The original documents are located in Box 31, folder "Unreleased Remarks - President (2)" of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

November 5, 1975

MEMORANDUM FOR: RON NESSEN

FROM: WILLIAM W. NICHOLSON WWN

SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Dr. David Hoopes by 4:00 p.m. of the preceding day.

Meeting: Magazine Publishers Association Briefing

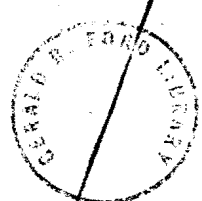
Date: Wed., Nov. 12, '75 Time: 1:00 p.m. Duration: 15 mins.

Location:

Press Coverage:

Purpose: Give opening remarks at the briefing for the Magazine Publishers Association.

cc: Mr. Cheney
Mr. Hartmann
Mr. Marsh
Dr. Connor
Dr. Hoopes
Mr. Jones
Mr. O'Donnell
Mrs. Yates
Mrs. White



MEMORANDUM OF CALL

TO: CG

☑ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Liz Arnold

OF (Organization) Time

☑ PLEASE CALL → PHONE NO. CODE/EXT. 293-4200

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

11/12/75

re: Mag. Publishers interview

RECEIVED BY	DATE	TIME
Ct	2/10	4:10

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THE WHITE HOUSE
WASHINGTON

November 25

Ron --

This is the transcript of the President's meeting with the Magazine Publishers.

It is being requested by:

Keith Halliday
Associated Third Class
Postal Mail Users

He is asking for it under the Freedom of Information Act (whatever the hell that is.....)

He says "there are 300 copies of that transcript ~~xxx~~ floating around town" which I think he is lying about. I have the only 2 copies made.

Anyway, he wants a copy, and will put up a big stink if he doesn't get it.

~~Xxxxxxxxxxxxxxx~~ Is it OK to let him have it? He was not a participant at the meeting.

X OK for him to have it.

_____ No for this reason _____

_____

Other: _____ cg

THE WHITE HOUSE
WASHINGTON

NOTE FOR: Connie

FROM : RON NESSEN

Make sure Marjita does the briefing paper. Put on my schedule.

RAN

Carol:

This briefing took place on November 12 in the East Room beginning at 1 p. m.

If you have any Q's please call me.

Gail

Ladies and Gentlemen, the President of the United States.

(Applause)

Gentlemen, welcome to the White House. I know that this afternoon you are going to be hearing from a couple of experts Bill Gorog in economic affairs and Hal Sonnenfeldt in foreign policy and I thought that you might like to have a few minutes to hear from a real expert, the President of the United States.

(Applause)

The President: Thank you very much, Ron. Mr. Randolph, Mr. Kelly, Ladies and Gentlemen, I do warmly welcome you to the East Room and look forward in a few minutes to an opportunity to respond to any questions that you might have for me and then I will turn you over to the real experts, Bill and Hal Sonnenfeldt.

What I would like to say at the outset, number one, I have been very happy with the relationship that has developed in the last fifteen months between the media on the one hand and the President on the other. That doesn't mean that I like reading everything I read every morning or hear every night on the news, but nevertheless, I think the personal relationship is healthy and good, competition I enjoy and I just feel we have made a lot of progress in this area.

We have tried to be very forthcoming. Ron Nessen has done a fine job as my Press Secretary -- he has his problems on a day-to-day basis but he survived as you can see. We try to be forthcoming and I think the latest toll is that we have had 21 press conferences, some 55 more or less personal, private interviews with one part of the news media or another and it is our intention to continue this direct face-to-face relationship and my judgment is that it has been healthy as far as the country is concerned.

I know that the magazine publishers are a very important part of the information area as far as the country is concerned. I like to read and I must say that magazines are an important part of my reading as President as it was before. Over the years I have met with a few of you and people representing you when I was on Capitol Hill so I know you can say that this relationship this morning is kind of a continuous relationship that started a good many years ago. With those very broad observations I think it's best that we get into the questions and answers which I enjoy the most. So if anybody would like to ask anything I will be delighted to respond.

Question: (Inaudible)

The President: We are right down to the wire. As a matter of fact, three minutes before I came over here I got the latest report on what the conferees are doing and it is somewhat dependent on a final decision that they will make. There has

been some give by the Congress; there has been some give by myself. If they take a certain action I'm informed that Frank Zarb, my energy advisor, the head of FEA, will probably recommend that I sign the conference report. But it's right at that touchy point and they'll make a decision this afternoon and if they do what we hope they'll do Frank will recommend that I sign it and not veto it so within the next twenty-four hours we ought to know. It would be good if I could -- I think it would....as I try to tell some of my friends on Capitol Hill if we can get a bill that can be signed there is enough glory for Democrats, Republicans, Congressmen and the President, so I approach it from that point of view.

Question: (Inaudible) .....by some of the progress we are making in getting our house in order, and I ask you that assuming we pay higher taxes as well as more cost cutting in order to balance the budget over a lenghy period of time....would you change your mind about the veto as far as .....

The President: That's another question we discussed this morning. (laughter)... The answer at the moment because things are flexible and fluid. Ron said this morning there has been no change in my position. But on the other hand I believe Ron said that we are very encouraged by some of the more recent developments in the last 48 hours. I am told, although I have not seen it in writing from any authoritative source, that they have agreed for additional taxes at the State and Federal level that they have

some optimism about getting restructuring as far as note holders are concerned, lengthening of maturity in a reduction in the interest rate. I am told that they're making headway in re-negotiating some of the pension programs and other related matters. That's a lot of progress. But I think you would agree with me that that progress would not have been made if we had not been very firm and that progress is essential to some formalization of just exactly what they can do and will do. And again it's a matter of the next 48 to 72 hours. I shouldn't go beyond what Ron said but I am telling you what I am told what they are prepared to do. It's a lot of progress and we'll take a very good look at it at the time they submit something in writing signed by the responsible people.

Question: (Inaudible).....I have been wondering for 2 or 3 years if you foresee any drastic increase in the postal rates.....

The President: I was in the Congress in 1970 when the Postal Reorganization Bill was enacted setting up the Postal Service instead of the old Post Office Department. I basically agreed with the change that was made -- I agreed with the phase-out of five-years for profit making publications and ten-years for non-profit making publications. President Nixon just before he left office signed the extension that went 3 years for one and six years for the other as I recollect. I have talked to the Post Office authorities, they're faced with some very serious financial problems. They believe they need a billion dollars

to handle their current cash problems. I did not ask, as you know, for the 44 million that would have funded the fiscal year 1975 added revenue that was essential. I did not ask for the 92 million for fiscal 76. We are faced with a very serious problem because I am told the new figure the Post Office Department wants is 307 million dollars for fiscal 77 and you know the feeling we put on expenditure wise. Now, that's for background and most of you, I suspect, know it, but I fundamentally think that we have to make the Postal Service near as possible be an organization that pays its own way. I concede we have a public service gap but I just don't think we can let that gap slide by every year and go through with the original concept that the Postal Service was predicated on. Thinking of 395 million dollars is ... 395 billion dollars ... is the spending ceiling it's going to call for a lot of sacrifice by a lot of people and a lot of organizations and a lot of departments and everything across the length and breadth of this country and I think it may require some additional adjustments, although I don't control the rate increases, I think it'll require some additional adjustments in rate or more Federal public service financing and as I look at those figures, and we're going through it right now, it is not very encouraging.

Question: (Inaudible) ..... to provide direct financial assistance to New York City ..... Would you consider perhaps providing Federal financial assistance to New York City if such assistance would channel through the State of New York rather than being provided directly to New York City?

The President: I don't think that is the basic question involved. Because today under the legislation that was passed several months ago, in effect the Governor is running New York City anyhow under the Big Mac organization. You see they've got Hugh Carey, Abe Beame, Roytan, Axelson, and I have forgotten who the others are, but any assistance if it was direct financial aid would have to be channeled through that committee because they in effect have taken over the running of New York City anyhow. I would only say at this point some very encouraging developments are taking place right now and I would not want what I have said today to be misconstrued -- we are still saying no, but no has been helpful in progress and we hope some more progress can be made.

