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THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT
FROM: Dave Gergen *DG*
SUBJECT: Reasoner Interview

Here is the background material for the Reasoner interview Monday morning.

As you know from the transcripts, the Reasoner interviews with Governor Carter and Mr. Mondale did not include political questions. Instead, the questions were fairly personal at first and then covered several key issues. It is our understanding from ABC that his conversations with you will be similar in nature. Therefore, the briefing materials are structured to give you a general overview of the quality of life issues discussed in Vail, other pertinent domestic questions, and current foreign policy questions; we have not included any questions about the campaign itself (though, of course, we would be happy to prepare them if you would like.)

HARRY REASONER INTERVIEW

BRIEFING BOOK

9/6/76

QUALITY OF LIFE

(Note: The following discussion is drawn from a memorandum written by Jim Reichley as well as other materials written by policy people. DG)

During the first two years of the Ford Administration, President Ford necessarily concentrated on three areas of pressing concern to all Americans:

- Restoring integrity to government.
- Pursuit of world peace
- Economic recovery without inflation

Good progress has been made in all of these areas. Public faith in the Presidency has been greatly increased. The U. S. is at peace, bonds with our allies have been strengthened, and potential trouble spots all over the world have been defused. The worst inflation and the worst recession in more than a generation have been ended, and the economy is headed along a steady, upward course.

On the basis of improved security, at home and abroad, the President is now able to concentrate, as he looks toward the new administration that will begin next January, on positive programs to improve the quality of American life.

President Ford has identified six basic needs or goals, that most Americans regard as essential:

- A job
- A home
- Protection of health
- High quality of education
- Protection against crime
- Opportunity for personal renewal through recreation

Americans of course have many other needs, but these six are fundamental. By concentrating on these six objectives at the beginning of the new administration, President Ford aims to achieve the same kind of rapid

progress that has already been made in the areas of national defense, world peace, and restoration of economic health.

In each of these areas, the President has already made specific proposals. Congress has stalled on many of these proposals for political reasons. If Congress fails to act during the remainder of this session, the President will make these "quality of life" proposals high priority items in the new administration -- when he will stand before Congress with a mandate from the voters. In some areas, the President will make additional proposals as the campaign progresses.

These are the most pressing problems in each of the six priority areas, and what President Ford proposes to do about them:

JOBS

The President's goal is to create a job -- productive and permanent -- for every American who is willing and able to work. To accomodate a growing work force, this means we must have two million new, permanent jobs every year. Can we do it? In the last 18 months we have created more than 3 million new jobs. And today, there are more Americans at work -- 88 million of them -- than ever before. These jobs were created by competitive enterprise, not by government.

The role of Government is to maintain policies which protect the jobs that already exist, create an environment in which new jobs are encouraged, and to prevent job income from being eaten away by inflation. There is no trade-off between unemployment and inflation. As we learned from the past recession -- a lesson that many academic economists were slow to recognize -- inflation is the biggest destroyer of jobs that has ever been invented. Therefore, we must reject policies which seek to temporarily alleviate the hardships of unemployment but eventually cause far more hardship through a combination of high inflation and high unemployment. Humphrey-Hawkins is perhaps the best example of such a wrong-headed approach.

Despite the current recovery, far too many Americans still remain without jobs. Almost 88 million workers now have jobs -- more than ever before in American history. But

the unemployment rate continues to hang above seven percent. Even for heads of households, unemployment has been over five percent during four of the last seven months.

Some areas, moreover, suffer from chronic joblessness. These are areas -- such as the Detroit, San Francisco, and Jersey City labor market areas -- that have not benefitted as much as the overall economy from the present recovery.

Jobs are the key not only to our economic problems but also to many of our social problems. Full employment will aid the restoration of our cities as good places to work and live, make it easier to overcome discrimination against minorities and women, and dry up many of the causes of delinquency among youth.

