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[1975]

I could do the political thing, or what many people think the political thing is. Well, let me tell you that in the long run the best political thing is what is good for the country. We have seen governmental bodies do so the so-called political thing—wheel and deal, ~~with the same old, same old~~ fiddle with ~~the same old~~ figures, practice sleight of hand—now there's a deficit, ~~now~~ now there isn't—and in the end it turns out to be The reality catches up with you and the people catch on, the non-political thing. ~~you know.~~ you know.

Let me tell you something about politics, ~~that I learned~~ that I ~~learned~~ learned from history, from the best ^{single} teacher this country ever had and, incidentally, the best Republican I know ^{of.} He said "You can fool some of the people some of ~~the~~ the time, and you can fool some of the people all the time but you can't fool all the people all the time."

Honesty is the best politics in the long run. And I am here for the long run—both in this place I now occupy and in the history of this country. The truth at this point is that we have to cut our costs. Else we will not ~~be~~ be able to do ~~the~~ TK and TK all of which we must do. and TK, ~~The~~ ~~facts~~ facts must predominate. This does not mean that where genuine need is involved that we will turn a blind eye or insist on a course of action at the expense of the ill fed, ill housed and ill clothed. It ~~does~~ does mean that ~~the~~ ^{the} boondoggles, the ~~traditional~~ traditional programs, outdated and unneeded in which this group or that has acquired a vested interest, must go. We must ~~put~~ ^{put} our money where the need is—whether it is defense in a very chancy world, or ^{the} assistance to ~~the~~ people who cannot find

~~work~~, or ⁱⁿ supplementary aid to families below the poverty ~~level~~. I pledge myself to the needy and the helpless, ~~not to~~ ~~vested~~ ~~interests~~ who have made poverty into a major business.

I have been portrayed as a servant of the interests, a friend of big business. This is good rhetoric but bad logic. ^{Our} ~~is~~ a capitalist system and I ^{trump} believe in that system. But I really mean ~~the~~ the capitalist system, I really mean free enterprise. I mean competition. I mean a system ~~in~~ in which ~~business~~ profit ~~because~~ because they give us the most for our consumer dollar. I do not intend to assist monopoly to en^{trench} itself. I am directing the regulatory ~~agencies~~ agencies and the Justice Department to systematically inquire into the working^s of our ~~competitive~~ competitive system, to ferret out instances in which it ~~being~~ abused and to proceed to restore competition. This means ~~simultaneously~~ simultaneously that some of these agencies have got to stop over-regulating, in the sense that they mandate fixed prices and restrain competition whether it is ~~among~~ among railroads, airlines, or between companies setting so-called fair trade prices. But ~~they~~ ~~the~~ ~~other~~ ~~hand~~, ^{this also means that} where they find an ^b absence of competition, evidences of collusion to fix prices^{or} to divvy up markets ~~in~~ in such a way as to inhibit competition, then ~~they~~ they ^{must} act vigorously to regulate in ~~such~~ such fashion as to break up these illegal and un-capitalistic practices.

MORE TK

[1975]

Now, as I indicated in Brussels at a press conference, we are concerned about developments in Portugal. We do not believe that a Communist-dominated government in Portugal is compatible with NATO.

Now, it has not reached that stage yet, and we are hopeful that it will not, and some of the developments in the last several days are somewhat encouraging. We certainly have a concern, and a care, and a great friendship for the Portuguese people, and we will do what we can in a legitimate, proper way to make sure that the rights of the Portuguese people are protected.

QUESTION: Can I also ask you in brief connection with this, do you then see that the European Security Conference is likely to come off as the Russians would like to have it come off, in late July, in Helsinki?

THE PRESIDENT: There have been rather protracted negotiations involving the European Security Conference. It didn't look, a few months ago, that there would be any conclusion this summer, but there have been some compromises made and there may be some others achieved that would permit a summit this summer in Helsinki, but it has not yet reached the stage where I could say there will be a summit because the compromises have not been finally achieved.

QUESTION: Mr. President, there has been a good deal of curiosity about your recent meeting with Governor Connally. Do you expect him to take part in the campaign next year, or is he going to run himself?

THE PRESIDENT: Well, John Connally is an old and a very dear friend of mine. He is a man who has had vast experience in Government. He was Governor of the State of Texas for four or six years, Secretary of the Navy under President Kennedy; he was Secretary of the Treasury under President Nixon.

He is the kind of person with this experience who can be very helpful in giving advice, and we had a very broad discussion on a number of matters involving domestic affairs and foreign policy.

I hope in the months ahead that I can have future meetings of this kind with John Connally because I admire him as a person and I respect his experience, and ability in Government.

I don't know whether he is going to run for any office or not. He didn't indicate that to me, but he does have a great interest in Government and he said he was going to be interested in all aspects of policy, both domestic and foreign.

MORE



QUESTION: Mr. President, would you update us on your own campaign plans; when and how you plan to announce for the nomination and how much money your committee intends to raise in the primaries; whether you expect to face any primary opposition?

THE PRESIDENT: I did authorize, a few days ago, the filing of the necessary documents for the establishment of a committee so that money could be collected and disbursements could be made. Dean Burch was indicated as the Chairman, and David Packard was indicated as the Treasurer.

This organization is the foundation of what we intend to do, and within a relatively short period of time, I will make a formal announcement that I will be a candidate. I have said repeatedly for some time that I intend to be one.

We have taken one step, another step will be taken very shortly and we expect to raise sufficient money to put on a good campaign. It will be run exactly according to the law, and I don't know whether we will have pre-convention opposition or not.

It has always been my philosophy in politics that you run your own campaign, you run on your record, and you do your best to convince delegates they ought to vote for you.-- and the people, that they ought to vote for you. I never really predicate my plans on what somebody else might do.

QUESTION: Mr. President, I would like to ask you, sir -- you said if the Arabs hike their oil prices, or there were another embargo, it would be very disruptive for the economy. You have also said recently that the recession has bottomed out, or is bottoming out.

May I ask you, what will happen to your predictions, that the recession is bottoming out, if the oil producing nations hike the price of oil by \$2 to \$4 a barrel, as they are threatening to do this October?

THE PRESIDENT: If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economies of Western Europe, Japan and, probably, an even more adverse impact on the economies of the developing nations. It would have an adverse impact world-wide.

I think that it would be very unwise for OPEC to raise their prices under these circumstances, because an unhealthy economy in the United States and world-wide is not in their best interest.

MORE

[1975]

[Handwritten signature]

STATEMENT BY THE PRESS SECRETARY

The President wants it known that this story is untrue. The President held no such meeting. He definitely plans to run for election in 1976. Any reports to the contrary are wrong.



[1975]

Deleters

PRESIDENT on VP

Political
File



My great admiration for Nelson Rockefeller is very well known. I selected him for Vice President because I respected his judgment, experience and ability. I wanted a "good partner" for a Vice President and he exceeded my expectations. He has done a fine job in every way.

Both of us in these coming months will be submitting ourselves to the will of the delegates to the Republican National Convention in 1976. I am confident both of us can convince the delegates that individually and as a team we should be renominated.

File Connie Chung

[June 1975]

~~CRONKITE:~~ The Republican County Chairman and the Party's State Executive Committee today endorsed President Ford for election next year but on Vice President Rockefeller, host of the luncheon session, they took no stand. Connie Chung has the story.

CONNIE: Publicly New York State Party Chairman Richard Rosenbaum said Rockefeller did not want a personal endorsement.

ROSENBAUM: Vice President Rockefeller's immediate response was that he preferred and strongly felt that we should endorse the President but that we should not endorse him.

CONNIE: But CBS News learned that Conservative opposition to the Vice President prevented unanimous approval of a Ford/Rockefeller endorsement.

Wrong

Conservatives refused to include Rockefeller in the resolution unless Party leaders also agreed to endorse N.Y. Senator James Buckley in his bid for reelection. Rockefeller said he was not embarrassed at all because his Party was acceding to his wishes.

CONNIE: The fact that your own State is not endorsing you, is that some kind of indication that you will not be on the ticket?

VICE PRES.: No Mam, I don't know anything about whether I will be on the ticket or not but I do know that I don't want to see the New York State Republican Party put pressure on the President as far as I am concerned to do anything to do with me.

CONNIE: Rockefeller's absence from the endorsement was seen by some as an attempt by some to keep the lid on conservative opposition. Tonight Rockefeller will return to this ballroom as a guest speaker for the State Party's annual fund raiser.



WATMAN

Politics File

8/6/70

You want to win -

—

Gene Ford is only a
blew who can win
in 1976 -

Gene is a 12 per -
cent a bit of a front -
Who are mentioned, is
not going to win.

What kind of proposals?



File

Politics

June 10, 1975

Dear Dick:

You have told me that the Republican State Committee would like to pass a resolution, at its meeting on Thursday, endorsing the President and me for nomination as the Party's candidates for President and Vice President in 1976.

In endorsing the President for the Presidential nomination, the Committee would be acting in the highest public interest. We have a great President in the White House. As those who are close to him know, and the public is becoming increasingly aware, he stands out above all others on the national scene in the qualities of strength, courage, integrity, perception, balance and leadership that are needed to take us safely through our present troubles.

But the office of the Vice Presidency is something else again. As has been often said, one doesn't run for Vice President. True, the National Convention nominates the Vice President, as it does the President. But, following the nomination of the President, his recommendation to the Convention as to his preference for Vice President has traditionally been decisive.

Whatever others may do, there will be no effort on my part to put the slightest restraint on his complete freedom to make that choice, after he is nominated, in the light of the national interest as he sees it at that time.



This being my position, I must ask you to refrain from your proposed action, that might be construed as putting pressure on the President in my behalf.

With deepest appreciation for your interest and even more for your understanding, I am,

Sincerely,

/s/ NELSON A. ROCKEFELLER

The Honorable Richard Rosenbaum
Chairman
New York Republican State Committee
315 State Street
Albany, New York 12210

June 16, 1975

File
Political

Pat--

Make a note that today, Saturday, June 14, the President told a Georgia Republican group in regard to questions about whether he was going to ~~run~~ run, he said, "We've got New York, Pennsylvania, Michigan and Ohio locked up;..."

Jim Cannon

Political file

This Copy For _____

NEWS CONFERENCE

#247

*File
76 Politics*

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:14 P.M. EDT

JUNE 16, 1975

MONDAY

MR. NESSEN: Good afternoon.

I think you know about the arrival ceremony for President Sheel and the remarks there, which you covered.

The two Presidents are meeting in the Oval Office now, and there will be another ceremony. If the weather permits, it will be in the Rose Garden at 12:45, so we ought to try and finish by then.

In this ceremony, President Scheel will officially announce the establishment of the John J. McCloy Funds For American-German Exchanges. The fund will have a \$1 million capital and is a gift of the Federal Republic of Germany as part of its contribution to the American Bicentennial. It is also intended as a tribute to John J. McCloy in recognition of long work for the cause of German-American relations.

You will probably recall that Mr. McCloy was the U.S. Military Governor and High Commissioner for Germany after World War II.

The fund will be administered by the American Council on Germany, a private, non-profit corporation of which Mr. McCloy is Chairman of the Board. The purpose is to provide exchanges between the United States and the Federal Republic of Germany in areas not covered by existing programs.

The primary emphasis will be to exchange the young people of the two countries, including politicians, representatives of the professions, trade unionists, journalists and other young potential leaders.

There will be remarks by the two Presidents at this ceremony. That is for open coverage, and recording and filming. As I say, if the weather holds up, it will be in the Rose Garden.

MORE

#247



You know that tonight at 8:00 the President and Mrs. Ford are having a State Dinner in honor of the President and Mrs. Scheel. There will be open coverage of the arrival at the North Portico and the staircase photo, and then the toasts and entertainment will be covered by a pool. Those of you in the pool for the toasts and entertainment will need to wear a black tie.

We have two bill-signing ceremonies here today.

Q Ron, a question about the entertainment here tonight. Could you give us some idea as to who it is that decides and how they decide who the entertainment will be, like Ann-Margaret for the Shah, and Tennessee Ernie Ford for the President of West Germany? Could you give us something about this?

MR. NESSEN: I don't know if you are aware of President Scheel's interest in American folk music, but he has that interest.

Q I see.

MR. NESSEN: So the entertainment is picked partly according to the taste of the visitors and partly according to the tastes of the President and Mrs. Ford.

Q Does the Shah have a taste for Ann-Margaret? (Laughter.) All right, I withdraw the question.