Question: (Inaudible)

The President: If you go back to the speech that I made -- ten days ago was it, Ron -- I said that I felt there were things that could be done that would avoid default, but if they were not done then default in a new chapter of Federal bankruptcy was the answer. I still believe that. I still believe they can do things that would avoid it. Federal bankruptcy Chapter 16 is what I would recommend but I added, that you may recall, that following that we would be cooperative in providing funding for essential services working with the court. So we have never really said that we wouldn't help, but it had to be under circumstances that required investors modifying their contractual obligations, labor organizations modifying theirs, State putting money up, etc.

The reason I said 72 hours is that is if no action is taken, I am told that the crisis comes and it's that rather than anything else when I said 72 hours.

Question: Ken Poague. I'm fairly familiar with the figures that you quoted on the Postal Service. I know that by the end of the year -- in 1976 -- it will be in debt by $2 1/2 billion which is more than it's ever been in debt before. We used to have a "pay as you go" plan in the old Postal System -- in the old Post Office and under that system the Federal government contributed about 17% over a period of 25 years -- of all postal expenses -- 17% of all postal expenses were paid by the Federal government. Now it's down to about 10%. My question is is it clear to you that service will have to be cut back unless the Federal government contributes more to the Postal Service?

The President: I think based on the statistics that you have given, Ken, the answer would have to be yes, but I am not at all convinced they can't increase their productivity, can't improve their utilization of facilities and people to close some of that gap and so rather than accept just the mathematical difference I think is a mistake on our part. We do that too often in government. You don't do it in business because you can't get away with it and I just don't accept that they're doing as well as they should be doing. We have to prod them

just like we are prodding New York City to improve their efficiency productivity. If they can show real meaningful progress we certainly will take a look at it. But if we don't keep the pressure on them, you know how things operate in government, and that's one of the basic problems in New York City. Nobody really put the screws on them until this year and now they are faced with reality. I think the Post Office Department -- management and labor -- has to face up to that reality here as well as in New York.

Q: If the Federal government is not willing to pay for public service costs or if the government simply can't afford that, then do you believe that the Post Office Department is going to have to cut out or curtail those functions they perform that cannot pay for themselves.

The President: Either that or adjust rates.

Q: Well, yes, but the rates presumably . . . (inaudible) to the public.

The President: There are services, we all recognize, and you probably know them better than I that by tradition have gone on and on and Congress never did anything to eliminate those like free and county for local newspapers. It's a totally different situation if you look at it today compared to what it was a hundred years ago. I think we're faced with either the Federal government having to say no and the Postal Service

has to make some changes in some of the services that they've been traditionally giving or they have to increase rates. The choices are pretty clear cut. Unless we can get more productivity out of both management and labor to close the gap that Ken speaks about. I'd be very glad to . . .you really hit some of the questions that are on the agenda here in the West Wing. I don't know who has been leaking what we've been talking about. (Laughter)

Q: We have alot of unemployment in the country now. We have a large number of 21-year-olds entering the job market. What are their prospects in, say, the next five years? Looking ahead.

The President: We estimate for the next decade there will be roughly a million and a half to a million seven hundred thousand new people coming into the job market. The younger element. It's very interesting that since March of this year -- March to October figures out of the Department of Labor -- that we've added in the civilian labor market, gainfully employed, roughly a million six to a million seven hundred thousand. Now that has helped to absorb some of that. Unfortunately, it hasn't been reflected in a downward trend in unemployment. But what is showing is -- as we look at it -- that as we get an increase in economic activity and an accelerated situation in the months ahead we're going to be able to absorb the younger generation coming into the labor market. It may take a little longer than we would like because most projections of unemployment are for

1976 somewhere between 6 1/2% and 7 1/2%. I think it will be closer to seven or slightly under. But that's a matter of judgment. If we do that I think we can substantially absorb the new entrants into the labor market.

Q: If the tax rebate does not provide the hoped for spurt in housing, does the Administration have any further plans for next year to try and get the housing market moving forward?

The President: We did not believe at the time I signed the Tax Bill that that $2,000 rebate or whatever they called it would be significant. And it hasn't done nearly as well as the proponents alleged it would. I did authorize last week the release of about 100,000 Section 235 housing units with modifications as to price level, interest subsidy, etc. We are in the process of discussing how to release some more tandem funds for both multi-family and single family homes. We have an authorization available of about $5 billion which would be added to the $13 billion that's been made available over the last 12 months. There will be some released. How much and its porportion I can't tell you right at the moment. Carla Hills is undertaking some efforts to do something in the Section 8 program and there's one other program that slips my mind. But in the meantime, we're convinced that there are so many different programs in the Federal government for the help and assistance of housing that it's harmful rather than helpful. What we're doing in the Department of Housing and Urban Development under

Carla Hills is to see if we can't somehow eliminate the many, many programs and come up with some simplification which I think would help builders and the financial houses and the others. You have to be a Philadelphia lawyer to find the answers to alot of these programs when you go to FHA or you go to any Federal organization. By early next year we might have some simplification and some new ideas overall in the housing field but using the laws we now have on the books. The 235, the Section 8 and the Tandem Program and there's one other where we're moving ahead.

Well, thank you very, very much. It's a priviledge to be here and I'll turn you over to Bill Gorog and Hal Sonnenfeldt and they can answer all the questions with authority. Thank you very much.

Gorog: Ladies and gentlemen, it's good to have you with us this afternoon and I really appreciate the fact that you asked some of those pointed questions because I would have had much more difficulty answering them than the President did.

I came to this job about six months ago from industry and just before I left for Washington my friends gave me a large blow-up of a Lichte cartoon and it depicted four very worried looking gentlemen sitting around a conference table and behind them was a sign that said "Economic Policy Board." The door was open and a gentlemen was looking in and making the statement, "When you use the phrase, 'The end is here'

please make it very clear, the President asked, that you're speaking about the recession."

You know, it's very appropriate in a discussion of economics and economic policy and a little bit of forecast of the future, that while we recognize that those were very ominous terms in April we really have seen the end of the recession in a classic sense and things are starting to look good. We can read the Wall Street Journal every morning and look at the indicators as far as retail sales, and as far as our general economic indicators, interest rates are down, inflation seems to be "somewhat under control." All of the signs that the classic economist looks at tends to give us a feeling of warmth. And some of my colleagues have even used the term "we can see the light at the end of the tunnel." And I caution them, and I caution you that we've got to look ahead a little bit and that light at the end of the tunnel may be a freight train rather than the delight of a good economy that we'd like to see.

Unfortunately there are many -- and there are too many in the Congress today -- who are looking at those economic indicators and recognizing that there is a bonanza of new tax receipts and new money on the horizon that they can look to with glee as far as spending programs are concerned. Unfortunately, long range planning to them is what's going to happen for the balance of 1975 and through November of 1976. And I'm being very blunt about that.

We have very serious concerns, however, about some fundamental difficulties in the economy and the President spoke just a few moments ago about one of the serious ones. And that is the fact that even though we may have our economy back at capacity levels that we experienced in 1973 -- and we all knew that as a boom -- we may have an underlying continuing problem -- the unemployment problem -- accompanying that return to so called full capacity. That really will be an ulcer on our economy. And the difficult thing when we look at that problem is when we look beyond today and tomorrow and six months from now we have to recognize how we got into this situation where we have a country and an industry with really the finest management in the world, the best-trained work force in the world, the most sophisticated technology in the world and, unfortunately, an industrial engine, productive equipment, that is aging and becoming obsolete.

We also have very very nervous managers in the country. You know, it's a little frightening but it's realistic when we recognize that approximately 800 senior officers -- chief executive officers like yourselves -- 800 managers in this country control the capital expenditures. Control 95% of the capital expenditures. And these men are nervous. They are not looking toward what happens in the end of 1975 or through 1976 when they are going to make two or three hundred million dollar commitments for facilities that take five to six years to put on a line and will take twenty or thirty years to get

back a sufficient return on investments to justify that investment. These men are saying "no" when it comes to capital expansion. They're saying "no" when it comes to modernization and modification for one fundamental reason. And that is that they have no faith in the stability of this government to give them the kind of economic stability that they need to make this decision. And when I hear someone tell me that because profits are going to be up in the first and second quarters of 1976 that we're going to have a flood of new investment to create the jobs we need, I tell them that they've never been out in the industrial world and they don't know how the risk managers are thinking.