President Ford proposes to produce full employment through two basic economic policies:

- Holding down the growth of federal spending, which is one of the major underlying causes of job-killing inflation.
- Freeing up investment capital through reduction in federal taxation, which leads to the creation of more jobs in private industry.

In addition, to aid areas of chronic unemployment, the President has proposed a Job Incentives Bill that will give favorable tax treatment to companies that build or expand plants in areas where unemployment rose above seven percent in 1975.

The Democratic Congress, unfortunately, has consistently resisted all of these policies aimed at producing full employment.

- Budget-breaking appropriations voted by the Democrats in Congress, if they had not been blocked by President Ford's vetoes, would have stirred up further inflation, which is one of the major causes of unemployment.

- By failing to pass the full tax cut requested by President Ford, the Congress has held down the supply of investment capital needed for economic growth.
- So far, the Democrats have also failed to pass the President's Job Incentives Bill, despite their professed concern for areas of chronic high unemployment.

The President's policies are aimed at achieving full employment by 1978. The opposition candidate does not aim for full employment before 1979. But the inflation that would be set off by enactment of the Democratic platform would leave the economy such a shambles that full employment would be put off for at least a generation.

HOME OWNERSHIP

For 200 years, the opportunity to have a place you can call your own has been a traditional and worthy aspiration in America. Today it is the leading aspiration of most Americans. Homes keep families together; they build good neighbors; they mean that you belong to a community; they encourage thrift and personal responsibility. A place you can always come back to gives you permanence, security and pride.

The President's goal is to move toward the day when every American who wants to and is willing to work for it can be able to buy a good, decent home. Two immediate objectives are to improve the quality of current housing stock and to facilitate home ownership for low and moderate income families.

In Vail, it was suggested that the President might propose a new program for accelerating home ownership. But it should be recognized that the President has already taken a number of steps to expand the number of families receiving assistance, widen the range of housing choices available, and increase the amount of Federal mortgage insurance obtainable toward the purchase of a new home. His actions include:

- Signing the Housing and Community Development Act of 1974, which established a new program of housing assistance for low-income families

and increased the mortgage credit for single family home by \$10,000 to \$20,000 for various types of insurance programs;

- Signing the Emergency Home Purchase Act of 1974 which extends Government National Mortgage Insurance on a limited basis to conventional mortgages;
- Signing the Emergency Housing Act of 1975, which provides emergency mortgage foreclosure relief;
- Signing the Tax Reduction Act of 1975, which provided up to a \$2,000 tax rebate for the purchase of new homes in 1975.
- In the 1976 budget, authorizing HUD to enter into subsidy agreements with more than 400,000 families;
- Approving HUD's reactivation of a revised home ownership subsidy program which will subsidize more than 250,000 new single family units.

PROTECTION OF HEALTH CARE

What are the nation's fundamental health care problems?

- Skyrocketing medical and hospital costs
- Lack of emphasis on preventive medicine -- many more Americans are killed or disabled by failure to observe good health rules than by communicable disease.
- Shortages of doctors, nurses, and other medical personnel in under-served areas, such as some rural counties in the South and West, and ghetto neighborhoods in big cities.

Here is what President Ford proposes to do about these problems:

- The President has called for a catastrophic health insurance program, which will assure that Americans over 65 will not have to pay doctors' bills of more than \$250 or hospital bills of more than \$500 per year. This will relieve older Americans not only of immediate costs but also of the overhanging fear that the savings of a lifetime may be wiped out by a single illness.
- To aid the development of preventive medicine, the Ford Administration is undertaking increased research in such areas as alcoholism, drug abuse, and pre-natal care. In addition, the President, despite Congressional foot-dragging, pushed through a program for swine flu vaccination that will protect Americans against recurrence of an epidemic like that in 1918.
- To help place medical personnel in areas where they are now either in short supply or completely lacking, the President has directed that the National Health Services Corps program, which pays doctors and dentists to locate in under-served areas, be quadrupled. This program was formerly devoted mainly to rural areas, but the President has directed that during the coming year, one-third of the personnel be assigned to under-served ghetto areas in large cities.