MR. NESSEN: Two signing ceremonies today, one at 3:00. It is the Emergency Livestock Credit Act. This will be signed in the Cabinet Room with coverage. We will have some fact sheets before that time.

At 3:30 there will be another ceremony in the Cabinet Room at which the President will sign the appropriation for the Summer Youth Employment Act, and there should also be a fact sheet on that.

Q Is this the first non-veto submitted?

MR. NESSEN: No, I think he signed a few other bills, Helen.

Tomorrow morning, so you can plan your day, the President will be going to the Washington Hilton to make a speech to the Washington Conference of the National Federation of Independent Business. The President will be speaking at 10:00 in the Ballroom of the Washington Hilton.

Q Will there be a text?

MR. NESSEN: That is open for coverage. I hope we will get a text this afternoon and put it out for flat p.m.'s.

The travel pool should be here in the morning at about 9:30 for a 9:45 departure.

This organization, the National Federation of Independent Business, has a membership of 420,000. About 2,000 of those members are here in Washington to participate in the Washington Conference, which runs from today through Wednesday.

I want to announce with considerable regret that the President is accepting the resignation of Gerald L. Warren as Deputy Press Secretary to the President. I announce this with regret because Jerry has been a very valuable counselor and advisor to me and to the President in the nine or ten months of this Administration.

My regret is tempered somewhat by pleasure for Jerry because he is, as you probably know, going to become editor of the San Diego Union beginning about September 1st, and he certainly deserves the excellent job that he is getting.

As I say, the President and I have both been recipients of Jerry's work and advice since this Administration took over. I have a great deal of personal admiration for Jerry for an extremely difficult period that he lived through and I think he came through it with his integrity intact, and I have great admiration for that.

I think you know that he has been responsible for many of the contacts between this Administration and the press through out-of-town news conferences and receptions with various executives and reporters, newspapers, magazines and television. He has put a lot of people into the White House to improve the contact between the Administration and the press.

I know I will miss him, the President will miss him. I think the senior staff indicated this morning at the staff meeting that they would miss him. I think many of you will. And we wish him well in his new endeavors.

Q When will he leave and who is his successor?

MR. NESSEN: I don't have anything to announce on the replacement. Jerry will be taking his new job somewhere between the middle of August and the first of September, and I think he will take a little time off before he begins it.

Q Will there definitely be a replacement in that job?

MR. NESSEN: I just haven't worked out all of the organization for that office yet.

A couple of other matters. The President has signed an Executive Order, and I think you probably have it by now, expanding the membership of the Executive Committee of the Economic Policy Board. He is adding to the committee the Secretaries of State, Commerce and Labor.

The President also is sending to Congress the annual report of the Civil Service Commission. We have already given out the letter of transmittal and the full report is available, for those who are interested, here in the press office.

The President is also accepting the resignation of Thomas R. Bomar, as chairman and member of the Federal Home Loan Bank Board, taking effect on the 20th of June. Mr. Bomar had been a member of the Board and its chairman since June 7, 1973. He plans to go back to private life, and I don't have a successor to announce at this time.

Q Do we have these handouts?

MR. NESSEN: They are in the bins, I am told -- they will be, after the briefing.

Finally, I think we ought to say a word of congratulations for two of your colleagues who have Neiman fellowships -- Peter Behr, of the Gannett Papers, and Gene Carlson, of United Press International -- who will be going to Harvard for a year of study on a Neiman. We congratulate them for that.

Other than that, I think that is my announcements for today.

Q Ron, did the President, as Commander-in-Chief, give the go-ahead for the start of preparation for possible small nuclear war, preparing our military forces?

MR. NESSEN: I don't know what you mean by the start of a small nuclear war, Helen.

Q Just in case there is one, they will be prepared to fight a small nuclear war? Of course, I am talking about the Schlesinger statements since the end of Vietnam, and the Saturday story in the Post.

MR. NESSEN: Are you talking about an exercise ---

Q Yes.

MR. NESSEN: --- that is being conducted by the Pentagon?

Q Yes. I want to know if the President ---

MR. NESSEN: Is there some problem about it?

Q Yes, I think it is a new dimension of what the United States seems to have ever been aiming for in war.

MR. NESSEN: Well, I don't know whether the President specifically gave his approval for this exercise. It is an exercise and American forces conduct exercises all the time for any possible contingency, all possible contingencies that may come up in an uncertain world.

The fact that the forces exist does not in any way indicate that the United States intends to use them. In fact, quite the opposite.

The purpose of those forces is to deter a situation where they might have to be used. So the fact that these forces are taking part in an exercise is really a very normal part of preparation, and also it is a normal part of the preparation so that they are prepared, but it more importantly adds credibility to the deterrent feature of having these forces.

Q Do you think that all over the world countries should proceed in the same manner? I mean, for their own protection and so forth? I mean, doesn't it really proliferate the whole aspect?

MR. NESSEN: I think this answer probably takes care of it, Helen.

Q I don't think it does.

Q Ron, you referred to these new instructions ---

MR. NESSEN: What instructions?

Q That have been given to these -- booklets of instructions and regulations that have been given to the Air Force as an exercise. As I read the Post story, this seems to be not an exercise but a new set of tactics, something that is not going to be just a one-shot exercise like war games or something, but a new set of tactics that have been put into the hands of the United States Air Force that are to be mastered and perfected within a relatively short period of time and then added to our arsenal or to our strategy.

Why are you calling this an exercise and implying this is just a one-shot kind of thing?

MR. NESSEN: My understanding -- I didn't have time to thoroughly look into this today, but my understanding was it was in the nature of an exercise or practice.

Q You mean this is not going to be something that is going to be added or made a regular part of the American strategy?

MR. NESSEN: My understanding is that, since I don't know very much about it, other than that it is a normal preparation, that the more detailed answers, I think, can be given to you at the Pentagon.

Q How do you know it is normal preparations if you don't know anything else about it?

MR. NESSEN: This was the extent of my research this morning.

Q Ron, has the President, as Commander-in-Chief, accepted the theory that there can be in the world a limited tactical nuclear war?

MR. NESSEN: I haven't asked him that, Tom. I hesitate to wing an answer to that question.

Q He was asked that in Europe and he finessed it and did not answer it. Do you suppose on something of that importance he might through you or through himself go on the public record?

MR. NESSEN: I will certainly ask.

MORE

Q For that matter, at the same time, Schlesinger has defended the concept of limited strategic nuclear war whereby the possibility is raised that we might have to use a very accurate, very powerful strategic warhead to hit warheads on the other side, raising the possibility of limited nuclear wars.

Has the President approved that kind of doctrine, too?

MR. NESSEN: I just don't have enough to go wading into this subject. I really don't.

Q Can you tell us whether the leak of this story, or the publication of this story, however it came about, was intended in an effort to deter North Korea from launching an invasion?

MR. NESSEN: Jim, I just don't have enough on this to talk about it.

Q Could you get some more, because it is of vital importance to the American people. We are now tuning our sights in a different direction on how we wage wars.

MR. NESSEN: I will look into it further, and I suggest that the Pentagon can help you at this stage a great deal more than I can.

Q Do you know, Ron, if there has been any change in the past two years? This doctrine was enunciated by Schlesinger two years ago during the Nixon Administration, of limited strategic nuclear war. We always had the option of limited tactical nuclear war.

It seems to me that the Post story was merely saying the Pentagon was going ahead and carrying out the strategy that had been adopted two years earlier under President Nixon. It seems to me the basic question is, is President Ford simply continuing that basic strategy?

MR. NESSEN: I do need to look into it. I just don't have the answers to your questions today.

Q Is the Brezhnev visit postponed? Is there thought of postponing it beyond the early fall?

MR. NESSEN: I think everything that everyone has said on the record remains just as it was, and I don't see where there has been any change.

The President said in his last news conference that he hoped that the remaining issues in the European security treaty could be resolved in a way that would permit a summit in the near future. He said that at his last news conference, and that is precisely the position today.

As for the meeting with General Secretary Brezhnev, we have said again and again no date has been set, but again, the President said in his news conference, "I would hope if negotiations" -- meaning the SALT negotiations -- "go the way they, sometime in 1975."

So, none of that has been changed.

Q Ron, do you have anything to say about the implication by Rockefeller on Meet the Press that John Kennedy and Robert Kennedy knew something about assassinations?

MR. NESSEN: I think probably the best thing to do would be to address your questions on that subject to the Vice President's office.

Q Ron, do you expect the President to formally announce his candidacy this week, and has he settled upon a name for someone to run the campaign?

MR. NESSEN: I just don't have anything to give you either on the timing or on the composition of his campaign committee. He said it is getting closer, though.

Q What does that mean?

MR. NESSEN: It means it is getting closer.

Q How do you expect the announcement to be handled? I ask that because of occurring reports that it is going to be handled in a fairly low-key way, and it might just consist of you coming out here and making the announcement at one of your regular briefings, or do you anticipate the President making the announcement?

MR. NESSEN: It just hasn't been decided yet, either the date or the method.

Q It will not be this week?

MR. NESSEN: I don't have an indication now that it will be.

Q On the Rockefeller television broadcast, the President said that matters relating to assassination should be handled with utmost prudence. Does the President regard the Vice President's remarks as being in line with that advice?

MR. NESSEN: I think what I would like to say, Mort, is that for specific questions on what the Vice President said, you ought to address them to the Vice President's office. The President made his views known at his news conference.

Q That isn't what Mort asked. He didn't ask about the Vice President. He asked what the President's view is.

MR. NESSEN: As I say, the President made his views known at his last news conference.

Q Since that time, we have had a new development, which had not occurred at the time of the news conference, which is that the Vice President dropped a rather broad hint. So, Mort is asking you, in light of this development, what the President's reaction to it is.

MR. NESSEN: The President's views are still the same as those expressed at his news conference.

Q Ron, has the President talked at all to the Vice President about what he should or should not say on that subject?

MR. NESSEN: I am not aware that they have had such a conversation.

Q Does the President have any guidelines in mind for himself and others in the Administration since he made a rather decisive decision on not releasing it?

MR. NESSEN: He does, and he gave them at his news conference, Steve.

Q Do you accept the suggestion that the President decided not to release the assassination material?

MR. NESSEN: I think I accepted that last week, and I think the President accepted that. The decision that it was not possible to finish in time was made by the Rockefeller Commission. The decision not to release the incomplete and unclear material they had was the President's decision.

Q Ron, where do we stand on that material? You remember last week we were asking whether it was physically moved over. You said you had to get the safes. Have you got the safes now?

MR. NESSEN: The position on that, Jim, is that the assassination material has been moved over here. The other 11 or 12 file cabinets, they are still at Jackson Place, and the material is being duplicated with one copy for the Church Committee and one copy for the Justice Department.

Q Nothing for the House committee? (Laughter)

MR. NESSEN: I guess if they get organized, there would be another copy made for them. They had originally one duplicating machine up there, and they have now moved two other duplicating machines in, so they have three duplicating machines.

Q That doesn't sound like the Government we have come to know and love that they have only one duplicating machine. (Laughter)

MR. NESSEN: They have gotten all the people who need to do the duplicating, you know they had to get together a crew of people who had the proper clearances and so forth. Anyhow, there are three duplicating machines in place and running now at the Jackson Place office.

Q You said you were unaware of any meetings between the President and Vice President. Are any instructions --

MR. NESSEN: No, I said I wasn't aware of a meeting at which that was discussed.

Q Are any instructions being given to the Vice President or the staff of the Commission on what they should and should not talk about in view of the President's orders?

MR. NESSEN: Not that I am aware of. The President's views are on the record.

Q The President's statement, as I recall, included a specific line, kind of warning Members of Congress who were going to get this material that they should be very careful, circumspect, and that sort of thing, and now we have the Vice President on national television seeming to go beyond anything we had before in giving out this material.

I am interested, and I think all of us are, in how the President's admonitions to Congress apply to the Vice President and members of his staff. The obvious political implications are going to be with us for a while.

He is the Vice President's boss. The Vice President makes that very clear all the time. My question stands. Does what he said in reference to Congress apply to the Vice President and, if so, does the Vice President's comments of Sunday fall into that line?

MR. NESSEN: The President's views were made known at his news conference, and we talked about utmost prudence. While that was directed specifically at Congress in that particular answer, he feels that everyone should handle these materials with utmost prudence.

The fact of the matter is that insofar as we know, this aspect of the investigation remains incomplete and unclear. The information that is available is still being read and examined.

Q Ron, has the President received the answers to the questions he had about the MAYAGUEZ incident?