We really need three things. The manager needs a guarantee of economic stability for a long period of time. He needs a guarantee that he's not going to have to anticipate the kind of inflation fluctuations that we've had in the past several years. And he needs, in addition to that, a tilting of our tax policy to favor capital investors and to provide some of the capital at the industrial levels where there's now a severe shortage.

Now at the root of all of these problems, and I'd just like to spend a couple of minutes talking about it because I think it's the most significant single program we worked on here in the last year, is a proposal by the President to put a cap on federal spending. Now to many this has been accepted as a political ploy -- simply rhetoric that sounds good and may be important for the 1976 elections -- I want to guarantee

you that it is no political ploy. We feel that the government of the United States may be in the same condition five years from today that the city of New York was in 1970 when a very respected member of the Board of Estimates had a front page New York Times story predicting exactly what's going to happen today and making a plea for putting a cap on the spending of the city of New York.

Now we've reached the point where Federal expenditures -- the percent of gross national product going toward federal expenditures -- is growing year after year after year. This year it will be approximately 17% ahead of what it was last year. With no cap we anticipate the federal spending in 1977 will be $53 billion more than it is this year. And when that trend continues for not many more years we'll find ourselves in the same condition that the U.K. is in today where 60% of their gross national product goes into the government and you've got a bankrupt government and a bankrupt industry.

Now this request for a cap on federal spending at the $395 billion level represents not a cut in spending but a growth in spending-- and I almost hate to use these words -- of only $25 billion. Now we can afford that. It's difficut but that represents approximately a 7% growth in federal spending. It's just about the kind of growth we expect in the GNP next year. It will basically mean that we will flatten out for the first time this problem of continuing erosion of capital coming out of the private sector and going

through the government sector. It's awfully important to us for several reasons. 1. If the Congress is willing on a statutory basis to put a limit -- and what we mean by that is a law that basically says that any appropriations raised on the floor that will violate that limit will be declared out of order by the Speaker of the House -- if we can set that limit I think we can say to the American people and to American industry that the single thing that's been the greatest pressure on inflationary measures in the country, and that is deficit spending, will finally be eliminated in approximately a 36-month time. Because that kind of a cap and that proceedure for three years will permit the GNP to grow and permit receipts to catch up with the expenditures of the federal government so we can flatten out.

Now that was -- I want to give you a little bit of time for questions -- so I'm not going to belabor the point -- but I do want to tell you how important we feel that measure is. And it's an uphill fight. Jim Lynn, who was to speak to you today in place of the speaker you're having at this moment, is up with 40 Southern Democratic Congressmen to listen to the same pleas that I'm making to you. And it's a plea for fiscal sanity. We hope we have some people up there who are going to listen to us in the next few days..

With reference to some specific questions that you asked the President about the Postal System and about additional subsidies from the government -- now I know you're interested in these areas -- I want to tell you that it is a tough

problem and the tough problem is related specifically to the one that I was just discussing. To keep our federal budget within that $395 billion level we're going to have to take some very, very tough measures next year. No specific decisions have been made in these areas but I would be less than candid with you if I didn't tell you that it probably will not happen as far as the Office of Management and Budget is concerned.

I'd like to point out one other thing. It's always difficult to do -- particularly when you have a group of people who have a very, very common interest and a common interest which is very closely related to the pocketbook of their particular business or industry. And that is that one of the things that we hope happens in this new budgetary process that we're proposing is a question not of fighting about whether or not we should add a federal program, incur another expenditure -- there are, by the way, today, 1,009 specific grant programs that are legislated and in the books to take care of industry interests, social constituency interests, private interests of a myriad of kinds of interests -- but if we do finally take the kind of a business approach that says this is what the country can afford then we can turn our attention to deciding where priorities are. Then we can make a decision, for example, relative to the Postal Department of not whether we should spend additional money to subsidize and to assist in this area, but we can make the decision, perhaps, that we don't need to spend money on food stamps for people who make $18,000 a year, we

don't need to spend $7 million a year for impacted education money to Montgomery County in Maryland which is the richest county in the United States. We can perhaps get the Congress to turn around and pay attention to thos e special interest programs that are out of date, outmoded, but still have very loud vocal constituencies because for the first time we'll be able to say, "I'm sorry, there just isn't any money in the budget to do it."

Well that's a quick capsule on the things that we're working on right now. I'd be very happy to take a few minutes of questions about those subjects or, really, any of the other ones that you spoke about before.

Question: I'd like to know if you assess the next five years ... (inaudible) annual inflation rate, the general economic condition.

Gorog: Let me give you an answer to that in phases. We feel that the inflation rate should stay in the vicinity of 6 or 7 percent through the balance of 1975 and 1976. This will occur for several reasons -- and in a couple of areas there's more luck than brains that created the situation -- we have problems in housing, we still have some problems in automotives, and particularly in heavy construction, as you know, there is alot of problems. That particular segment of the industry usually is a big borrower and has a large requirement for capital and they are not in the marketplace

looking for money. We also have a situation on our hands where industry and business are being very cautious about inventory buildup. So the kinds of demands on the banking system for inventories are not as high as normally would be expected, even with the level of economic activity we have today.

So because of our recession and because of fear -- and it's too bad because of both of those things -- there are not as many demands on our financial system as there would be in normal times. Now, the reason we're lucky is that the treasury is into that capital market right now, borrowing at rates as high as $25 billion a month, to pay for the deficits that we're experiencing this year, and we're getting away with it without putting pressure on the monetary system because our private sector has not caught up with requirements.

Now, unfortunately, unless we do something about that spending problem by the end of 1977 and the beginning of 1978 we're going to be in a situation where the economy has returned, most of the people who have been laid off will be returned to work, we'll still have this underlying unemployment for new people, we're going to have the demands for inventory, housing will have started because interest rates will be reasonable for a period of time and people will regain confidence. But we're going to have a combination of private capital demand in the money market and, if it's coupled with deficits of $60 and $70 billion a year in 1978, we're going to have the

damnedest inflation we've ever seen. And the recession that we've just experienced, I'm afraid, will be minor compared to what we could expect in '78 or '79. So we are really at a critical point. And the answer to five years is the answer to what the Congress does in the next two weeks. It's that critical.

Question: Going back to the indicators -- aren't you a little worried about the trend now in those?

Gorog: Not really, and let me tell you why. The leading indicators really lead the economy anywhere from three to five months, depending on which portion of which cycle you're looking at. We have never had a period in the history of the indicators where you've had seven straight months of advance. A flattening of the indicator really is predicting that some four or five or six months out during that time period the economy can continue to improve. But what it's saying is that it's going to flatten out and stabilize at that particular point in time. I perhaps would even be more worried if the leading indicators kept on the kind of a trend that was on. Because it would point to the fact that the economy was perhaps heating up too quickly, you know, in terms of a return to inflationary conditions that we had before.

The other thing that I want to warn you about -- I came into this job in May out of a business that was very closely related to computers -- is that the computer models that are

$60 and $70 billion ...

used to predict the performance of the economy and eventually to indicate such things as our leading indicators are in a neanderthal condition. They are not to be trusted and watched on a month to month, week to week basis. The best we can do with them is look at them and say, "Gosh, I wonder what they mean" and put them together with good common sense and judgment and try to make a decision. I think everybody around here a year ago in September when we had the leading economists in the country unanimously miss the fact that we were just falling off the cliff toward the worst recession since 1930 -- and missed it -- those models are really, really bad. It doesn't mean that we shouldn't use them and it doesn't mean we shouldn't try to improve them. But they are not to be trusted from the standpoint of guiding policy.

