those now receiving them and those who are counting on them for their retirement years. But then, it must be put on a sound basis.

The Social Security Fund--Trust Fund--is supposed to be a fund to pay for a year or two of Social Security if there should be a calamity such as 1929 in which there wouldn't be the incoming money to pay the benefits. The truth of the matter is, that Trust Fund is down to about 9 months, but worse, the Trust fund is not in cash. The government has replaced the Trust Fund with bonds. Now, if you hold a government bond, it is an IOU from the government, but how in the devil can the government give itself an IO Me? And that is what they have done with the



Social Security Trust Fund and it has to be reorganized.

The projections of Social Security were based on a belief that the number of workers would increase faster than the number of retirees. That has been reversed. The number of retirees is increasing faster than the number of workers and today three workers, with their pay roll tax, are supporting one recipient of Social Security. That is why there has got to be a fundamental reorganization of the program, but always with the guarantee that they are not going to doublecross someone that they have promised they are going to help.