MR. NESSEN: They are coming in, and they are being put together now. I would think that they will be in his hands shortly, probably in a matter of days.

Q Ron, while we are on the Vice President, does the President share Senator Goldwater's view that Rockefeller would make a good Secretary of State? (Laughter)

MR. NESSEN: The President would like it known that he has great admiration for Nelson Rockefeller.

Q As Secretary of State?

MR. NESSEN: No, just as Nelson Rockefeller, that he selected the Vice President because the President respected his judgment, experience and ability. The President wanted a good partner for Vice President and Nelson Rockefeller has exceeded his expectations in that line. He believes that Nelson Rockefeller has done a fine job in every way.

Q Therefore, he intends to make Rockefeller his Vice Presidential candidate in 1976? Is that what you are saying? (Laughter)

MR. NESSEN: In the coming months, both the President and Vice President will be submitting themselves to the will of the delegates to the Republican Convention of 1976.

Q As a ticket?

MR. NESSEN: The President is confident that both of them can convince the delegates that individually and as a team they should be renominated.

Q Is the President leaving the job up to Rockefeller to do his own convincing or is he going to request?

MR. NESSEN: The President will be for Nelson Rockefeller for nomination as Vice President and the delegates will make the decision.

Q Will he be for Rockefeller the way Roosevelt was for Henry Wallace in 1944?

MR. NESSEN: I don't recall that incident.

Q You said the delegates will make the decision. That doesn't sound very good for Nelson Rockefeller. If the President doesn't choose his own running mate, in this case if the delegates are going to choose it, if I were Rockefeller's people, I would be kind of worried.

MR. NESSEN: I don't know, Walt. I suppose you could pick out a phrase here and there.

The President says he will be for the Vice President for nomination. He says, "I am confident both of us can convince the delegates that individually and as a team we should be nominated."

Q That doesn't sound very ironclad to me.

MORE

Q Along that line, do you know of any convention that rejected the President's choice of Vice President?

MR. NESSEN: My political experience does not go back as far as yours, Peter.

Q Mine only goes back to Rutherford B. Hayes. (Laughter.)

MR. NESSEN: How did that one go? Who was his Vice President?

Q I don't know. I never paid much attention to Vice Presidents in those days. (Laughter.)

Q Ron, every week there are these stories about Rockefeller and his role in '76.

MR. NESSEN: And I expect we will have them for every week from now until November, too.

Q Does the President feel this is unfair criticism of the Vice President by Senator Goldwater and others?

MR. NESSEN: Oh, no, I haven't heard anything about unfair criticism. I think the President agrees with your first part, though, that we will have these stories every week from now until November of 1976.

Q Does he know why?

MR. NESSEN: Because it is just the way Washington works and always has worked.

Q Ron, when the President makes his announcement of his candidacy, will it be an individual announcement or an announcement the same team will be running?

MR. NESSEN: I don't know. That all has not been worked out yet.

Q Does he favor an open convention so far as the choice of Vice President is concerned? I think that is what we are getting at.

MR. NESSEN: I think the President feels every convention is open until one candidate has the delegates he needs to win the nomination, whether for Vice President or President. So it is open until both the President and Vice President get enough delegates and then the matter is decided. That is the way all conventions work.

Q Ron, are you seriously suggesting that Mr. Ford thought that the 1972 scripted coronation was an open convention? Are you seriously suggesting this, when the British Broadcasting Company discovered the script?

MR. NESSEN: The cameramen, photographers and reporters who want to go to the Rose Garden should now assemble at the side door here. They will not be feeding this into the press room, incidentally. So if you want to hear it, you ought to go.

Q Ron, when did the President make these comments that you have just given us?

MR. NESSEN: We have talked about it, I guess, back as far as early or middle of last week.

Q Would you mind reading that Presidential statement again?

MR. NESSEN: All right.

Q Ron, so there is no misunderstanding, you said there would be an open convention until the President and Vice President had enough delegates.

MR. NESSEN: That is the way all conventions work, Steve.

Q As I recall, in the convention proceeding the President is in or out first, and in the past it has not always been a tradition of an open convention once the President was in in that he made known his choice and that was not so open to dispute.

If Ford is selected by the delegates, will he then tell the convention he wants Rockefeller or will he say this is an open convention, I personally prefer him but you all choose who you want?

MR. NESSEN: He says, "I will be for the Vice President for nomination. The delegates will make the decision."

Q That is what I am trying to get. There is a certain irreconcilable position between the two points. Given the tradition of conventions, is he going to leave it an open convention for the Vice Presidential selection, or is he going to ---

MR. NESSEN: He says I will be for the Vice President for nomination.

Q That is not open if he goes to a convention ---

MR. NESSEN: "The delegates will make the decision," is the second sentence.

Q Would you read the whole thing again?

MR. NESSEN: Why don't we get it run off?

Q Why don't you read it?

Q Some of us have to go file.

MR. NESSEN: "My great admiration for Nelson Rockefeller" -- I am going to put this in the first person and you can use it that way, if you wish -- "My great admiration for Nelson Rockefeller is very well known. I selected him for Vice President because I respected his judgment, experience and ability. I wanted a good partner for a Vice President and he exceeded my expectations. He has done a fine job in every way.

"Both of us in these coming months will be submitting ourselves to the will of the delegates to the Republican National Convention in 1976. I am confident both of us can convince the delegates that individually and as a team we should be nominated."

And then, I think, somebody asked me a question and I said, "The President will be for Nelson Rockefeller for nomination. The delegates will make the decision."

Q That was not the President's statement?

MR. NESSEN: No, this was my answer.

Q Has the President given any thought to the possibility that maybe a revolutionary trend might take place where the delegates remembering Mr. Rockefeller's failure to endorse the 1964 candidate, might decide to elect another Vice President? Has the President given any thought to that at all, Ron?

MR. NESSEN: I think this is about as far as we can go now, and, as Phil suggested, I think this will come back again and again and again, but it is in the nature of the White House for that to happen, but this is the way the President feels.

Q As long as you say the delegates will decide, then you are saying he will not ---

MR. NESSEN: The President will be for Nelson Rockefeller for nomination.

Q --- he will not impose his own selection. If the delegates decide, you are saying Rockefeller will not be a shoo-in even though Ford is for him for Vice President.

MR. NESSEN: I will let you analyze, Steve.

Q Do you consider this a strong endorsement and a total commitment through the convention?

MR. NESSEN: This is what the President wants to say.

Q Ron, the President's position, this statement you just read, is not a declaration of candidacy?

MR. NESSEN: For himself?

Q Yes.

MR. NESSEN: In the legal sense? No, he does not consider it such, no. John, no more so than his repeated public statements at news conferences and otherwise, that he intends to run.

Q Ron, could you explain to us why you were prepared with this statement today?

MR. NESSEN: I was prepared with this statement last Monday, Tuesday, Wednesday, something like that, early, middle to early last week.

Q You were waiting for a question about Rockefeller in order to use it; is that right?

MR. NESSEN: Right.

Q Would you characterize the President's reaction to this Goldwater statement? Does he find it humorous? Is he upset by it? What is his reaction?

MR. NESSEN: I didn't get any reaction along those lines, Phil.

THE PRESS: Thank you.

END

(AT 12:47 P.M. EDT)

#247

File
176

J.M.C.

The American Political Report

Kevin Phillips, Editor

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THE FORD ADMINISTRATION

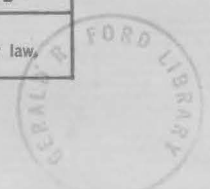
By every indicator, Gerald Ford continues to consolidate his strength. But his approval rating is still not very high...in the 40-55% range, according to the various private and public polls. He was much stronger right after taking office.

Also, it's a mistake, in our book, to regard Ford's Congressional facedown as an automatic, long-term victory for the White House. Recall that this winter, we cautioned against taking Congress seriously...they never had a chance of running things or even looking coherent, and their talk about a popular mandate was nonsense. Now the pendulum has reversed, and their veto override failure is seen bespeaking total weakness. Actually, with a bit under 67% of the House membership, they've been getting 57-66% of the vote to override Ford vetoes. This indicates as follows: If Republicans are willing to take their chances with Ford economic policy, so are most Democrats -- the other way. Spring 1975 polls show that people don't think much of Congressional economics, but if the economy is painful in 1976, the Democrats gamble may look a lot smarter. Likewise, the Ford-GOP strategy depends on the late 1975-early 1976 economy justifying the vetoes.

But the White House strategy clearly is paying big dividends with GOP conservatives at a critical time. Selection of Army Secretary Bo Callaway as Ford campaign chief has also been a plus. Private reaction among GOP pros is mixed, because Callaway is not regarded as a tactical or managerial heavyweight. But in strategic terms, the Callaway choice -- orchestrated by Mel Laird per his theme of giving conservatives symbols while moderates get the levers of power -- is already proving effective with the country-club-based Dixie GOP leadership. Georgia millionaire Callaway is one of them, and his selection has undercut Reagan with top Southern leaders like Mississippi's woo-able Clarke Reed.

For all of these reasons -- the vetoes, the Callaway choice, Korean tough-mindedness and nuclear sabre-rattling -- Ford is pre-empting a major element of the Reagan constituency. Top advisers, who admit seeing no cheery sign in weeks, are telling Reagan that if he doesn't announce his candidacy within two months, the game is over. But few expect him to move...insiders now believe Reagan is doing nothing more than staying in motion and keeping his options open should anything new dissuade Ford from running. One caveat, though: Ford's increasing pre-emption of the Reagan element is cutting no ice with "Social Issue" GOP conservatives who remain alienated from the Administration (see p.3).

Some of the conservative action is switching to ex-Treasury Secretary John Connally...he's organizing fundraisers in Texas and the Northeast; he had a meeting with Ford on June 18; he's scheduled (along with Reagan) to speak at the summer Young Republican and YAF (Young Americans for Freedom) conventions; and he's criticizing network TV power, a hot theme on the Right. Connally has the drive and operating savvy Reagan lacks -- and should be watched accordingly.



POLITICAL NOTES

1. On the Teddy Kennedy front, conflicting rumors...first, that EMK has been successful in assuaging the new restiveness of Mary Jo Kopechne's parents; second, that he hasn't. The potential blow-up is real enough. Columnist Vera Glaser quoted Mrs. Kopechne as refusing to reaffirm her support for EMK, saying that "I might support George Wallace tomorrow." Columnist John Lofton talked with Mrs. Kopechne, and quotes her as saying that she and her husband have growing doubts, and that the EMK story "might shake the world and make Water-gate look like a penny show...If I ever get my Irish and Welsh temper going and put these things down on paper, people will forget Richard Nixon."

2. A New Hampshire Democratic Primary update: Right now, only liberal hopefuls are focusing on New Hampshire...Mo Udall, Fred Harris, Jimmy Carter, Terry Sanford and perhaps others. Udallites are trying to set up Carter as the potential winner because of his greater appeal to conservative blue-collar Democrats. This opportunity exists for Carter only because George Wallace, Lloyd Bentsen and Scoop Jackson all now seem inclined to stay out of the N.H. primary. But -- and here's the catch -- none of these three can afford to give Carter an early victory. Should Carter win a fluke victory in New Hampshire, he would have momentum for the Florida and Georgia primaries. Thus, APR's estimate: If the conservative vacuum persists in N.H., and Reagan forces eschew the local GOP primary, Wallace could be tempted in on the Democratic side...blue-collar conservatives, Reaganite independent voters and loyalists of William Loeb's Manchester Union-Leader could give Wallace 30-35% of the Democratic primary vote, enough for victory in a split field.

3. Games in New York State? Hot on the heels of NY GOP displeasure with Senator James Buckley, Republican Rep. Peter Peyser of Westchester (Nelson Rockefeller's own home county) has sent letters to party leaders escalating his plans to challenge Buckley in the GOP primary. He says some "major endorsements" by key organizations will be forthcoming. According to Peyser, Buckley is fooling Republicans while he prefers a three-way race with himself as the Conservative independent. In the past, N.Y. GOP National Committeeman George Hinman has denied stirring up Peyser (in order to pressure Buckley to back Rockefeller as the price of the GOP Senate nomination). Conservative suspicion persists, but we think Peyser is mostly a self-starter, albeit a convenient one.