Question: We can certainly understand your opposition to alot of new spending programs -- in the postal area I wish you'd realize that the step between spending programs and cutting out spending has been going on for years, and years, and years. It will change only with the so-called postal reform has . . . (inaudible) I think there are / those of us who never thought that possible -- I for one don't think it's possible now -- I think you ought to take away . . . (inaudible) justify a national interest in the Post Office . . . (inaudible)

Gorog: Let me comment on that more as a private citizen than as a spokesman for the Administration because I have not had

as much experience in this area on this side of the fence as I did on my old side of the fence. You know, one of the difficulties that we handed to the postal system when it was turned over is that it is not exactly a business-like operation to begin with. When you look at the situation -- you're more familiar with it than I am -- there is great sympathy, believe me, in OMB and you have a good constituency of people in there who understand that simply writing a new law and turning the key in a new lock on the door does not mean that you can suddenly, overnight, run it like a business when you inherit all of the problems that had been inherited out of the old postal office. I can only answer that by saying this, that in all of these things there is no central doctrine that says all is black and all is white -- what you'll find is that in OMB and all of the other agencies here there are constituencies who are working for or against specific programs depending upon their personal beliefs and interest. That process is going on right now. I can't tell you how it's going to work out. And my only reason for being pessimistic to you is the fact that it is a horrendous job to stop this train of budget growth that we've had over the years. There has never been a time when a new spending program has been looked at with tougher eyes. So when I emphasize that the decision hasn't been made, I'm saying that it's an uphill fight and I think the more information you can provide to OMB and to the other agencies that are involved, the better it is. And don't hesitate to do that.

I've really become aware of how important trade organizations are in this city in terms of supplying the raw information and data that you need to make decisions. We don't have time to do it. I have a staff of two people, for example, which is a little thin to be knowledgeable in all areas. So I need your help and everybody else does.

I'll take one more question, because I don't want to take any more of Hal's time.

Question: (Beginning of question inaudible) . . . The problem is this isn't a new spending program -- the Post Office is going to spend $15 billion whether you give them a penny or not. They are still going to spend it . . . clause in the union contract . . . and even though they're handling 7 billion more pieces of mail with 40,000 fewer people the labor bill was nearly twice what it was before reform. They can increase productivity but they are going to spend $15 billion and they are part of the federal government and the federal government is spending that $15 billion. You're not curtailing federal spending to deny the appropriations that the law authorizes the Post Office. You are simply imposing it on the special users of the mail who do not need the services the Post Office supplies. Nobody needs delivery in every American home six days a week. They don't need delivery to the rural areas five days a week and they don't need 12,000 small post offices. . . you ought to have a government system that brings mail to everybody's

house six days a week, delivers mail to every office twice a day and do not require the taxpayers to pay a penny for that service.

Gorog: All I can do is applaud your comment. (Laughter and applause) Our problem is to try to figure out how we do it. As I say, I'm speaking more as a private citizen than as a representative of OMB but having just moved across the fence I feel that you stated the case very well.

Thank you very much gentlemen, I appreciate being with you.

Sonnenfeldt: Ladies and gentlemen, I'm pleased to be clean-up man in this august group. I take it from your comments and questions that you're concerned about the postal service. Am I wrong? (Laughter) I don't ordinarily like to begin solemn occasions with stories, but it reminds me of the fact that there was once a king in Europe -- I think he was from Montenegro -- discovered that the way to stay rich was to buy postal money orders each year to the tune of a million or more dollars and then not clear the account with the International Postal Union. It took them several years to catch on to this and -- in the IPU -- and he became a millionaire as a result.

I just want to make a few very general comments on the international condition in which we find ourselves, which we hope to shape, and then allow the remainder of our time

to coffee and cookies for questions and comments.

The recent period, perhaps for as long as a decade, has been a time of profound transition in the international system. I think the post-war era and the post-war order that was established through an extraordinary burst of activity and energy in many respects is coming to an end. In power terms, in terms of military power, the time of great American preponderance and the strategic power and the power of worldwide reach -- that great preponderance -- almost monoply -- came to an end some years ago when the Soviet Union emerged also as a nuclear power. But now it is clear that the Soviet Union has, in most respects, gone very close to the United States, in some respects, exceeds our own power. This was probably inevitable in the sense that the Soviet Union is itself a great power with enormous resources and enormous territory and a historical tradition of a great continental power. It was perhaps inevitable that sooner or later it should emerge on the world scene as a world superpower. But it does mean for the United States that we are no longer in a world of preponderant power but of more equal disposition of power.

In the economic sense, it is clear that the great power and influence of the United States is now shared with other industrialized countries, most of whom happen to be our political allies. But it is also shared with the producers of key commodities and products who have learned how to wield the power conferred upon them by those assets. So that the

international economy has become a much more sophisticated mechanism than that envisaged in the post-war arrangements for the international monetary system and the international trading system.

In a political sense we now have a world of over a hundred and thirty sovereign states. And in the international system such rules of the road as we've been able to develop in the civilized world over the decades and in centuries -- that international system has been put under enormous strain by this explosion of sovereignties on the international scene. Some of the smaller powers, which by most of the indices that can be used to measure power have very little, have discovered that by banding together in various ways they can assert power and influence/if not so much in a positive sense then at least to frustrate or inhibit or slow up the exercise of power and influence by others.

So, in most of the ways with which we are familiar, the international scenery has been undergoing and continues to undergo extraordinary change. And this is the situation/in which we, as a great power, must secure our own interests and exercise our own responsibilities and display a degree of leadership commensurate with our own power and our own aspirations.

We have made many efforts in this respect. Many efforts to make our contribution to a world that can cope with these transformations. And can cope with this spread of various forms of power and the means to use power. We've tried to do

so in our relationship with the Soviet Union, by attempting to establish some rules of the road that will make the inevitable competition between ourselves and the Soviet Union less dangerous than it would otherwise be. We have attempted to do so in the international economic realm by encouraging the industrialized democracies, who are also consumers of many important commodities and raw materials such as oil, to work together to defend their own interests and to engage in various forms of dialogue with the rest of the world known as the Third or the Fourth World. And we've made a good many proposals and have taken many initiatives in terms of the relationship between the industrialized world and the rest of the world.

We have sought to be helpful in different ways in coping with such problems as the proliferation of nuclear know-how and nuclear capabilities that might at some point be transformed into nuclear weapons capabilities and add considerable additional instabilities to what is already a rather unstable international situation. This is not in order to create first and second class powers in the world because we do firmly believe that the peaceful benefits of nuclear energy ought to be available as widely as possible. But it is an effort to cope with the more destabilizing and disturbing aspects of nuclear energy if widely diffused around the globe.

I'd only just highlight, since I'm here at the White House and this has been a Presidential briefing, that in

the last few weeks and months the President has personally been involved in several of these operations and is about to take off for Paris this coming weekend to participate with other industrialized democracies at an economic summit where the effort will be to give fresh impulse to these various efforts within the industrialized world but also between the industrialized and the rest of the world to cope with the problems and the difficulties that we are encountering.

The President was in Helsinki earlier in the summer to participate in a collective effort to build some additional rules of the road in competition between East and West. He went to Eastern Europe at the same time to again demonstrate the continued American interest in the progress of the development of those countries and later on this year he expects to go to China, which, in our view of the world, plays a significant role in helping maintain a balance of power and influence in Asia. He is directly, presently involved in the development of our policy of strategic arms control, which is yet another way of trying to cope with competition with the other superpowers.

So, in all of these ways, we are in effect trying to cope with a world in transition, with much potential for instability and conflict, and some of it potentially quite catastrophic conflict. Trying to do it as a country that has in many ways curtailed its impulses for international leadership that were so prominent in the first two or three decades after the war

as we have come to cope more with our own domestic problems in a world, therefore, of shared power and shared responsibility and, obviously, a world of shared stakes in some continued progress toward order and at least relative stability.

So, with that as background, if I can take the next ten minutes or so for questions, I shall be very happy to do that.

Question: A little more on the China trip.

Sonnenfeldt: Yes. I think that the American-Chinese relationship, which I tried to indicate, is based in both cases on a calculus of national interest and it is based, basically, essentially, geo-political factors that in each case weigh very importantly on how they and we calculate our interests. And it is desirable from time to time to -- on that basis -- to have contact at the very highest level. To maintain the momentum of the relationship and to maintain clarity in the relationship.