QUALITY EDUCATION

What are the major problems in education?

- Parents in local communities have too little say in the kind of education their children receive.
- Teachers are smothered under layers of bureaucracy.

- Federal aid to education is ensnarled in regulations and red-tape which stifle creativity and make it difficult for local school districts and teachers to carry out their missions.
- In many school districts, children who suffer from physical or mental disabilities still are not receiving the kind of help they need to prepare them for productive, active lives.
- In some areas, the cost of education falls too heavily on local school districts, pushing up local property taxes, and placing children and taxpayers in relatively poor districts at an unfair advantage.
- We still are not doing good enough at providing vocational training that fits young people for jobs actually available in American industry.
- The busing issue has caused unnecessary confusion and disruption in some school districts, particularly in metropolitan areas.
- Non-public schools, which make a valuable contribution to the nation's total education effort, face serious financial difficulties.
- The costs of higher education are rising out of the reach of the average American family.
- Private colleges are particularly vulnerable to the effects of inflation.

Here is what President Ford proposes to do about these problems:

- The President has called for consolidation of 24 Federal grant programs for elementary and high school education into a single grant program -- leaving most decisions to local officials so that direction of education will be restored to local school boards and to the parents and taxpayers that elect them.

- The President's proposal requires that three-fourths of Federal funds in the program be used to help educate handicapped and disadvantaged children.
- Federal funds will be distributed partly on the basis of economic need of families in the state.
- Vocational education also will be targeted for special Federal support under the Ford proposal.
- States will be required to pass through Federal funds to local school districts.
- The Ford Administration is providing aid to students at non-public schools for such services as compensatory education in reading and mathematics, child nutrition programs, and training of children with learning disabilities -- all services that go directly to students rather than to institutions, and therefore are permitted under the Constitution.
- To deal with the busing problem, the President has asked Congress for legislation that will limit the courts to using busing only where racial segregation of school children is the result of unlawful discrimination, and will limit the use of busing to the time that is needed to overcome unlawful discrimination -- generally not more than five years. This legislation would also set up a multi-racial National Community and Education Committee to help any school community requesting assistance in solving its desegregation problem.
- To foster intensified research on educational achievement and performance, President Ford is requesting a 28 percent increase in Federal support for the National Institute of Education.

- To meet the rising costs of higher education, the President has asked for full funding of the Federal Student Aid Program, permitting students to receive grants up to \$1,400 per year.
- President Ford will continue to place emphasis on aid to students rather than to institutions, so that the student can make his own choice among public and private colleges.

PROTECTION AGAINST CRIME

The President's goal is to free Americans from the fear of violence. The first responsibility of government is to protect people in their homes, on the street, and in their communities. In his acceptance address, the President put it this way: "I called for a major overhaul of criminal laws to crack down on crime and illegal drugs. The other party's platform deplores America's \$80 billion cost of crime. There is the problem again -- their own Congress won't act."

President Ford has emphasized three areas of Federal responsibility in combatting crime. These include improving the quality of Federal laws and the criminal justice system; enacting and enforcing laws covering criminal conduct which cannot be adequately regulated at the State and local level; and providing financial and technical assistance to State and local governments.

In a special crime message sent to Congress in June, 1975, the President specifically called for:

- Enactment of a new comprehensive criminal code;
- Enactment of a mandatory minimum sentence law which would make imprisonment a certainty for persons convicted of (1) a Federal offense involving the use of a dangerous weapon, (2) an extraordinarily serious offense such as hijacking, kidnapping or trafficking in hard drugs, or (3) repeated offenses which cause personal injury to others.