4. California: Here are the latest (May) Field polls for the state. Gov. Jerry Brown is enjoying widespread popularity (43% say he's doing a good job, 35% say fair, only 7% are negative). Democratic Senator John Tunney is a heavy favorite for renomination over radical Tom Hayden (65% to 13%). Conservative Rep. Barry Goldwater Jr. narrowly leads 1974 gubernatorial candidate Houston Flournoy (by 32% to 25%) for the GOP Senate nomination. Ex-Nixonite Bob Finch trails with 16%, as does S.I. Hayakawa. But when the Republicans are matched against Tunney, he beats Flournoy by 46% to 39% and beats Goldwater by 50% to 37%. This lead is not great for an incumbent, so Tunney may be vulnerable.

On the presidential level, Edward Kennedy leads the Democratic field with 34%, Scoop Jackson is next with 12%, then George Wallace with 11% (then Muskie 8%, McGovern 7% and Humphrey 6%). As of May, Ronald Reagan would beat Ford in a GOP primary by 39% to 30% (but some of the interviewing was pre-Mayaguez...Ford may be ahead now). In the general election, Ford would beat EMK 49% to 43%, Muskie 52% to 36% and Jackson 54% to 28%. No 3-way races were run, but in 2-way heats, Wallace drew 25% of the GOP vote against Ford and 21% against Reagan, so Wallace would skew things in a 3-way race.

on Reagan) and North Carolina Senator Jesse Helms (Chairman of the Committee on Conservative Alternatives - COCA). At the moment, COCA is moving in the third-party, Wallace-fusion direction, and the tide appears to favor the New Right as opposed to the old Conservative Movement. Today's opportunity on the Right seems to lie with a mass-based movement, and in that sense, the New Right has all the advantages...direct mail technology, mass-appealing social issues, willingness to drop the GOP label (a net marketing minus) and a huge potential constituency (an augmented Wallace electorate). As of June, 1975, the Conservative Caucus and ACU each have about 40,000 members, but by next year, Conservative Caucus -- the "New Right" organization arm -- will be far ahead.

4. Ideological Divisions on the Right: In a nutshell, the Conservative Movement or "Old Right" can be described as focused on a national preparedness-free market economic complex of issues. When William Buckley marshalled the "Manhattan 12" in 1971-72, their anti-Nixon insurgency focused on issues like detente, SALT, wage and price controls and so forth. None of these issues mattered much to the ordinary American voter, which is one reason why the Manhattan 12 flopped so badly. The Old Right often agrees with the New Right on cultural issues, but a) they do not assign them primacy, and b) they do not blend them with Middle American economics and cultural populism. In current terms, besides things like the CIA, subversion, SALT and defense budgetry, the Conservative Movement/Old Right is interested in deregulation of business, monetary policy and spending bill vetoes. This makes them vulnerable to the present line of Ford Administration appeal...it is relatively easy to pre-empt the Old Right, as well as kindred Senators like Goldwater and Tower. We think the Administration will be able to do so.

The New Right, however, takes a different view. Its strategists are deliberating downgrading issues like SALT, CIA and subversion, recognizing that these have little popular appeal. Defense preparedness, detente and Vietnam recrimination are seen as essentially nationalist-cultural issues, to be used carefully in that way. Meanwhile, traditional conservative economic and labor positions are scrapped or subordinated to avoid interfering with social issue appeals to blue-collar workers. What the Old Right advances in anti-regulatory economics shades into anti-bureaucratic, anti-Washington politicking by the New Right. But the essence of New Right politics is social and cultural... virtually a kulturkampf against the Liberal Establishment, its media, sociology, institutions and guidelines (spotlighting issues like busing, welfare, textbooks, environmentalism, bureaucracy, educators, quotas, media power and so forth). As such, it is strongly anti-elitist in nature (and often accuses the Old Right of "elitism"). We do not think the Ford Administration either understands this form of conservatism or is in a position to mount any real appeal to it.

5. Political Divisions on the Right: The Conservative Movement/Old Right would generally prefer to work within the Republican Party, feeling more comfortable with GOP economics and social elitism. In contrast, the New Right would rather have a new party, and is increasingly anti-Republican in its private discussion...GOP conservatives, the New Rightists say, are incapable of mobilizing the new constituency. Secondly, the Old Right feels a stake in whether Ford might lose to a Democrat...they will take Ford rather than risk a third-party split. The New Right regards the Ford Administration as an Establishment bulwark and is not concerned whether third-party activities defeat the incumbent. ~~Last 101, NY 02/11/75~~ Conservative Movement favors Ronald Reagan. The New Right is moving the other way...away from Reagan and towards either George Wallace or someone else (like John Connally) who would play New Right politics and aim at the Wallace electorate.

Most Washington-watchers don't know what to make of the split taking shape in the growing ranks of the political Right, so here's an outline beginning with the genesis of the so-called "Conservative Movement" and working up to the personalities and issues that separate the Old Right from the New Right.

1. Origins of the Conservative Movement: Through the middle of this century, conservatives were the national "establishment" in the U.S., but by the 1950s, they had lost that status, creating a vacuum on the political Right. By the early 1960s, a definite "Conservative Movement" took shape around William Buckley's National Review, plus other existing or soon-to-be-created institutions like the conservative weekly Human Events, the American Conservative Union and the Young Americans for Freedom. By and large, these tended to relate to conservatism as a doctrine of prior fashionable Establishment opinion; most also related to the Republican Party, and there was little interest in a mass base as opposed to ideological purity. At one extreme, many in the Movement tended to embrace the (Albert) Nock theme of a hardy elite of ideological survivors resisting the advent of mass man. Lacking either a national Establishment behind it, or an available mass base, the "Conservative Movement" has never had much hitting power -- its friends in Congress are a few dozen Senators and Representatives from the Old Right.

2. Origins of the New Right: In contrast to the Conservative Movement, the New Right is deliberately anti-establishment (as opposed to maintaining establishment pretenses). It looks for a mass popular base, putting minimal emphasis on ideologically pure, old-style conservatism. Because of waning New Deal (economic) hold on blue-collar voters and Southerners, and because of the rise of a liberal elite in the Northeast, the Right (if the term still truly applies) now has a chance for a mass base. This is the major distinction between Old Right and New Right...the first is a small ideological group without either an Establishment or mass appeal, and the second is essentially Populist rather than doctrinal.

3. Divisions on the Right: Mainstays of the "Conservative Movement" are the Buckley brothers and their allies (including people from the magazine National Review, political operative F. Clifton White, several Congressmen, and a number of persons now or previously connected with ACU and YAF). Most of them favor Ronald Reagan for President, but they prefer to make the challenge within (and then remain within) the Republican Party. Their present operating vehicle is the "St. Michael's Group", which has voted money for a 1976 GOP Convention delegate hunt under the auspices of Clif White, but which does not want a third party (or favor cooperation with George Wallace). In contrast, the "New Right" consists of the groups and individuals that want a mass-based conservatism (i.e., a resurrected New Majority) and advocate a Wallace alliance within or without the GOP. The obvious members of this faction are direct mail-man Richard Viguerie (Wallace's fundraiser), Conservative Caucus director Howard Phillips, N. H. Governor Mel Thomson, Colorado brewer Joseph Coors, the Committee for the Survival of a Free Congress, the Heritage Foundation, and those in the Wallace camp who favor third-party fusion. Several people are betwixt and between...ACU Chairman Stan Evans, who favors a third party and is privately critical of the Buckley axis (but who is also worried about the New Right undermining ACU), National Review Editor Jeff Hart (also a Wallace fusionist), National Review Publisher William Rusher (who favors abandoning the GOP for Wallace fusion and is now softening

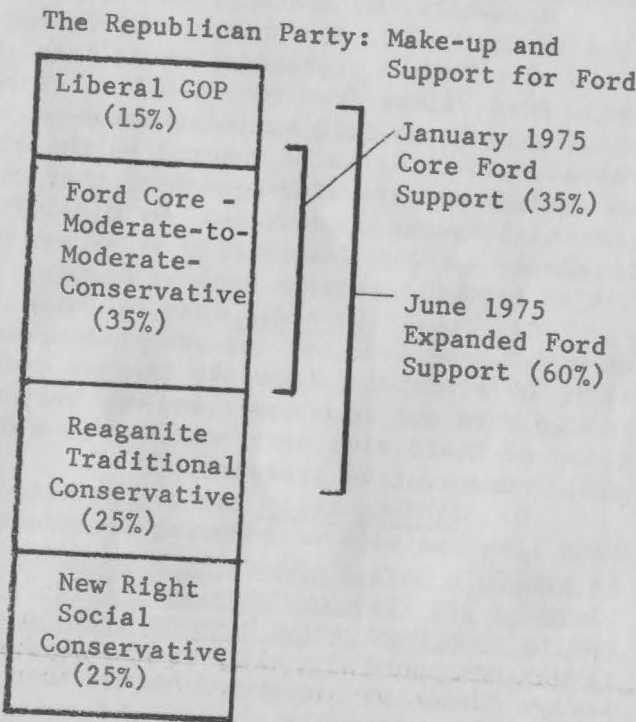
THE REPUBLICANS AND THE VICE PRESIDENCY

To a growing extent, Washington GOP conversation is focusing on the Vice Presidency -- on who'll be nominated in 1976, and on what that will mean. In our opinion, this is a bit premature. Nevertheless, APR will look at this situation from two perspectives: First, the nitty-gritty of intra-GOP divisions, and second, the individual vice-presidential situations.

1. The Socio-Political Make-up of the GOP: Most of the models we've seen have that mathematical flavor of indecipherable college algebra equations, so we've constructed a simple one aimed at elucidating the cleavages that matter for 1976. In a nutshell, the party's center of gravity lies in the socio-political area where Gerald Ford's politics meet those of Ronald Reagan, but there are also other elements with critical influence/leverage...the liberal Republicans (15%) and the Wallace-tilted Republicans (25% - a new 1974-75 phenomenon). Ford will have a hard time with this latter wing.

Back in late winter, polls found Ford's nomination in 1976 supported by about 35-40% of GOP voters. We regard this as the central Ford element --

moderate to moderate-conservative in their politics. Since then, we think that Ford has largely pre-empted a challenge from the liberal GOP, except for the extreme Percy wing (perhaps 5% or so) and he has made heavy inroads into the Reagan-sympathizing element. So we would now say that at least half of the potential Reagan backers are either tilting towards Ford now or will do so by next spring. But Ford is still disliked by the Wallace-leaning GOP element. We calculated this group at 20-25% of the GOP based on the following data. April polls by Pat Caddell (capsuled in the last APR) showed Wallace preferred over Ford by about 20% of GOP voters, and May California polls by Mervin Field show Wallace able to draw 26% of local Republicans against Ford and 21% of them against Reagan. In our opinion, and we underscore this, the Wallace-leaning GOP elements cannot be lured by the same policies aimed at Reagan backers (nor can they be lured by Reagan, whom they do not follow and would apparently ignore if he were on the 1976 ticket). This Wallaceite GOP element is Ford's electoral Achilles Heel because right now their third-party support would defeat the President (per Gallup). Thus, aiming at this group -- not at the Reaganite traditional conservatives -- is likely to be Ford's 1976 tactical problem. However, if he leans this way, he'll increase the breakaway thrust within the Rockefeller-Percy wing.



2. Individual Vice-Presidential Possibilities: We're looking at four:
A) Nelson Rockefeller seems to be coming apart at the political seams.

He still controls the New York GOP, but his footwork in Washington has been inept, his staff is being laughed at, and his age is beginning to show. On the staff level, we understand that Chief of Staff Ann Whitman, who has not worked out, will be leaving in August or September. Rocky has got to get some heavies on board, or 1976 will be rough indeed. At the same time, the V.P. has gotten an indirect benefit from his fumbling and ineffectiveness: conservatives tend to be less worried about his power...without his New York staff apparatus and power base, Rocky just hasn't proved very effective here. We don't buy the argument that once Ford might be nominated in 1976, he'll automatically pick Rocky again. Perhaps, but we think he'll have to pick a V.P. looking towards the November general election, and that could spell a different politics.

B) Ronald Reagan has discouraged some erstwhile supporters by his willingness to verbally dilly-dally with taking the vice-presidential nomination. But in our opinion, his soft strategy could also do him out of the V.P. spot because by next summer, Ford may have the "Reagan element" pretty well sewed up and need to use the nomination for some other purpose.

Meanwhile, we continue to see Reagan weakness. Polls show him beating Ford in the Calif. GOP primary but losing badly in Ohio (where Columbus Dispatch polls show Reagan preference among local Republicans slumping from 10% to 3% while Ford climbs from 50% to 62%). Moreover, Reagan is being undercut by relatively tough Ford Administration postures on defense and Congressional vetoes, and if -- as is rumored -- the Administration takes a conservative line on welfare and transfer payments, that could undercut still another leg of potential Reagan opposition. By mid-1976, Reagan might not be much of a base-broadener as V.P. (especially if -- per California polls -- Wallace can draw 21% of Republicans even against Reagan).