Now, there aren't very many specific things that should be expected from a trip such as this and I think that your publications can contribute to keeping this in perspective because the key of a successful contact between the President of the United States and the Chinese leadership is not how many agreements may be signed or what particular progress is made in bi-lateral relationships -- at least not after the

initial contact -- but the key nowadays is in both sides continuing to see it in their interests to maintain this relationship. And I think that will be reaffirmed and will be in the mutual interest and it will be in the interest of stability in that part of the world. So I'm bullish.

Question: The previous speaker talked about the importance of Congress. The biggest industry in the U.S. is agriculture. I don't need to tell you what happened to the confidence of the farmer in the government when they applied an embargo that said we would not . . . in effect, a reserve or surplus . . . is terribly important. The question is, how do you think the farmer's going to react as we go down the road in view of that?

Sonnenfeldt: Well. I wouldn't exactly subscribe to the premise of your question and I am perhaps the last one who should speak for the American farmer. But, as far as the matter to which you make reference is concerned, first of all the government was not the only actor in problems of grain shipments to the Soviet Union. There were other actors in that particular conflict of issues who had a bearing on what would be shipped and how fast, and whether it would be shipped at all. Secondly, I think the government's principal concern in this whole area has had to be that the Soviet Union over the last several years has repeatedly entered our markets as a purchaser of grain in a highly disruptive fashion. And consequently our purpose these past few months has been to

produce over the longer run a more orderly trading relationship with the Soviet Union in the particular area of grain. That hopefully has now been appeased by the agreement that has been negotiated. It was felt wise at that time to suspend immediate short term trading until we would have a clearer view of what the longer term picture would look like. And it's my view that this will benefit the farmer because the farmer will now have a clearer idea of what to expect from the Soviet Union year in, year out, including the years when the Soviets normally don't come into our markets. Because under this agreement the Soviets are going to be obligated to come into our markets even in years when they have a satisfactory harvest and would not ordinarily import any large quantities from the United States. So that has been the basic purpose of what has been happening over the last few months and I think there is reason for some satisfaction. We did obtain out of this a longer-term agreement that will make for orderly relationships, that will give us and our farmers a rather clearer idea each year of what to expect from the Soviet Union and consequently will effect what happens in planting and other economic decisions that the farm community would make. I would hope that what you are saying concerning confidence will turn out to be pessimistic.

Q: Do you care to comment on the recent Resolution in the United Nations? Could you tell us a little bit about how you see the United Nations going in the next few years and

the United States' position in it?

Sonnenfeldt: I have little to add to what the President and the Secretary of State and our Ambassador to the United Nations and the Congress has said in the last 24 hours about this vote in the United Nations. I think it was deplorable and irresponsible and I think it is not a banner day for the United Nations for this to have occurred. That is true in a general sense. It is also true in the / specific sense that it cannot help but make a negative contribution to the prospects of further progress in the Middle East negotiations. We certainly regret it. I personally regret it and I think we have clearly stated that.

I might say that the President of the General Assembly who happens to be here in town visiting today -- the Prime Minister of Luxembourg -- made a very courageous and I gather unprecedented statement for a/President General Assembly yesterday when this vote came in. I think it's a setback for the U.N. I think it's a setback for the U.N. as a forum for world debate as well as for dealing with some of the problems that I was outlining in the beginning of my remarks. I think it's a setback because -- for the American people it's already reflected in the actions of the Congress and the statements of the President to the American people -- they're going to find this a disillusioning experience and I think that is unfortunate because I think the United Nations needs the support of the American people to function.

I would hope -- it's a hope -- that with this experience that some people will come to realize what they lost and that this sort of thing can in some fashion -- that this blot can be removed through actions taken in future -- if it can't be removed altogether by repeal. I don't know what the parliamentary devices for that may be. So I would hope that the situation can be retrieved so that the U.N. can play some role in this process of building some stability into a potentially very tumultuous international system. That's what we would like to see the U.N. do and that's what we want to support in the U.N. But I would not be candid if I did not say what happened here is unfortunate and is a setback in that respect.

Question: How does this affect our role?

Sonnenfeldt: Well I can't really speculate on that right now. I think that it certainly affects our attitude toward the U.N. and it affects the base and public confidence that we have in dealing with the U.N. but I wouldn't at this point want to say specifically how it affects our role. I think our attitude undoubtedly is one of disappointment if not, indeed, of disenchantment.

Question: . . . we have to have a good policy towards the third world. My question is when is the U.S. going to set a policy for sub-Saharan Africa?

Sonnenfeldt: Well, again as far as our policy toward the Third World is concerned, I'm not sure again that I would necessarily share your premise. The Third World is, again, a very disparate world and it's now, already, become a Third and Fourth one. We have attempted, over the years, to make a constructive contribution to the problems of the Third World -- the less developed world -- and to the relationships of that part of the globe to the rest of us. We've made a series of -- in some respects quite far-reaching -- proposals at the General Assembly session.

As far as sub-Saharan effort is concerned, it happens not to be at the moment an area about which I can speak with a good deal of expertise -- or any expertise -- but if the premise of your question is that we are inactive and have no policy with respect to those countries I don't think that is quite accurate. For example we are quite concerned at the moment about what is happening in Angola and we are trying to play a constructive role there to prevent that from exploding or becoming an arena for a great power conflict. Again, I think it's probably a mistake to treat sub-Saharan Africa as a homogenous area because it isn't and so therefore the answer to the question may not be so much in regional terms as it is in the particular relationships that we evolve with the countries of the African continent. But I also wouldn't underrate the significance / for those countries -- of the kinds of proposals that we have made in the special General Assembly.

For example, those dealing particularly with the problems of price fluctuations in raw materials which have such an enormous impact on single commodity economies where we have made certain suggestions for attempting to reduce the negative impact of drops in international prices. That, of course, is implemented like our proposals in the food area. All of that would have impact on Africa as it would on other parts of the world. So I don't think that we have been inactive and many of the proposals and programs that we have advanced over the last period certainly have their application in Africa.

Question: Is the United States still viewed as the land of opportunity by the rest of the world?

Sonnenfeldt: I think, perhaps, to a surprising degree considering our own preoccupation, it is. I can't give you the immigration figures or the figures of those who would want to come here if they were free to do so. And it is certainly true, for example, if one travels in Eastern Europe as I had opportunity to do, I guess most recently, with the President in the summer -- that in many respects that is still precisely how the United States is viewed. But it undoubtedly differs in different parts of the world and -- I suppose -- in some respects the United States has become more like other countries in the view others have of us. In some respects we have become more like other countries in the view we ourselves have of us. In some respects we are, in fact, more like other countries precisely because we are functioning in a world where -- as

the Secretary of State was saying last night in Pittsburgh -- we simply can no longer overwhelm all problems by the application of our resources. It is a different world and we have encountered some frontiers in our -- in not only our physical expansion -- but in our growth as a nation and as a society. We have encountered our own problems. But I must say I find it surprising given what the nature of our own debates here at home -- and particularly the debates of the last ten years -- I find it in some respects surprising and of course immensely encouraging that in the world at large the United States continues to be held in very considerable esteem -- especially by what is known as the common people -- and I don't mean that in a patronizing way.

Question: In view of that esteem you speak of, do you have any indications that the Russian people know that the bread they are eating is (inaudible)

Sonnenfeldt: Well, there are no neon signs in the streets of Moscow that say "the bread you eat may not be your own." But I think the Russian people are no longer hermetically sealed from the rest of the world, as used to be the case. And I think it's pretty clear in Russia that their agricultural system is not among their more successful or stable accomplishments and that imports do play a role in their diet and so on. So I think that's perhaps more widely understood than might have been the case ten or twenty

years ago. I assume that there undoubtedly are people who are not aware of this.

Question: . . . (inaudible) what's happened in New York? How could / New York go bankrupt. What kind of domino effect will this have on municiple government, on state government? What's that going to do to trade with the United States?

Sonnenfeldt: Well, that, I think, reflects the concern abroad that is quite widespread in Japan and other industrialized countries in Europe concerning the situation in New York and that undoubtedly is a factor that has to be taken into account. But I think on the other hand what the President was telling you earlier -- I'm not here to contradict him -- but what the President was saying earlier obviously reflects a net judgment that in the end how this problem in New York plays out is going to be for the best in terms of our economy and ultimate confidence in our governmental institutions and consequently I think perhaps the worries and the concerns in Japan and in Europe about this will likewise prove to have been excessive. It's not a pleasant situation, obviously, but I think that if the calculations that underlie the President's policy -- the Administration's policy -- turn out to be correct as I expect and believe they will, this will then also have its beneficial effect in foreign countries. I'll take one more question, if I may.