In that same message, the President also proposed the following improvements in the Federal criminal justice system:

- Establishment of "career criminal" programs designed to assure quick identification and prosecution of persons who repeatedly commit serious offenses.
- Continuation and expansion of programs designed to divert certain first offenders into rehabilitation prior to trial.
- Creation by the Congress of additional Federal District Court judgeships and expansion of the criminal jurisdiction of United States Magistrates.
- Improvement of prison facilities, including the replacement of large, outdated prisons with smaller, more modern ones.
- Enactment by the Congress of legislation to provide limited compensation to victims of Federal crimes who suffer personal injury.

In the area of Federal financial aid for State and local law enforcement, the President in 1976 proposed that the Congress continue the Law Enforcement Assistance Administration through 1981 at a higher funding level which would authorize \$6.8 billion for the next five years. The bill places additional emphasis on improving State and local court systems and on funding "High Impact" crime-prevention projects in crime-ridden urban areas.

RECREATION

President Ford shares the belief of most Americans in the value of outdoor recreation as a means for physical development and personal renewal.

The President has therefore proposed the Bicentennial Land Heritage Act, which will establish a ten-year commitment to double the nation's holdings of national parks, recreation areas, wildlife refuges, urban parks, and historic sites.

This program will authorize the use of \$1.5 billion for recreation purposes, to be broken down as follows:

- \$141 million for land acquisition

- \$700 million for development of new and existing parks into recreation areas suitable for public use
- \$459 for upgrading and increased staffing of national parks and wildlife refuges
- \$200 million for grants to cities to upgrade existing parks. Under this program the cities will be given broad flexibility in choice of projects and use of funds.

The Bicentennial Land Heritage Act will come in addition to the 1976 Land and Water Acquisition Act, under which \$3.6 billion will be authorized for use over a ten-year period to acquire additional lands for Federal and State parks. The two bills dovetail -- the funds for development and staffing included in the Heritage proposal are needed for use on the new Federal parklands that will be obtained through the Land and Water Acquisition Act.

The states will receive 60 percent of the funds authorized under the Land and Water Acquisition Act, with the remaining 40 percent to go for new or expanded Federal parks.

Together, these two bills will make good the President's commitment to a vast expansion of outdoor recreation facilities.

Jobs...expansion of home ownership...health protection... quality education...protection against crime...expansion of recreation facilities -- these are the high priority goals which President Ford has pledged to pursue to enactment in his new administration.

QUALITY OF LIFE

Remarks by the President at Vail, Colorado on August 27, 1976

Our campaign is national, and we believe--as I said in the acceptance speech--we concede no State, we concede no vote.

Secondly, we have refined the areas that we think important for this campaign to emphasize:

Number one, jobs, meaningful jobs with an opportunity for advancement.

Number two, an accelerated home ownership program. That is something more Americans are more interested in today than almost anything as we look at the polls that have been taken and the surveys that have been made.

Number three, quality health care that is affordable to the American people. We have to keep pressure on the costs of health care and make sure the quality of health care they are getting today will be continued and expanded.

Number four, crime. As I said in the acceptance speech, we will not tolerate the kind of crime rate increases that have taken place over the last three or four years, and we have not only a reiteration of what I have said in three or four speeches on the crime issue, but also some new thoughts and ideas that will be announced in the campaign.

The last, in the domestic area, recreation. Some -- or, I hope, all -- of you are going with us to Yellowstone Park on Sunday. We will have some announcements at that time that I think will show we are interested in the increased quality of life.

They really incorporate five points: Jobs, home ownership, quality health care, a reduction in crime and better recreation facilities. One other falls under that category, and that is in the field of education.

But, there is one other point that has to be made because it is sort of all-encompassing -- peace throughout the world. As I said in the acceptance speech, we want peace at home and peace throughout the world.

Those will be the thrust, those will be the emphasis, those will be the objectives we will try to convey to the American people that the Ford-Dole Administration of the next four years will emphasize.