C) Donald Rumsfeld does not mind it when eager staffers talk about him as a V.P. nominee, but the probability is slim. Rumsfeld is very unpopular with GOP rightists (Nebraska Senator Carl Curtis delivered a diatribe against him to Ford not long ago), and may very well have to leave his White House Chief of Staff slot next year -- for a Cabinet job -- if Ford continues to be under conservative pressure.

D) John Connally isn't interested in being Ford's Vice President, but he'd like the edge on becoming President in 1980. Under normal circumstances, he wouldn't have a chance -- Ford buddy Melvin Laird dislikes Connally, and played a big role in Connally's 1973-74 setbacks -- but the Texan might be the one to whom Ford would have to turn in order to head off a third party effort revolving around Connally, George Wallace or some combination thereof. Similarly, fusionist conservatives who want a Wallace alliance would see real meaning in a Connally vice presidential nomination, whereas if Reagan were nominated, we're told it wouldn't matter...Reagan is too old to run for President in 1980, too indecisive, and would be unlikely to force any transformation of the party. If Connally, not Reagan, emerges as the man with a handle on blocking or minimizing a third-party bid, he could pick up support he does not now have. But don't underestimate the problem of Connally-Laird animosity -- the two men dislike each other, and have fundamentally opposite national coalition goals.

But it's also necessary to note one more possibility -- the chance that Rockefeller and Reagan might become such mutually objectionable symbols that neither could be nominated, and that some compromise nominee would emerge. In this case, we would look for someone in his late forties or fifties, a moderate conservative prominent enough to be thought of as 1980 heir apparent.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 1, 1975

MEMORANDUM FOR: SENIOR STAFF
FROM: JAMES E. CONNOR

JAC by
P-
File
'76

Attached for your information is a transcript of the interview of the President by Marquis Childs, Carl Rowan and David Broder of June 30th.

Attachment:

JUNE 30, 1975

INTERVIEW OF THE PRESIDENT

BY

MARQUIS CHILDS

UNITED FEATURES

CARL ROWAN

FIELD NEWSPAPERS

AND

DAVID BRODER

WASHINGTON POST

THE OVAL OFFICE

4:00 P.M. EDT

Q Carl and I have both been out in the Middle East for a fairly extensive and buffeting experience and what we found is that there was so little flexibility on either side that there was a great divide, and very apparent. Today there is a story on the wires from Tel Aviv stating that you have put an ultimatum up to Israel. I wonder -- I am not asking whether that statement is correct or not -- whether you believe that it is up to the United States to impose a solution in that Middle East crisis?

THE PRESIDENT: Marc, I would hope that would never be the case. It would be far better for the two parties or all of the parties that we go to a comprehensive settlement, to negotiate and resolve their differences. Our position has been and will continue to be trying to help bring the parties closer and closer together. At the moment that point has not been achieved.

Q How long do you think that interval will be, Mr. President, and how long can it be?

THE PRESIDENT: One unanimous view I get is that if we don't get some results, either in a step-by-step process or in a comprehensive proposal, time will run out and war is almost inevitable. I can't give you the span of the beration but I am convinced if there is stagnation and stalemate for some period of time we are inevitably going to have war.



Q In a period of months perhaps?

THE PRESIDENT: There are some intangibles. I don't think that you can specify right now. It could be a period of several months. It could be longer. But it is a very volatile situation if we don't have some progress.

Q Mr. President, there was an interview with Prime Minister Rabin in which he said that if the United States made public its overall proposal, I think his phrase was that this plan will not be to Israel's liking. Did you tell him something that gave him that basis for making that kind of a statement?

THE PRESIDENT: I don't recall any such statement of that kind.

Q I gather, Mr. President, from talking to people in Cairo that the Israelis are still holding very firm on holding those passes in the Sinai and that they are not willing to give up enough territory to lead Sadat to make any kind of interim agreement. Do you still feel that the Israelis are inflexible?

THE PRESIDENT: I don't like to categorize, Carl, my impression of the people who are negotiating or the nations that are negotiating. I can only say that as of the moment there has not been a meeting of the minds. I wouldn't want to assess publicly blame on either party.

Q Now there are some people who believe that the only conceivable way there can be a meeting of the minds is that the United States really get tough and try to impose an agreement and you say to Israel and Egypt that unless you accept this kind of arrangement, you have lost our support. Can you conceive of taking that kind of step?

THE PRESIDENT: I don't think it is what we have in mind. I would resist us doing that. In the meantime we have to do everything we can to bring the parties themselves together, but for the United States to arbitrarily impose a settlement I think would not be the best way to achieve results.

Q I was told by both sides, both by Sadat and Rabin, whom I saw a few days apart, that neither side would accept an imposed peace although at the same time Sadat said to me, "I did say at one time that 90 percent of the cards are in the hands of the President of the United States. I would now put that at 99 percent."



THE PRESIDENT: I think it is obvious for us to arbitrarily impose a settlement, if we could, would tend to get such a settlement off on the wrong foot, so to speak, so we are certainly going to resist any action of that kind.

Q I was told that in his discussions with you Mr. Sadat asked if the United States would join a consortium and help raise \$1 1/2 billion in economic aid for Egypt. We could see that the economy is in terrible shape. Are you inclined to provide some economic aid to Egypt?

THE PRESIDENT: Of course we are at the present time providing economic aid, the traditional economic aid and food for peace contributions under P.L. 480. Yes, I think we would expect to contribute to the economic health of Egypt.

Q They were talking about a U.S. contribution of perhaps \$325 million in a consortium along with Iran, Saudi Arabia, Kuwait, Japan and West Germany.

THE PRESIDENT: We understand their economic problems which are severe. We would expect to help them along with other nations. On the exact division, Carl, we haven't gotten that far.

Q It was President Sadat who spoke to me very warmly of his meeting with you.

THE PRESIDENT: It was I think a very constructive meeting.

Q Do you think that he helped to advance or get the momentum for peace going, Mr. President?

THE PRESIDENT: I think so, Marc. We discussed in great depth the problems and the potential solutions. We had two in-depth face-to-face meetings plus a luncheon, a dinner and other conversations so I think we laid an excellent groundwork not only on a personal basis but a broader basis for an understanding of the need for action and equity. So I think the meetings were extremely beneficial.

Q In taking this decision, I suppose it is as grave a decision as any you had to take since you have been here as President, would you agree to that?



THE PRESIDENT: Certainly it is at the very top.

Q And politically it cuts in so many different ways, doesn't it?

THE PRESIDENT: It has not only domestic but I think world-wide potentials.

Q There were 76 Senators who will be very interested.

Q When do you think you will make your final decisions in your reassessment of Middle East policy? I ran into some people who think you aren't going to make any decisions, that this is just all to put pressure on Israel.

THE PRESIDENT: Let me disabuse you of that, Carl. We are going to make a decision. We are, I think, coming to a point -- I can't give you the deadline -- where if we see no success in a step-by-step process that we will have to then go to a broader comprehensive program which undoubtedly would lead to reconvening or our recommending the reconvening of the Geneva Conference.

Q Did you outline to Prime Minister Rabin what some of the elements of that broader program would be?

THE PRESIDENT: In generalities, Dave, but not specifics. We didn't draw any lines or borders and we didn't talk about the specifics in any of the other areas but they are well-known. Of course, they would all have to be within the UN 242 and 338 resolutions. So I think everybody who has been involved in Middle East affairs knows the areas of difference and the specifics that have to be resolved.

Q That story out of Tel Aviv today says that you said to the Israelis if they are not forthcoming they would lose United States support at Geneva. Have you said anything of that sort to them?

THE PRESIDENT: Definitely not. We wouldn't go to Geneva supporting anything other than a comprehensive settlement that we felt was fair and equitable to all of the parties.



Q I met people in Israel, and I am sure you have known this very well, who felt the happiest thing to do was to just put the whole matter off for a time while this toing and froing goes on. Do you think it is possible?

THE PRESIDENT: I think it is impossible. I think it is an open invitation to the possibility of war in the Middle East. If everybody out there believed that nothing was going to be done, no headway is going to be made, I think the unrest would really come from all sides and the tension would grow, and once that happens you are just opening the door to another Yom Kipper war or 1967 war. It is an open invitation to military activity. That is the worst of alternatives.

Q The choices are pretty narrow, aren't they?

THE PRESIDENT: You either make progress by one means or another or you almost guarantee that there will be military conflict.

Q As you said in a recent interview with the Minneapolis Tribune, you would almost certainly get an oil embargo, wouldn't you?

THE PRESIDENT: It happened last time and the conditions are not better today than they were then.

Q They are worse?

THE PRESIDENT: Our vulnerability is greater.

Q Because we are using more than a million barrels a day, if my figures are correct?

THE PRESIDENT: Our domestic production is down about one million barrels a day and our imports are about the same but our total consumption is down because of the recession. With the economy revising and a limit on our domestic production, the only additional source comes from overseas so we would be more vulnerable now or in the future unless we get a domestic energy program.

Q We are hopeful of that?

THE PRESIDENT: That is a little slow in coming.



Q That gets to another question.

Q You said in the press conference last week that an increase in the oil price was totally unacceptable but as a practical matter what recourse would we have? For example, if they go up the \$2.00 to \$4.00 in the fall that has been projected and talked about, what would you do with the oil excise?

THE PRESIDENT: That is a decision I will make if there is a price increase. I do have that flexibility, Dave. I think as a practical matter we have to do two things in advance.

One, we have to consolidate our agreement with our other oil consuming nations through the International Oil Agency, the Energy Agency, so that the combined efforts of the consuming nations are more in tune with one another, both as to conservation, as to the safety net provisions and the sharing of research. In addition, at home we have to make a bigger effort of conservation.

These are not sufficient to handle an embargo and they are not as strong as I would like them in challenging any price increase but I think this is what we have to do and that is what we are trying to do.

Q Mr. President, do you think there is a chance of heading off a price increase? The Shah of Iran was categorical when he said to me there will be a price increase and in fact he put it on the basis of doing us a favor by forcing us to do what we ought to do in the field of energy. The Kuwait Foreign Minister left absolutely no doubt that there is going to be a price increase come October. Do you think there is still some doubt that they will put this through?

THE PRESIDENT: I have mixed emotions. There was some talk of a price increase in their meeting about a month ago and it didn't materialize. They postponed it until September. If the producing nations are convinced that there is solidarity among the consumers and that we, the United States and others, are prepared to meet that, I think there is a possibility of them not going ahead with one.



Of course, a \$2.00 increase in the price of oil could have serious economic consequences to the United States, more serious to European countries, more serious to Japan and very serious to the less-developed countries. They are the ones that have had the most adverse impact from the oil embargo, the price increases. Although we would have some economic repercussions here, our vulnerability is not as great as most of the rest of the world, in either industrial or less-developed countries. So we are in a better position to handle it.

I don't think it is good and it could have adverse reaction in our economic recovery. But I think others have to realize the danger to them is greater than it is to us and, therefore, they should work with us in trying to meet the challenge.

Q As to this solidarity, do you think in the foreseeable future there is very much hope for that, Mr. President?

THE PRESIDENT: I am always an optimist, Marc. There are times when I get discouraged and other times I see real results, but when you look at where we were in December of '73 or early '74, actually the International Energy Agency has moved ahead fairly well.

Q In spite of the French?

THE PRESIDENT: You said it.

Q Have you resolved your own recommendation on the de-control of the oil?

THE PRESIDENT: We will this week, Dave.

Q Can you say anything about it in terms of --

THE PRESIDENT: I haven't seen the options. I talked about it with Frank Zarb and I think he is coming in Wednesday with the options and I will make my decision and submit it to the Congress when they come back.

Q Is the speculation that you are prepared to veto the bill extending the controls if the Congress rejects your de-control plan -- is that speculation well-founded?



THE PRESIDENT: It is an obvious possibility but I don't like to talk about strategy in advance of the showdown. I would hope we could work out some responsible de-control program but I have to keep my hole card until I see what the Congress is going to do. It is a possibility but I don't want to threaten the Congress. I just want to work with them. But they have to recognize that it is a two-way street.

Q Can you foresee, Mr. President, that gasoline at the end of this year might be \$1.00 a gallon and would that be a deterrent on the consuming public.