Question: What is the United States' position in Angola?

Sonnenfeldt: We would like to see the transfer of power that's just been occurring there result in a stable government and peace and quiet. We do not want to see it, as I said earlier, as an arena of competition and conflict by external powers. To the extent that other external powers have subjected themselves into that situation, we have found it necessary to play a balancing role. We've been through this in some other areas of Africa as they became independent 15 or 20 years ago and it has never really benefitted those countries themselves, nor Africa, nor the general state of world peace to become engaged in these kind of conflicts and these forms of competition . So our position with respect to Angola is not that we're pursuing any unilateral American interest there at all. We want to see Angola as an independent country. But we're going to try to prevent others who may not have that objective in mind from achieving their goals. And that is our role in Angola and we're not the only ones that are concerned about that kind of thing happening in Angola. But I repeat, the only interest we have there is to see it emerge independently. We have no separate interest or advantage that we're seeking to pursue there.

Ladies and gentlemen I have kept you beyond your cookies and coffee and I appreciate the opportunity.

Woods: Thank you very much Hal and thank you also Bill Gorog. Ladies and gentlemen I'm Randy Wood from the White House Office of Communications. It's been my pleasure to

work with Chapin Carpenter and with Steve Kelly in arranging for the briefing today. On behalf of the President we want to thank you all very, very much for coming and we hope that you found the meeting of value. We enjoy this sort of dialogue continually and we hope that you will come back and visit with us again soon. We now will break for some coffee and cookies and some refreshments in the Blue Room. Again, thank you so much for everything.

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FOR IMMEDIATE RELEASE AUGUST 8, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
WHITE HOUSE SUMMER INTERNS

THE CABINET ROOM

AT 5:43 P.M. EDT

THE PRESIDENT: First, I apologize for being late, but the schedule had gotten a little jammed because we were, of course, away for ten days. We had to make some pretty complicated decisions, and they always take more time than what you anticipated.

So I apologize for being late, but then I would like to thank you all for being here this summer, 32 of you working here as a part of the family and working with many, many people on a good many problems, whether it is energy, whether it is the economic matters or any of the other complicated things that all seem to end up here for somebody to make a decision.

So I thank you for that effort. You have probably heard me make speeches, so I won't make any here. (Laughter)

My experience in the past with summer interns -- I always had a group in my office or I participated with groups on a broader basis. The better way to proceed is to let you all ask questions. Since I have no prepared speech and you have heard the ones that I have given, why don't you just ask the questions and then I know at least one person on each occasion has an interest in a specific problem or wants to ask the rationale for a certain decision. So go ahead. Will you identify who you are and where you are from.

MS. LIEBERMAN: My name is Nancy Lieberman, I am from Floral Park in New York. I go to school at the University of Rochester.

My question, Mr. President, is we all have conceptions about what the job of President really entails. Could you relate what your conceptions about the job were one year ago today -- (Laughter) -- and what aspects of the job you view differently today?

THE PRESIDENT: Of course, a year ago today about this time we were just mainly concerned about the transfer of authority in the transition. So I wasn't really worried or thinking about the pieces that had to be fitted in at a later date.

But, fortunately, I had 25 years in the House of Representatives, and then 9-plus years as the Minority Leader serving under a Democratic President, and a Republican President, and I used to come down for meetings with the leadership and I had the feel for, as well as the impression, of how the system worked. And that was invaluable as the transition did take place. And I then had to transfer those views and that background into organization and action.

Now the last 11 months and 30 days, or whatever it is -- (Laughter) -- yes, there has been a better perception and feeling of the realities of the thing because we have had some tough decisions, some real hard problems. And so we moved slowly, steadily, tried to build an organization and a process. So today I think we are well organized and we have a good process. I don't say it always works a hundred percent but I think, as we move down the path, in the last 11-plus months we have put together what I think will work and I think has worked in most cases. But it will work even better as to the organization and the process and as to the way a problem can be analyzed and a decision made. It is a lot smoother and the net result, I think, makes for better decision-making.

MR. BROCK: My name is Franklin L. Brock. I'm from Coral Gables, Florida.

Mr. President, seeing as people are always calling on you to improve the welfare of the country and, of course, you always have --

THE PRESIDENT: Thank you. (Laughter)

MR. BROCK: -- what would you like to see private American citizens do to improve the welfare of the country?

THE PRESIDENT: One -- I have always said this to summer interns or to interns generally -- you have been here, you have seen how it works. You have been in the White House. The ones I normally dealt with were the ones that saw how the Congress worked and I always urged them and I urge you, too, to go back and tell the people that you are associated with in your college or your community that it works better than it is perceived to work. That doesn't mean it is perfect, I am the first to recognize it, whether it is the Congress or even here, but we have to, through people who have been here and seen the operation, help to restore the confidence in the American people that the process and the American people are working at the problems and doing the best possible under this system under which we live.

The restoration of confidence on the part of the American people in the system is of unbelievable importance. I think all of you who will be exposed to this and, assuming you are impressed with the system and with the people, do a tremendous job.

Yes.

MR. CONZELMAN: I am Jim Conzelman, from Bozeman, Montana, 150 miles from Global, Montana.

When you said a good team, boy, all of us can certainly agree on that and I would like to give you a couple of '76 campaign buttons which our office came through with. They are for Mr. Rockefeller and you. They are for your grandkids. (Laughter)

THE PRESIDENT: Thank you. We are having the Rockefellers over for dinner tomorrow night to sort of, not celebrate, but to think about what has happened the last year and I will pin one on the Vice President and pin one on myself. (Laughter)

MR. McCLURE: Fred McClure from Texas.

About a month, I believe, after you became President you had a group of young people, leaders of organizations for about two hours here in the White House in Washington, and since that time, you have spoken to a number of youth activities during the summer.

What sort of vibrations do you get from young people as far as their perspective of what their roles might be in helping to continue the ideas you might have for America?

THE PRESIDENT: We started that process of inviting the groups in on the basis we wanted an open Administration, and they were one of many groups that were invited in.

I thought you were going to ask me a harder question. (Laughter)

As I recall, I promised them that we would meet regularly with them. I do not think we have maintained that promise, and we will correct it. But we have been a little preoccupied with a number of other matters. That is what I thought you might bring up.

It has reminded me that we have not done it, so we will do it.

I have been to a number of universities -- Notre Dame, Tulane and others -- and I have just been really inspired by the reaction. I think the young people are eager to have communication with responsible people in government. It had been built up over a period of the last five years or so sort of an "iron curtain" between the young and government.

I can recall vividly going to some colleges in 1969 or 1970 and, believe me, it was not comfortable. The totally different attitude is really inspiring now.

They have to understand -- and I say "they" in the broadest concept -- in that a very short period of time they are going to be running this country, and it will be shorter than you think. So what they do, what they say, how they act has to be related to when they take oyer, and somehow we have to generate that interest and enthusiasm and concern, so I think we have to talk with one another, we have to work with one another because in a lot shorter period of time than most of you think before you are going to be in positions of responsibility.

So get in the game, do not be on the outside. Really be a part of it. It is most important.

Does that answer your questions?

MR. McCLURE: Thank you.

THE PRESIDENT: Yes.

MR. KRYDER: My name is George Kryder from Akron, Ohio. I attend Vanderbilt Law School.

I guess what I really would like to know is, in your many decisions in the last year, what would you say has been the most difficult? I know most of them have been difficult, but one probably was the most difficult.

And after that question, what has been your most satisfying achievement in the past year?

THE PRESIDENT: In the first month, we had a number of tough decisions. I don't know which could be identified as the toughest.

Let's think about the first month. I decided -- and I happen to think it was right, I did then and I do now -- the pardon of Mr. Nixon. I decided that we were going to undertake an amnesty program and that was very unpopular in many quarters and not too popular in other quarters.