Domestic

UNEMPLOYMENT INCREASE

- Q. Your Administration announced Friday that unemployment for August rose to 7.9% -- the third consecutive month in a row that it has risen. Governor Carter stated that the increase is further evidence that the Ford Administration has no policy for combatting the Nation's economic ills. Are you concerned about your political fortunes this fall because of the continuing rise in unemployment?
- A. First I am fully confident of my election this fall in part for the very reason that my economic policies have been successful. As you will recall, inflation has been cut in half, and 88 million Americans are at work -- a new record high for Americans who are employed. In fact, half a million new workers have been added to the payrolls during the past two months alone.

Regarding this temporary increase in unemployment, it is important to emphasize that it is the result of an abnormal increase in the number of people seeking work as opposed to individuals losing their jobs. My economic advisers believe the rise in the growth of the labor force is coming to an end, and they fully expect a continued strong growth in job creation, which will sharply reduce the unemployment rate.

I foresee no need for a change in policy when what we are witnessing with regard to the levels of production, employment and growth is basically consistent with what we had forecast.

VETOES

Q: How can you justify your excessive use of the veto to block legislation passed by the majority of Congress?

A: The writers of our Constitution provided for the veto as a check and balance against foolish or detrimental action by the Congress.

I have tried through my various vetoes to restrain the growth of our already-bloated Federal government. Most of these bills would have caused only more Federal intrusions into our lives, bigger deficits, and ultimately higher taxes or greater inflation.

I think you may also be interested in looking at my vetoes from a historical perspective. In my more than two years in office, I have averaged twenty-six vetoes. Franklin Roosevelt, on the other hand had averaged fifty-two vetoes per year; Harry Truman averaged thirty-five vetoes per year. So my vetoes are not excessive by any historical standards.

I might also point out that Mr. Carter, while he was Governor of Georgia, averaged thirty-eight vetoes each year. In his last year in office, he vetoed fifty-three bills and resolutions. I might also add that Mr. Carter, when asked about the bills I vetoed, confessed he had little idea of the content

of the bills I vetoed. I think it would be enlightening for Mr. Carter to review my vetoes and tell ~~tell~~ us precisely what he would have done on each. That would give all of us a much better understanding of where he really stands on the issues.

SWINE FLU PROGRAM

Q: Mr. President, there have been news reports recently which indicate that because of delays in getting the program started, it may not be possible to inculcate all Americans against swine flu. In addition, polls taken in several states indicate that part of the public does not intend to be inoculated, while others are not certain whether they will be or not. What actions are you taking?

A: First, let me say to all the American people: On the basis of the data which I have seen, and discussions with my advisers and members of the scientific community, I believe swine flu is a real threat. Everyone -- I repeat, everyone -- who can be safely vaccinated should undergo vaccination.

Second, I am very concerned about these recent reports, and my Administration is doing everything it can to aid manufacturers in their efforts to guarantee an adequate supply of vaccine and necessary inoculation equipment.

Finally, I think the public should know where to place the blame for the delays which have placed this program in jeopardy. They should place it squarely on the Democratic Congress, which had time to pass legislation exempting its members from Maryland State income tax while delaying action on the

insurance legislation needed to allow the swine-flu program to proceed. I was stunned by this self-serving action on the part of the Congress, and said as much at the time. But it bears repeating so that if the program runs into further difficulties, it won't happen again.

ABORTION

Q: Mr. President, has your thinking changed any on the abortion question in the light of the Republican Party's platform deliberations and Senator Dole's anti-abortion stand in 1974?

A: Personal beliefs and religious beliefs run very deeply on the question of abortion. I believe my views are consistent with the Republican Party's Platform. I am opposed to abortion on demand -- except in special circumstances (illness of the mother, rape, etc.) -- and I think the Supreme Court decision of 1973 went too far toward encouraging abortions.

In my judgment, it would be in the public interest to allow each state to enact abortion laws suitable to its own citizens. A Constitutional amendment could turn this authority back to the individual states and allow greater flexibility within our society on an issue that sharply divides many people in the country.