THE PRESIDENT: Well, all of the statistics, Marc, show that the price mechanism is a good way to cut down consumption. I would hope that gasoline doesn't go to the \$1.00 figure and there is no reason why it should. It is now on the average of 55 cents a gallon. By the price mechanism undoubtedly it will rise if there is some de-control but until we see just whether it will be phased in over a two-year or three-year or four-year period will determine just how rapidly the rise will come.

Q The price increase phased in, you mean?

THE PRESIDENT: Well, the de-control phased in.

Q Otherwise, you don't expect any great, sudden increase?

THE PRESIDENT: No. Out of our total crude oil consumption in the United States, I think two-fifths of it comes from old oil and one-fifth comes from new domestic oil and two-fifths comes from foreign oil imports. So if you get de-control of old domestic oil by a phasing process, since it is only two-fifths it is not going to have a sudden impact to the extent of going up to \$1.00 a gallon.

Q That would be two-fifths of total consumption?

THE PRESIDENT: Yes.

Q I would like to go back again to your comment, Mr. President, that an increase in oil prices would be unacceptable. Some of the people I talked to in Kuwait read this as a reference again to the suggestion that in the face of economic strangulation the United States might resort to force. Did you have that possibly in mind in terms of finding an increase unacceptable?



THE PRESIDENT: I had no thought of that alternative at the time I made the statement about a price increase being totally unacceptable. That didn't enter my mind. I was thinking of the economic aspects and certainly no military aspects.

Q Do you rule out any military resort whatsoever, Mr. President?

THE PRESIDENT: Yes, I do, under the circumstances.

Q There is a kind of weird little scenerio I picked up along the way somewhere that U.S. volunteers, whatever you want to call them, would join with Israeli troops in taking over Kuwait. This is just pure fabrication, isn't it?

THE PRESIDENT: That is fantasy.

Q It would be fairly disastrous, wouldn't it?

THE PRESIDENT: I can't imagine anything as impossible or unwise.

Q A lot of weird thinking goes on these days, isn't that right, one place or another?

Q Is there evidence that the de-control of the new oil prices has had any effect in increasing domestic production?

THE PRESIDENT: Repeat that, Dave, now.

Q We have been in a period of de-control of the new oil prices. Is there any evidence that that has in fact brought new production on line?

THE PRESIDENT: Yes, but there has been a deterrent that came along more or less at the same time. When new oil was de-controlled and you had the tax benefit, the depletion allowance, there was an upsurge in domestic oil exploration and development, but with the removal of the depletion allowance on everything except the independents, there has been a cutback in exploration and development. I have heard figures quoted that indicated that there is a cutback of anywhere from 10 to 15 percent. This, of course, is harmful in trying to get or achieve our energy independence but that is the way the situation is. We hope to remedy it if we could get some tax legislation that would provide for a windfall profits tax plus plowback provision. That would in turn stimulate the exploration of



new domestic oil because instead of being taxed with that profit they would make they would get the benefit of the plowback provision. But Congress hasn't acted and I think there is a possibility that it might.

Q You have had a long head-on contest with this Congress, Mr. President. How long do you think that is going to continue? Is that going to get you out on the campaign hustings against a do-nothing Congress.

THE PRESIDENT: Marc, we have had some highlighted confrontations in four specific cases -- the farm bill, the jobs bill, the housing bill and the stripmining bill.

On the other hand, we have had some instances of good cooperation.

We have had some instances where there has been no action by the Congress or meaningful action, the energy bill being the most prominent one. But we have had some other cases where the Congress hasn't acted and we are trying to push them.

The four main vetoes, I think, have overshadowed some of the progress that we have made working with the Congress.

As we go down the road, if the path is one of confrontation, what you are talking about is possible. If there is a path that shows compromise and conciliation, then I don't foresee the condemnation of the Congress as a good political issue.

You know, there are some Democrats up there such as Lud Ashley -- last week when he was speaking on the housing bill, I have forgotten the precise words but they were very much to the point that the Democratic leadership by sending legislation down here that was obviously a veto target were following the wrong course of action. I think there may be a growing feeling in the Democratic leadership that confrontation is wrong and that compromise is right. I would certainly go 50 percent halfway with them.

Q As we brought up campaign issues, it appears that George Meany, among others, has already picked one and that is to accuse you with your vetoes of having a callous disregard for 8 1/2 million sufferers, as he put it. He seeks to spread the feeling that you denied unemployed people the right to hold about 3 million jobs. What is your answer to this criticism?



THE PRESIDENT: I think we have done a number of things, Carl, to stimulate the economy to get jobs. For example, I released \$2 billion in highway trust fund money that had to be under contract by June 30, today. It will be, I think, 88 or 89 percent and provide about 150,000 jobs. We have recommended, and Congress has finally approved, the full funding of the public service employment program -- about \$1,600,000 and some worth. In addition I recommended, and Congress finally approved, roughly \$460 million of summer youth job funding.

In addition, of course we have recommended and Congress approved an extension of unemployment compensation to 65 weeks. I signed the bill today.

We are trying to follow a very narrow line of stimulating the economy so that we can add to the number of jobs without adding to the problems of inflation. In the last two months, according to the Bureau of Labor Statistics, we have had an increase in employment of about 550,000 after five months of decline in the total number of employed.

Now we are still suffering from substantial unemployment but the trend is right. I think with the economy improving that trend is going to improve. By next year the direction will not only be right but I think it will be better than some of the economists have forecast.

Q You are getting some very special criticism from people like Roy Wilkins in the NAACP, and you have the National Urban League with a report out saying that the true figures are that 25.7 percent of the black work force in this country are out of work. They seem to feel that there ought to be some kind of special program to ease this particular special burden of unemployment.

Have you talked to members of your staff about what special kinds of things you might do to help the people who carry this extra part of the burden?

THE PRESIDENT: I don't approve of anybody in this country being unemployed, anybody who wants a job. I don't think we should focus in on any segment of our population. Everybody who is out of a job ought to be given a fair chance to get a job and be given whatever benefits can be given while they are unemployed, across the board.



If we improve the health of the economy all of the 9.2 percent unemployed will be the beneficiaries and I think that is a better way of approaching the problem than trying to focus in on one part of our society or another.

Q You spoke about just now some of the rather gloomy prophecies of various economists including some of your own economic advisors. Have you yourself in mind a figure of what inflation might be?

THE PRESIDENT: Inflation --

Q What the rate of inflation will be at the end of this year or the first of next year.

THE PRESIDENT: Well, the last three months it was at an annualized rate of 4.8 or 5 percent. For the first five months of this year it was roughly 6 percent. It is my own speculation, after listening to a lot of economists and reading the views of many, that by the end of this calendar year we should be in the range of 5 percent.

Q Roughly what it was earlier?

THE PRESIDENT: In the last three months, provided we don't let the Congress run wild with spending and we don't take some unwise steps to overstimulate the economy.

Q Then in effect, isn't it, Mr. President, what your vetoes are about?

THE PRESIDENT: That is exactly right.

Q This is really not an economic question, but a political question. Do you think there has been some kind of a shift in the political mood of this country which makes it tolerable for us to go for a long period of time with this 7, or 8, or 9 percent unemployment that we have and it is being projected for the next year? Are we in some kind of a conservative phase where people are a hell of a lot more worried about inflation than they are about unemployment?

THE PRESIDENT: I think the American people have reacted very well, remarkably well under the adversity. It is my judgment that the American people understand the opposite forces that are involved -- inflation on the one hand and



and economic recession on the other. I think you find the American people, both the unemployed as well as the employed, understand that inflation is bad. The employed, they have a job, but if they get behind in real wages, it really isn't to their advantage. The unemployed have the same problem with the welfare benefits or the other benefits that they get. So I think inflation cuts across the whole domestic economic spectrum.

Unemployment has a terribly adverse impact on people who are out of work so I guess what I am saying is inflation has a broader base because it involves everybody and unemployment has a narrower base but a more serious impact. So this balance is a very difficult one to equate.

Q What you are dealing with is something we have always thought of as being one of the great political arguments in this country -- Democrats generally saying they fear a recession most and always being out to fight a recession, and Republicans saying that they fear inflation the most.

I gather from what you say that you think the majority of Americans have adopted the idea that inflation is the greater enemy or at least that is a political risk you are willing to take.

THE PRESIDENT: Well, it affects everybody. Unemployment affects 8 to 9 percent at the present time. The impact on that group is more serious but 14 percent inflation has a terrible impact on everybody, Carl. They are both serious but one affects everybody and the other affects one group to a greater degree than the other.

Mr. Nessen: They are not terribly imperceptible. 12 percent inflation is the surest way to get you up to the next pit of recession fast.

Q When that budget came up we heard a lot about the deficit of \$70 or \$80 billion. When that really takes hold in terms of the treasury going into the capital market, do you think that is going to raise interest rates and also set inflation up again?

THE PRESIDENT: It doesn't have to if we keep it at \$60 billion or less. Anything over \$60 billion, Marc, starts to get us into a zone of danger.



Q So your objective is to keep it at \$60 billion?

THE PRESIDENT: That is right.

Q I particularly wanted to ask you, and one reason I am grateful for this opportunity, is about the situation in your own party where you have conservatives, and I guess I will put that in quotation marks, who are saying to you, or saying about you that you are not really a conservative Republican and that, therefore, they are opposed to you.

Now, Ronald Reagan hasn't come quote that far but I would like to ask you whether you are a conservative Republican.

THE PRESIDENT: On the domestic side I would describe myself as a moderate, and on the foreign policy side as an internationalist. Now, you can make that statement as I have but then you have to define it specifically on the issues that come up.

On fiscal affairs I think I am a conservative. On social legislation on the domestic side I am a moderate or middle of the roader.

Q Well now what about these people who keep firing barrages into the air aimed at you?

THE PRESIDENT: I have had that all of my political life.

Q Do you think they have any weight in your party?

THE PRESIDENT: They have a very important part of the Republican Party spectrum. I don't think they are the majority but they have a sizeable portion. I think we have to work with them just like we work with the liberal elements of the Republican Party, and we have some of those.

Q Could it be, Mr. President, that they fire some of these salvos at you to put some extra pressure on you to get you to veto some bills where you may be teetering on the fence as to which way you are going?



THE PRESIDENT: In the four major vetoes, Carl, that I have exercised, those judgments were made by me on the basis of my own philosophy and the recommendations of my advisors. Those were personal decisions and had no relationship whatsoever to any threat from one element or another of the Republican Party.

Q We get a sort of off-again on-again about Governor Reagan, that he would go into primaries or wouldn't go into primaries. Have you any intention of going into primaries?

THE PRESIDENT: I expect to go into primaries.

Q In quite a few States?

THE PRESIDENT: That is my assumption.

Q That will make an interesting year.

THE PRESIDENT: I am looking forward to it. I love to campaign. I think it is a very wholesome aspect of the American political scene.

Q Do you love to debate, Mr. President?

THE PRESIDENT: I always did, Dave, when I was out in the district. In every campaign I was in in my congressional district, if I was ever challenged by a contender, I accepted.

Q Will that be your policy if the Democrat candidates challenge you?

THE PRESIDENT: We will have to reserve judgment on that but I am just saying that historically I have always done it. I am not sure that on the national scene, let me put it this way -- on the national scene that debates are as productive as they can be on a local basis, but I wouldn't rule it out either.

Q Why is that?

THE PRESIDENT: Well issues on the local basis I think could be more refined. On the national basis there are some pros and cons that cover a very broad part of the spectrum and I won't pass judgment here as to whether I would or wouldn't do it.



Q You don't seem to have any difficulty refining the national issues to your advantage in a discussion like this.

THE PRESIDENT: Well, I just think it is premature to make a commitment.

Q You must do a little forward thinking and planning, Mr. President, and in doing yours do you do some of that thinking on the assumption that Ted Kennedy really is a possible opponent?

THE PRESIDENT: Carl, I said the other day in the press conference that I don't base my campaign programs on the basis of what somebody else is going to do. I believe you ought to set your own course and keep a firm hand on the tiller and not be involved with whether one candidate or another is going to be in the race.

To specific, though, I had an occasion over the weekend to read some article that included the statement made by Senator Kennedy a couple of months ago which was pretty firm language, with three very strong words. I have to take his comments at face value.

Q Three strong words in which he said he wouldn't run?

THE PRESIDENT: That is right.

Q You have heard that before, haven't you, Mr. President?

THE PRESIDENT: Well, I haven't seen any quite as firm as that.

Q He didn't use General Sherman's language quite, did he?

THE PRESIDENT: It is about as close as you can get, Marc.