We had to face problems of the worst inflation this country has had in a good many years, and we had to find an answer. Well, those things all crunched on us in a period of about six weeks and, obviously, they had a serious impact on whateyer the polls mean.

But I believe you have to make decisions, you have to use your best judgment, not on the short range but on the long range, and those were three hard decisions. I think there have been a good many more pluses than minuses, substantively, and I think history will record that we were more right than wrong in all three of them.

What has been the best judgment? Well, if we can implement it -- this is an "if" because we have not come to the end of the road yet -- the most important decision, if it is fully agreed to and implemented, was the agreement that Mr. Brezhnev and I made in Vladivostock to put a cap on nuclear weapons of 2,400 and a MIRVing limitation of 1,320. We have not finished that, but we have received the framework, and if that is done, concluded, I would say that probably would be one of the major, if not the major, decision of this Administration.

MR. LARKIN: Bill Larkin from Manhasset, Long Island, New York. I will be a Senior at Harvard. I am also a history major, and I am curious to find out what past President you admired the most, and maybe you emulate, and your reason.

THE PRESIDENT: I have mixed emotions here. I like many of the characteristics of former President Truman. We did not have a high degree of similarity ideologically or philosophically, but I liked his forthrightness, his sort of decision-making process, his decisiveness and, if we can have that same reputation at the end of my service here in the White House, I would think that was a great achievement, because he was decisive, and whether I agreed with him or not, I like that kind of procedure.

On the other hand -- now I am really limiting this to Presidents I have known or served under -- obviously I had great affection for President Eisenhower. I served under him. He also had certain characteristics such as openness, honesty, frankness that appealed to me as a person,and philosophically, in this case, he and I were almost indentical, as I think of his programs and actions.

So it is a combination of one with whom I disagreed philosophically, but I approve of his decision making and another whose philosophy I agree with but might not agree with the manner in which he made decisions.

The young lady here. Yes.

MS. LAWSON: I am Melanie Lawson from Houston, Texas.

Mr. President, one of the advantages of being a Member of Congress is that you are part of a faceless blob, so when people get mad, they get mad at Congress. As obviously one of the most physical men in the world, give us an idea what it is like to be in your shoes, what it is like to be bombarded by criticism? I work for the News Summary.

THE PRESIDENT: I read it every morning about six o'clock. (Laughter) Sometimes I like it.

MS. LAWSON: What is it like? Your ego must take a terrific battering to have everything placed on you personally.

THE PRESIDENT: There are two good training grounds, at least in my case. Others obviously have different training grounds. I competed in athletics for quite a few years, both as a player and as a coach, and the training you get there is quite helpful because there are an awful lot of critics in the stands, in the newspapers and so forth. And you can build up an immunity so long as you think you did your best and tried hardest.

And then serving 25-plus years in the Congress, you also are in a controversial area, particularly when you are in the leadership, you are bombarded, you are criticized, so you develop an immunity there so long as you think you are right. You do not like what you hear or what you read when the criticism comes, but so long as you have a good -- if you are convinced you are right, you do not have to worry what they write or what they say. Maybe your family might not like it as well, and they are not conditioned quite the way I am in my case, or others would be in their case.

But I cannot say I do not pay any attention to it. I just do not let it bother me.

MS. LAWSON: But isn't it fearful knowing you are making decisions for 250 million people?

THE PRESIDENT: Yes, it sure is. (Laughter) But you have to have a confidence that what you listen to and what you have read and what you do finally is right. It does not do any good to fret about the pass you did not catch or the votes you cast so long as you felt you did your best and had the right viewpoints. It is the people you know who make a decision or drop a ball and then worry and worry -- I just do not understand that attitude.

You have to have confidence in yourself. You obviously have to be cognizant of the responsibility. That is vital. You cannot be playing yesterday's game when you have problems in the game tomorrow. You really have to have your focus on what -- well, you have to have a long-range viewpoint, but you also have to focus on that decision you are about to make or you will have to make in a few days and be cognizant of the impact of the implication to all the people.

Yes.

MS. McCLEARN: My name is Barbara McClearn and I am from Denver, Colorado. I attend Mount Holyoke College. I am a history major.

Mr. President, if you could choose any four year term in the 199 year history of the United States, which one would you choose?

THE PRESIDENT: I kind of like this one. (Laughter) Really, we have a lot of problems but they are the kind that I think can be solved or we can make a lot of headway on and I like to deal in present and foreseeable future. So I think this and the next four years. (Laughter)

MR. KINNARD: Mr. President, I am David Kinnard from Kansas City. I am in law school.

A year ago almost you were thrust into the Presidency and we have watched you grow in the Presidency and become comfortable and we think you like it now. (Laughter) This was a growing process and we saw it all going on. At what point did this begin to happen and what made it so?

THE PRESIDENT: I would say after the first two months. I must admit it has gotten more enjoyable even though the problems are tough, but I have my people and I have our organization and that makes it much more comfortable and enjoyable

So, I would say starting, roughly, the first of the year, at the latest, it all began to fit together.

Yes.

MR. GOLDFIELD: Mr. President, my name is H.P. Goldfield, West Hartford, Connecticut. I am currently in law school here in Washington. I would like for you to reflect for a moment over your last 25 years or more in public service and, as a Congressman and especially as a leader of a Party, you were a public figure, but I suppose you were able to maintain some private life as well.

But now, as President of the United States, you are probably the most public person in the world. What do you miss from your private life either during your congressional terms or during your private life before?

THE PRESIDENT: When you are in the leadership in Congress, you start to lose a certain degree of privacy. When you are a freshman, you have a lot of privacy. (Laughter) But when you get in the leadership, then you start to lose it. When you come down here, it is gone.

But, again, it's learning to accommodate to a condition, or a circumstance.

I think I would prefer on some occasions more privacy but I understand that it is impossible, so I have just adjusted to it. I would like to go out, you know, and play golf -- that is one of the benefits of Burning Tree, you can play golf any way you want to, without a shirt on. But you can't do it in any other places.

But you learn to adjust to it. It is an internal mechamism that says you have got a responsibility and you have to take some of the bitter with the sweet and, again, don't worry about it, just accept it and adjust to it, don't try to hamstring or roadblock the rights of the public to see or hear or view their President.

I mean that is part of our system and don't fight it. If you fight it, then you really have a tough time.

Yes.

MR. WILLARD: My name is Gregg Willard, from Pittsfield, Illinois. I attend Westminster College.

In the past year, Mr. President, we have witnessed around the world democracies come in in the throes of internal corruption and strife and in the way of dictatorships -- the most recent being in India. As President, what do you think allowed us to weather our internal strife of Watergate and come out of that affair in what I feel is a much stronger position?

THE PRESIDENT: I think we owe a lot to our predecessors who established a structure of government and an integrity of the public to that structure. That permitted us to go through the traumatic experience that we went through. We have matured, based on a great base or foundation they gave us and I am not sure other governments could have survived the problems we have had. You have cited a problem in India, where certainly they no longer qualify as a democracy. It is our structure, the traditions we have and the feeling and integrity people have to that structure that has permitted us to do it.

Yes.

MR. KNIGHT: My name is Richard Knight, Townsend, Massachusetts, graduated from Harvard.

This is for many of us, I think, a time of looking back, this weekend, as tomorrow marks not only the first anniversary of your ascension to the Presidency but also the first anniversary of the departure of your predecessor from that office. I wonder if you could give us briefly your personal assessment of the historical legacy of the Nixon Administration?

THE PRESIDENT: I think his foreign policy was extremely successful, very wise and forceful and successful in the area of foreign policy.

Domestically, I think there were more pluses than minuses. I think, unfortunately, the organization that was set up internally contributed to the circumstances that brought about the change and that, unfortunately, I think will also be written in the pages of history.

Yes.

MR. MORRIS: Hi, Mr. President, my name is David Morris, I am from Hollywood, California, going to the University of Colorado.

My question involves just looking at the spiritual cycle of man. When he is brought into a crisis situation, all of a sudden he has turned to God, or when he is brought into a situation beyond his control, it is always a turn to the creator to find out how to get out of the mess.

I was wondering if your journey to this office and your current responsibilities in this office, which are very great, to govern the land, if this keeps you very close with God in your decision-making and just your general awareness?

THE PRESIDENT: I am not one who wears his religion on his shirtsleeve.

MR. MORRIS: I would rather have asked you in confidence.

THE PRESIDENT: But I have no hesitancy in saying a belief in God and a relation to the spiritual has been helpful.

Yes.

MS. HOPKINS: Mary Hopkins, Wheeling, West Virginia.

I work in the Bicentennial Office. I was wondering, if you had the choice, where would you be and what would you be doing that you think would be the most beneficial on July 4, 1976?

THE PRESIDENT: I am pretty well committed. (Laughter)

MS. HOPKINS: If you had a choice?

THE PRESIDENT: I hadn't better change my mind. In fact, I think we are committed to go to several places, one, Philadelphia, two, I think someplace in Virginia. Some equally important -- (Laughter) -- ceremony, so I really don't have much choice unless I break my word,and I hadn't better.

MS. HOPKINS: What would you like to be doing on the Bicentennial that you think would be most meaningful?

THE PRESIDENT: I think what they are contemplating in Philadelphia. I think that is very significant and it is fairly full, about four hours, as I recollect. You probably know better than I.

I think we better have one more.

Yes, sir.

MR. HODGES: Scott Hodges from South Dakota.

You have kind of reflected on what you thought were probably the most difficult decisions in the past year of your Administration. I am just kind of wondering what you think is going to be the most difficult problem to handle in the next year of your Administration?

THE PRESIDENT: Based on the track record of the last seven months, the energy program. And yet it is probably the one that has the greatest need for a solution of any domestic problem that we have. So we are going to heavily concentrate in that area because of its short-range as well as long-range implications.

In the international field, I think the successful conclusion, if we can achieve it, of strategic arms limitation, or SALT II, is a very key and important decision and solution.

Well, I would like to answer questions from all of you but I think I better go. I can see Mr. Rumsfeld is pacing the floor, figuratively if not literally. But I do want to thank you very much, all of you, for being a part of the family, I mean not only the family in the West Wing and East Wing, but EOB, and part of the family on a personal basis. We thank you very, very much and good luck to you and I am most appreciative of these buttons. I will see that the Vice President gets one tomorrow night and I will wear the other. Thank you.

THE INTERNS: Thank you, Mr. President.

END (AT 6:14 P.M. EDT)

October 16, 1975

REMARKS OF THE PRESIDENT IN A PHOTO
WITH SECRETARY KISSINGER
FOR A FILM DOCUMENTARY

9:40 A.M. EDT

THE PRESIDENT: As I understand it, we are planning to leave on the 27th, is it?

SECRETARY KISSINGER: On the European trip we are planning to go on the 14th and the schedule is that we will meet on the 15th. Giscard arrives on the 15th -- go through the 16th all day and leave after lunch on the 17th.

THE PRESIDENT: I think the programming in substance, as we talked about it in Helsinki, the basic problem is the concern that all of us have as to the economic circumstances today as they relate to the political circumstances, and the fact that in Europe the three nations are long overdue in talking about economics in 1975.

I think the really deep concern is how those economic circumstances relate to the long, long-range political problems involved in the free world.

SECRETARY KISSINGER: The basic concern, as you and Giscard discussed in Helsinki, is to give people the sense that their leaders have control over the economic and political destiny of their nation, and that is the major purpose of this meeting more than the purely economic.

THE PRESIDENT: All of the nations, as we see from the indicators and from conversations, show that we have had a tough time in the last 12 months in major industrial societies on this side of the free world, and if we don't do something in conjunction with one another, realizing the interdependence of our societies, we could face the problem down the road in its broader sense. So I think the meeting has great potential if we can keep the focus on the broad side, not necessarily on the statistics as such.

SECRETARY KISSINGER: All of these industrial democracies have recognized that they can't solve the problem by themselves and that only by coordinated action can they deal with these issues.

MORE

THE PRESIDENT: In our various meetings with Chancellor Schmidt, President Giscard, Prime Minister Wilson and others, we have discussed these problems on a bilateral basis. The need to pull everybody together, I think, is the real justification for a meeting of this kind at this time.

SECRETARY KISSINGER: That has been the basic theme of all your conversations starting with Schmidt here over a year and a half ago.

THE PRESIDENT: Where we discussed in some depth his proposal for his economic problems and I discussed what we were trying to do to meet the difficulties here in the United States. I was impressed with the great unanimity. Each of us had problems, some different than others. The timing of our economic problems were not necessarily precisely the same, but nevertheless they were problems that our peoples in the various countries expected us to solve.

It seems to me, if we can pull our plans together, recognize the interdependence of one another, then also the long-range problem fully justifies the three days that we will be together.

SECRETARY KISSINGER: I think really it could be a very important meeting because usually one gets together to discuss very specific interests and this one will be one more to come.

END (AT 9:45 A.M. EDT)

November 13, 1975

REMARKS OF THE PRESIDENT
TO MEMBERS OF THE FINANCE COMMITTEE
OF THE REPUBLICAN NATIONAL COMMITTEE
STATE DINING ROOM

6:56 P.M. EST

THE PRESIDENT: Thank you very much, Jerry. I want to repay the overly kind and generous comments made by both Mary Louise and Jerry. Mary Louise has done a fine job in the committee. Of course, Jerry Milbanks' willingness to come back and resume the heavy chores and hard work that he did so well in the past, I can't express deeply enough my gratitude for his being with us again in the very tough and most difficult months ahead.

As I look around the room I see a number of old, old friends and it is just nice to see you here, and I look forward to chatting with you and shaking hands, and meeting some of the new people who have come here on this occasion.

As I was walking over from the Oval Office, I couldn't help but think that this has been a pretty tough week. (Laughter) We have a lot of things coming to a head. We are down sort of to the final wire on the problems involving New York City.

I am going to a meeting as soon as I leave here with about 20 Republican Congressional leaders and those who have been working on the conference report on legislation for an energy program. We have some diversity of opinion on whether I should or shouldn't sign the conference report. So that will be a pretty important decision. I suspect in this group there may be some differences on whether we should or shouldn't.

Of course, we had the resignation yesterday of Supreme Court Justice Douglas and we want to expedite the submission of a name to the Senate for confirmation because we want a full Court as quickly as possible in that circumstance.

Then I am leaving tomorrow to stop in North Carolina for a party fund raiser and Atlanta for a party fund raiser, and then leave at midnight to go to Paris, or to France, for the economic summit with President Giscard and Prime Minister Wilson and Chancellor Schmidt and the representative from Italy, as well as Japan.

But all of these things, whether it is in energy or the problems of New York, or the party, I want you to know that the staff we have here and the staff that Mary Louise has lightened the burden as far as I am concerned.

But, where I can contribute for the party, I am more than anxious to do so. I feel that even before the new election law, we had to utilize more effectively the Republican National Committee. Mary Louise has taken that committee and done a fine job. But, under the new election law, it is even more important that the Republican National Committee start grow ing in personnel, start growing in competence to meet the challenges that we are bound to face in 1976.

What all of you have done in the past -- and I know will do in the future -- will contribute very significantly to the strengthening of the Republican National Committee.

It is true that over the last year or so I have tried to help in the fund-raising at the State level, and I see some people here tonight that I have seen in various States. The net result is the party at the State level in almost every State is infinitely better off now and ready to go than we have been at anytime in the past.

The raising of some $4 million mainly, if not exclusively, for the revitalization of State organizations is a big contributor to laying the groundwork for what we have to do as a party in 1976.

I happen to believe that when the convention is over, it is highly important that the campaign for the candidate should fold into the National Committee in a responsible and a quick way. In order to do that effectively, I think we have to have the Republican National Committee ready to go, not standing in an idling position. They have to be ready to go, to move with the candidate and the candidate's organization.

So, what we do here and what we do in the months ahead will be tremendously important so they are in a position to move August 24 or 25, 1976.

I look forward to seeing all of you and renewing some old friendships and meeting some new people. I can't express deeply enough my gratitude. Your coming here gives me hope that Mary Louise will have enough dollars and cents to carry on. (Laughter)

END (AT 7:05 P.M. EST)