Q On the matter of the Vice Presidential nomination, it has been implicit in what you have said, I am not sure you have said it implicitly, that you would intend, once nominated yourself, to make a recommendation to the convention as to the Vice Presidential choice.



THE PRESIDENT: I have indicated my full support for the Vice President but we both recognize that we have to sell ourselves to the convention. I have supported him. Obviously I did that by selecting him.

I think he has done a fine job and he has my support but each of us has to go out and get the delegates.

Q But I was asking a slightly different question which is not in regard to what he has to do but whether it is your plan at this point to make a recommendation to the convention.

THE PRESIDENT: I think you would assume that based on what I have said, Dave, but it is premature to talk about what I will do after being nominated or selected or chosen myself. We will take that one step at a time. But what I have said certainly is an indication of my strong support for him.

Q This gets again into that matter of your party and the divisions within your party, if it can be called that, as to whether Governor Rockefeller or Vice President Rockefeller is a liberal or conservative. Now all of us have covered him for a long time and what do you think?

THE PRESIDENT: I think he is a moderate, myself, certainly moderate today. He may have been more liberal 10 or 15 years ago but you look at his record as Governor of New York and when you see what he has done since he has been down here. I think his philosophy is one of moderation and one of action. He had been an activist when he was in New York and he is an activist down here.

People who allege today that he is a liberal, I don't think have carefully studied his record.

Q Of course you know from experience, Mr. President, how difficult it is to be an activist as Vice President.

THE PRESIDENT: I think if you talk to the Vice President, you will find he has been very busy with a wide variety of responsibilities and in the process he has been an activist.



Q He has been very busy with the CIA investigation.

THE PRESIDENT: The CIA, of course, up on the Hill as the presiding officer of the Senate. He has been active in the National Security Council, the Domestic Council, the Cabinet meetings and the Economic Policy Board and the Energy Policy Council. He has been in everyting, which I think is the right role for a Vice President.

Q Speaking of the CIA, Mr. President, do you feel that these investigations of the CIA have gone so far that they have harmed the national interest?

THE PRESIDENT: I think it is right on the border and I believe that the potential could be very harmful for the intelligence community in this country.

Q If what happened, for example if they got into public hearings on so-called assassinations --

THE PRESIDENT: I think that would be very ill-advised. I said that I was submitting this information on assassinations to the Church committee and urged them to handle the material with extreme prudence and I certainly would reiterate that statement today.

We need very, very badly a strong intelligence community, the Central Intelligence Agency, NSA, Defense Intelligence Agency, and to destroy that would destroy a very important national security arm of the President of the United States. If it goes much further with leaks, with unfortunate disclosure of information by one means or another, I think we could seriously cripple our intelligence community.

Q Mr. President, the Attorney General said that his view is that if his investigation which you put him in charge of determines that there was violation of law by anyone in the CIA or in the Government and that there is a reasonable prospect that a prosecution could be successful, that the Department of Justice should proceed and should not give particular weight to the question of any damage that a prosecution would do to the CIA as an organization or to what he called policy considerations about past officials. Do you have any problem with that point of view?



THE PRESIDENT: I think the Attorney General has to take that position and if that situation develops I would certainly want to discuss the pros and cons. I would hesitate to make an abstract judgment at this point.

Q But you would expect to be consulted on that?

THE PRESIDENT: I should think that the President ought to not be -- I think I should be informed. On how you describe the discussion, I certainly ought to be informed if a prosecution is going to potentially harm the national interest. Whether I have the authority or should exercise it is another question, but I would expect to be informed.

Q You have been very specific about the dangers, Mr. President, and the hazards. What else can you do to prevent this crippling effect which you have described?

THE PRESIDENT: There is not much I can do about what the Congress does because, after all, they are a separate body. We have cooperated with them so far in a responsible way in giving them information. What I am saying is the time may come if by any chance they should act irresponsibly that we would have to exercise limitations on our part. I am not saying they have but the potential exists.

Q On what you would give them?

THE PRESIDENT: That is right.

Q Mr. Colby -- I have been sort of out of the country and out of touch, but Mr. Colby seems to have become something of a controversial figure, to put it mildly. Would you expect that he would remain as Director of the CIA?

THE PRESIDENT: We have no plans to change.

Q Have you had a chance to look at the recommendations of the Murphy Commission?

THE PRESIDENT: I had a briefing by them last week. I had just finished an hour or so ago reading the Vice President's supplementary views and Senator Mansfield's views. I have read the summary of the Commission's report itself. I have not read all of the details of it.



Q Do you have any reaction at this point, particularly on the proposal that a non-career intelligence person should be in the future the head of CIA?

THE PRESIDENT: I think there is considerable merit to that.

Mr. Nessen: I think we ought to take about five minutes more.

Q A lot of people, Mr. President, think that some of these problems arose in the CIA or this terrible publicity has arisen because the White House and the Congress never really carried out the right kind of supervision. Are you convinced that as of now you have a firm hand on what goes on in the CIA and that you are knowledgeable of all of their major operations?

THE PRESIDENT: I think basically yes. I can't honestly say to you I know their day-to-day operations in an organization as large as that but I know the general thrust of what they are doing. But I don't, from the Oval Office, manage about 5,000 employees over there.

Q Mr. President, your Secretary of Defense has suggested, and it has caused some controversy, a new or intimated a new policy for the use of tactical nuclear weapons in the event of a threat of war. Does this reflect --

THE PRESIDENT: Tactical or strategic?

Q Tactical, I think it was. We were talking about that just now.

Q That is limited nuclear war that Mr. Schlesinger has been talking about.

THE PRESIDENT: I don't think that that is any serious change. I just finished reading this morning an article which Secretary Schlesinger published more or less on this subject. He gave me a memo on the subject before I went to the Brussels meeting of NATO. There isn't any serious change in our strategy, whether it is strategic or tactical.



Q You don't regard this as any fundamental change?

THE PRESIDENT: No.

Q And you don't regard it as impeding in any way the detente with the Soviet Union?

THE PRESIDENT: No.

Q Have you set any timetable for Brezhnev's arrival?

THE PRESIDENT: It is most likely some time early in the fall.

Q Early in the fall?

THE PRESIDENT: Yes.

Q I got the impression that the Schlesinger remark was primarily a warning to the North Koreans. I wondered if we had intelligence reports serious enough about a possible movement on their part to really raise some questions of a possible new outbreak of warfare there.

THE PRESIDENT: You know there has been controversy about those islands on the West -- I have forgotten the name of them. There is some dispute as to who has jurisdiction. But we don't have any information of any build-up of serious tensions, no, Carl.

Q Just before we go, Mr. President, can you shed any light at all on the circumstances that may have prompted Mr. Nixon's decision to go before the Grand Jury?

THE PRESIDENT: I had no prior knowledge of that, Dave.

Q Do you think under the unusual circumstances that there is any public policy reason why his testimony should be made public?

THE PRESIDENT: I haven't given it any thought. This was something strictly within the jurisdiction of the Special Prosecutor and I wasn't consulted and I don't think anybody in the White House had any prior information. That is the way it should be.



Q Have you kept in close touch personally with former President Nixon?

THE PRESIDENT: I have called him on his birthday and several occasions where there was some significance for a personal call and several times he has called me after a speech or after a press conference or before I was going on a trip. It is that kind of a contact.

Q A personal relationship?

THE PRESIDENT: That is right.

Q Thank you very much, Mr. President.

Q We thank you so much for this opportunity to come in.

END

(AT 5:00 PM EDT



JULY 3, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Cleveland, Ohio)

THE WHITE HOUSE
REMARKS OF THE PRESIDENT
AT THE
CUYOHOGA COUNTY FUND-RAISING DINNER
THE CLEVELAND SHERATON HOTEL

76

7:52 P.M. EDT

Jack Dwyer, Governor Rhodes, Senator Bob Taft, Representative Bill Stanton, Congressman Ralph Regula, Mayor Perk, my old friend Ray Bliss, distinguished guests, ladies and gentlemen:

It is wonderful to be back in Cleveland again and to be here with some of the fine people that I have known over the years and to be here with some of the fine people in my Administration, such as Jim Lynn, from the City of Cleveland.

First, I want to tell you how grateful I am that you made this evening so delightfully informal. The word "supper" has such a nice relaxed ring to it. People sometimes seem to get uptight at dinners; seldom at suppers.

In fact, I still feel for the master of ceremonies at Indianapolis last year when I attended a dinner which was one of those things. At the conclusion of the program, so that we could keep our schedule, the MC had to ask members of the audience to stay in their seats until the Presidential party left, but his actual words did not come out quite that way.

What he said was, and I quote precisely, "Ladies and gentlemen, this concludes our program, but would you please remain in your seats while the President is removed from the hall." (Laughter)

As I said at the outset, I am delighted to be in Cleveland in the great Buckeye State. As always, you have given me a very warm welcome, much warmer than you do some of those Wolverines once a year. (Laughter)

MORE

I can feel that I am among good friends. Even though the Republican Party of Ohio and Cuyahoga County is sponsoring this great Independence Festival Supper, I understand from very good authority it really isn't supposed to be a political event.

So, I am not going to remind so-called political experts--ones who were saying not long ago that Republicans were an endangered species--that there are at least 1,200 to 1,300 Republicans here tonight, alive, well and darn enthusiastic. Thank you very much.

I am not going to take this particular opportunity to urge the people of Cleveland to re-elect Mayor Ralph Perk, who in his first year as Mayor reduced crime in this City by 26 percent, and who has restored financial stability to this city's Government.

MORE

Tonight I am not going to endorse the re-election of other outstanding Republican mayors like Jack Hunter of Youngstown, John Ballard of Akron, Stanley Cmick of Canton, and Tom Moody of Columbus.

And far be it from me to say this evening what a great job Jim Rhodes is doing as Governor of this great State, or to compliment Jim on his outstanding program to bring new jobs to Ohio through new industry, increased housing construction, improved transportation systems and urban renovation.

And I am not even going to mention Bob Taft, one of the most effective and most respected Members of the United States Senate, a man who knows how to get things done whether it is a new national park for Ohio or reformation of the regulatory agencies of the Federal Government.

I am not going to speak any words of praise tonight for the magnificent representation of the people of Ohio, that which they are receiving in Washington from Members of Congress like Bill Stanton or Ralph Regula, both of whom are here tonight, and the 13 other outstanding Republican Congressmen from Ohio.

Under these circumstances it would not be appropriate to say on this occasion that the Republican Party stands for the same things that most Americans believe in -- personal freedom, local control over local concerns, a strong national defense, fiscal responsibility, free enterprise and responsive government. That is what we stand for and what we must sell around the country.

I am not going to predict tonight that this mutual understanding and this growing public support will give the Republican Party great victories in 1976, here in Ohio or all across the country.

No, sir. If you want to hear a political speech you are in the wrong place tonight. As I see it, and I have met many people, including Bishop Hickey, there is nobody here but a lot of good Americans celebrating their independence.

A century ago, in 1876, as America was observing its first 100 years of independence, a son of Ohio -- Rutherford B. Hayes -- was the Republican candidate for the President of the United States.

Hayes won that 1876 election, but the campaign was marred by bitter partisanship, with even the outcome of the election cast in doubt by political charges and countercharges.

MORE

President Hayes, realizing that this kind of excessive partisanship could produce a stalemate in the Government as well as discord in the Nation, said in his Inaugural Address, and I quote, "He serves his party best who serves the country best."

Tonight, as we enter our 200th year of independence, we in this country have more than enough challenges to consume our great energies and our ambitions without getting bogged down in political stalemate and discord. We must be about the business of serving our country by getting things done, making the hard decisions in both domestic and foreign policy, moving this country forward.

Those hard decisions have involved a series, for example, of vetoes of unwise and overpriced legislation passed by the Congress.

I realize that each time I use the veto there will be some who complain; for instance, the various special interest groups, and there are literally thousands of them -- and their advocates in the Congress. But just as each Congressman has a responsibility to represent the interest of his State and his district -- and I have had the privilege and honor of doing that for better than 25 years -- I have now a duty to safeguard the broadest national interest.

I refer to the interest of 81 million Federal taxpayers who must pick up the tab for each of those new spending bills, either through more taxes or more inflation. In some instances, both.

I take that responsibility very seriously. The American people have a right to expect their President to protect their interests. That is one reason the veto power exists in the Constitution and why I will use it when necessary. In fact, my use of the Presidential veto over the last 10 months alone -- I had this checked and it is accurate -- in the last 10 months alone we have saved the American taxpayers \$6 billion by 1977.

MORE

Let me add there is another important part of the Presidential veto which has not been adequately discussed -- the positive side. The veto is not a negative deadend device. In most cases, it is a positive means of achieving legislative compromise and improvement; better legislation, in other words.

For example, I recently asked the Congress to appropriate \$1 billion 900 million for summer jobs for young people and adequate funding for additional public service jobs to deal with temporary unemployment.

Congress, unfortunately, and unwisely, added \$3 billion on its own for a wide variety of miscellaneous programs. I considered these additions to be too inflationary. They could not be justified. So, I used the veto.

But that was not the end of the legislative process. After most Republicans joined with some discerning Democrats to sustain my veto in the House, the Congress worked out a mutually acceptable compromise, and the important ingredient in this whole process is this system of Constitutional checks and balances, which our founding fathers so carefully constructed, and is essential to good Government in this country.

In a larger sense, another basic tenet of our founding fathers' independence can be the inspiration for our policies here at home, just as interdependence is the foundation of our policies abroad.

As a first step, I sincerely believe it is time for us to declare our independence from governmental bureaucracies grown too large, too powerful, too costly, too remote and yet too deeply involved in our day to day lives.

Even though there are many things Government must do for people, there are many, many more things that people would rather do for themselves. With the depression of the 1930s -- and some of us can remember that -- began the policy of creating a new layer of Federal bureaucracy for every problem in America, and then spending millions and then spending billions in the hope that money alone would solve the problem

But the depression policies of the 1930s on which a Democratic-controlled Congress have based their programs ever since, cannot solve the problems of the 1970s. If those policies were effective in their day, they are old and tired and completely ineffective in this decade.

MORE

The greatest mistake this country can make is to turn its back on its own native genius, its creativity, its industry, its compassion and look solely to the Federal Government for solutions or salvation.

What we really need in this country in this decade and the rest of this century is not a new deal but a fresh start. What we need is not more Federal control, but the adventure of personal achievement in the rebirth of self-confident pioneering spirit that made America the great Nation that it is today.

The Government will do its part. Declaring our independence from too much Government does not mean sounding a retreat from the legitimate responsibilities which Government must and ought to assume. Quite the contrary. Tightened spending means more funds will be available for those absolutely essential programs.

Now, if we can put Government to work doing what we want it to do, we can keep it from doing what it has no business doing.

My aim is to declare America's independence from inflation spawned by decades of Government overspending, and as a part of the bargain, we can declare our independence from higher and higher and higher taxes and spend a little more of the money we earn the way we want to spend it, and maybe even save a little for a change.

If we can stimulate private enterprise without addicting it to continuous Government intervention, if we can establish guidelines for business without over-regulation, if we can unleash the great power of American free enterprise and get the great American labor force back to work at full strength in a sound and free economy, then we can honestly declare our independence from recession and high unemployment here in the United States.

I made some comments in Cincinnati this afternoon which might bear repeating here. I spoke about over-regulation in Government, and I spoke particularly about the Federal Power Commission and its strangulation of the natural gas industry, the transportation of it from Texas and Louisiana to Ohio to Michigan to Indiana, et cetera.

MORE

I pointed out that 20-some years ago the Congress made a decision to regulate natural gas production and delivery, and the net result is that prices are so low that the producers in Louisiana and Texas won't send their natural gas, which they own, to States like Ohio and Michigan and Illinois and Indiana, because they can sell it in their State for \$2 -- whatever the criteria is -- and if they send it through the regulated pipelines it is 51 or 52 cents.

Now, what does that do? We have bad legislation and we have a Federal Power Commission that does not respond to reality and the net result is that you in Ohio, we in Michigan, others in Indiana, are going to have a very serious natural gas shortage this winter. You are going to have 50 percent -- I think the figure is -- less natural gas in our part of the Middle West this winter than you had last winter simply because the people in Louisiana and Texas won't bow down to the heavy hand of Federal control.

What are they going to do? Very simple. They got all this gas that produces energy, that provides production in factories, and provides jobs. They are going to get those factories from Ohio and Michigan and Indiana and Illinois down to Louisiana and Texas because some people have the mistaken stupid idea that regulation protects people.

In this case, it means that we in our part of this area will lose jobs, and I can't understand why the Congress does not move. If we want natural gas production and delivery in our part of the country -- Ohio, Michigan, Indiana, et cetera -- we have to free the heavy hand of regulation, of interstate transportation of natural gas. Otherwise, we are going to lose jobs, factories and productivity in our part of the country. It is just that simple.

So I urge you -- whether you have influence one way or another -- every Member, of Ohio, in the Congress, Democrat or Republican, must be told that they are responsible if we have interrupted gas distribution this winter, and we have a loss of jobs. It is just that serious.

I asked the Congress last fall to overcome this legislative bureaucratic problem. I asked them again in January. We kept presenting evidence of the facts and, I must say with sadness and despair, Congress has not acted. They have got a chance to move if they can ever stop fighting up there.

MORE

But the problem is it will be disastrous for America. It will be disastrous in Ohio, Michigan, Indiana, Wisconsin, Illinois, New Jersey, North Carolina. So use your influence to get the right decision in the free society in which we live.

Now I happen to think we can declare America's independence from the fear and the alarming growth of crime. As I said earlier, Ralph Perk, as your good mayor, has done a fine job and I happen to think if the Congress would move we can declare America's independence from foreign oil and energy sources.

I happen to be very confident -- I happen to be very confident -- and I say this with deep conviction -- that together we can bring forth rich, new harvests from this great land of opportunity.

We can invite all Americans, whatever their race, sex or station in life, to sit at the table of America's bounty and partake more fully of its great abundance. I truly see America's future as bright with hope and promise. I see a Nation that works.

I see people taking pride in their work, in their lives. I see a national Government that responds to people's needs, but does not order people's lives.

And don't forget that a government big enough to give you everything you want is a government big enough to take from you everything you have.

I see a re-emergence of old values, values like simple honesty and common decency, as new natural resources with which to build a nobler, safer and more successful society.

There is no reason, as I see it, in the world today, why we can't live the kind of a life we want, a life of optimism and faith, a life of close kinship and good relations with our neighbors, a life with room for joy, a life of peace with ourselves, and with those about us.

I believe -- and as I look around this great room tonight, I think you believe -- in America. I believe in the American people, as you do, and I believe that as we start our third century of independence we can take renewed confidence in our future, a future that calls us -- every one of us -- to new achievement and glory and greatness.

Thank you very much.

END

(AT 8:18 P.M. EDT)

JULY 8, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON ANNOUNCING
HIS PRESIDENTIAL CANDIDACY

76

THE OVAL OFFICE

12:03 P.M. EDT

Today, I am officially announcing that I am a candidate for the Republican nomination for President in 1976. I do this with the strong support of my family and my friends.

My campaign will be conducted by outstanding Americans, on whose integrity both my supporters and all others can depend. I have found these leaders in Bo Callaway of Georgia, Dave Packard of California, Dean Burch and Bob Moot, and many others from every State and from every walk of life who have volunteered to help.

I have given them authority to seek my nomination with three qualifications, which I want all Americans to know.

First, I intend to conduct an open and above-board campaign, both for the nomination and for the Presidency. I want every delegate and every vote that I can get that can be won to my cause within the spirit and the letter of the law, and without compromising the principles for which I have stood all of my political and public life.

Secondly, I will not forget my initial pledge to be President of all of the people. I believe I can best represent my party, but this will be futile unless I unite the majority of Americans who acknowledge no absolute party loyalty. Therefore, I will seek the support of all who believe in the fundamental values of duty, decency and constructive debate on the great issues we face together as free people.

Third, I am determined never to neglect my first duty as President. After 11 months in this office, I know full well that the obligations of the Presidency require most of the stamina and concentration one human being can muster, but it is also the duty of all Americans to participate fully in our free elective process, and I will do so enthusiastically.

MORE

In all the 13 election campaigns I have undertaken, my basic conviction has been that the best politics is always to do the best job I can for all the people. I see no reason to change that successful philosophy.

I expect to work hard, campaign forthrightly and do the very best I can for America in order to finish the job I have begun.

Thank you very much.

END (AT 12:06 P.M. EDT)

[7/10/75]

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Her attorneys, defending her before the Supreme Court, conceded that Miss Cannon "lost her temper on occasion," but disputed allegations that she did not perform in "an even-handed

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CALIFORNIANS FORM FORD IN-1976 GROUP

LOS ANGELES, July 10 (UPI)—Formation of a 44-member California Republican "organizing committee" for the election of President Ford in 1976 was announced today, and among its members were a number of long-time supporters of former Gov. Ronald Reagan.

Reagan has indicated that he may seek the G.O.P. nomination but he has said he will not make the decision until later this year.

Announcing the new group were members of a five-man steering committee that had already come out for Mr. Ford. They included a San Diego businessman, Leon Parma; the State Attorney General, Evelle Younger, and the state party chairman, Paul Haerle.

Members of the organizing committee included Henry Salvatori, millionaire oilman and major contributor and money-raiser for Mr. Reagan in his past political campaigns; William Banowsky, Pepperdine University president and Mr. Reagan's choice for Republican national committeeman from California, and Mrs. Martin Brock, another long-time supporter of Mr. Reagan.

The former Governor had no comment on formation of the group.

Air Force Shifts Generals
WASHINGTON, July 9 (AP)—Gen. Richard H. Ellis, now Air Force vice chief of staff, was named Tuesday as commander of United States air forces in Europe and of allied air forces in Central Europe.

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76

THE WHITE HOUSE

WASHINGTON

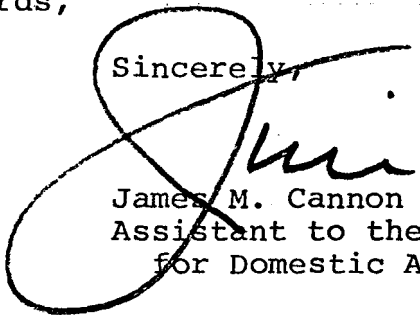
July 28, 1975

Dear David:

Thanks for your recent note. I thoroughly enjoyed seeing you in Cincinnati. I think the trip went well.

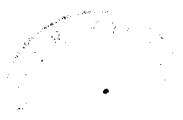
I'll look forward to a trip to Wendy's here in the D.C. area.

With warm regards,

Sincerely,

James M. Cannon
Assistant to the President
for Domestic Affairs

Mr. R. David Thomas
Chairman of the Board
Wendy's International, Inc.
2066 W. Henderson Road, Suite 201
Columbus, Ohio 43220

cc: Bo Callaway (cc with WH letterhead blocked out)
Dick Cheney
(w/cc: incoming)



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FROSTY

FROM THE OFFICE OF:

R. DAVID THOMAS

CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

July 23, 1975

*Pat
Ask w/ J
Thanks*

Mr. James Cannon
Assistant to President
for Domestic Affairs
The White House
Washington, D. C. 20510

Dear Jim:

It was nice seeing you again in Cincinnati. Sorry I didn't send you the franchise package I promised, so I am enclosing one with this letter. If there's anything we can do, please let us know.

We are just starting with Wendy's in the Washington and Baltimore areas. We just opened our 154th store, and we currently have 250 stores open or under construction.

I wanted to thank you for everything, especially the kind hospitality on Air Force I. I support President Ford 100%.

Sincerely,

WENDY'S INTERNATIONAL, INC.

R. David Thomas

R. David Thomas
Chairman of the Board

RDT/hm

Enclosure

*and let's send her
name to Cheney/
Callaway*



... as a slap
right-wingers, and

1976

... at the White House and
... yesterday. At the regular
... Nessen advised newsmen to "be
... at this."

At committee headquarters across town, Callaway
... irritated when confronted with questions about
Rockefeller during an interview with The Washington
Star. "I'm not going to say anything more about
Rockefeller," he said. "I've got a whole campaign to
run....I'm not going to say what the President's going
to do." The whole Rockefeller flap, Callaway said, "is
just non-news that somebody is trying to make news."
(7/11/75)

PARTY CHAIRMAN ASKS FORD TO STAY AWAY: The Chairman
of the New Hampshire Republican Party says he will suggest
President Ford stay away from the State's 1976 Presidential
primary. Gerald Carmen said Thursday he will meet July 15
with Ford's campaign aides to suggest Republicans back
Gov. Meldrim Thomson as a favorite son in the primary. --
UPI (7/11/75)

- 1) Agree - out of respect for Thompson
and write off N.H. as delegate
- 2) Agree - and get a volunteer group
to write in Ford. put 10% of it
- 3) Decline - and beat Thompson