BUSING

Q: The U.S. Civil Rights Commission's report, issued in August, raised questions about your Administration's position on forced busing to achieve racial integration. With schools now opening all over America, what is your expectation of how the busing issue is shaping up for this fall?

A. I understand from Attorney General Levi and HEW Secretary Mathews that they have every expectation of school openings across the country proceeding normally and so far, that is generally what we have seen. As you know, the Houston and Louisville schools are starting new busing programs this year. But I say again what I have said before, I will uphold the Constitutional rights of every individual in this country; I will carry out the decisions of the Supreme Court; and I will not tolerate defiance of the law. I am also dedicated to the idea of restoring and preserving community control of schools. We must remember that we are a people of diverse background, origins, and interests, but we are still one people--Americans--and so must we live.

I categorically reject the idea that my legislative proposals undermine the quality of education in this country. And I am still hopeful that Congress will get moving on the legislation I sent to the Hill in June.

HUMPHREY-HAWKINS BILL

Q: Mr. President, many people believe that economic problems will be an issue in the Fall campaign. Does that include the Humphrey-Hawkins bill?

A: I certainly think it is. The Humphrey-Hawkins bill could be an albatross for Governor Carter because he has endorsed it, big labor has endorsed it, but now many responsible observers are making the point that it is highly inflationary and destructive. Now Governor Carter appears to be backing away from Humphrey-Hawkins. I think he needs to tell us where he stands.

TAX REFORM

Q: How would you make the Federal tax laws fairer than they are now?

A: First. I have been doing everything in my power to cut taxes for the average American family. In January, 1976, I called for a permanent tax reduction which would save a family of four earning \$15,000 some \$227 a year in income taxes. I believe that the personal exemption should be raised from \$750 to \$1000.

Second. I have been doing everything in my power to restrain federal spending, which necessarily means either higher taxes or higher inflation (essentially the same thing as higher taxes). In the last two years, my vetoes have meant reductions in the rate of federal spending which have saved the average American family about \$150 a year.

Third. I have called for a complete reform of the federal tax system, based on the following principles:

1. Require high income taxpayers to pay a reasonable tax
2. Restrict the use of tax shelter-tax doges.
3. Allow for greater investment in America's future by those who do not have large amounts of money, at a tax savings.

Congress has been too busy to act on my tax legislation. But they did have time to pass some legislation which I vetoed. It would have exempted members of Congress from Maryland state income tax. This leads me to ask myself this question: whose side is the Democratic Congress on? Your side--or their own side?

ZERO-BASED BUDGETING

A: Jimmy Carter has said he will introduce Zero Based Budgeting into the Federal government, if elected. What do you think of the idea?

A: Based on the experience of the State of Georgia, I would say it is a concept that sounds very good, but in actual practice ^{much less} it is ^{closer to} meaningful and pure cosmetics.

In the case of Georgia, I believe Mr. Carter claims in his autobiography that because of his management techniques, when he left office Georgia had a surplus of \$200 million. According to the State Auditor's Office, he inherited a surplus of \$90,950,000. When Governor Carter left office, the surplus was \$43 million or a net reduction of nearly \$48 million.

But, during this same four-year period, he increased the state's indebtedness from \$892 million to \$1,097 billion, or by about \$205 million.

Zero-based budgeting applied to the Federal government would probably have little impact on the overall budget because the programs with the greatest and fastest growth are the open ended programs like Social Security, Medicare, Medicaid and Food Stamps.

POST-CARD REGISTRATION

Q: Governor Carter has urged the House Rules Committee to spring loose the Postcard Registration Bill. Would you still veto this measure?

A: I think it significant that the one piece of legislation Mr. Carter has urged the Congress to enact is a blatantly partisan political bill. While the House passed the bill, the Senate apparently has higher priorities in the waning days of this session and will not take up the legislation.

All of us would wish there were greater participation in our elections, but the evidence suggests that in states where there is postcard registration, there was no appreciable gain in voter turnout. The proposal, of course, would mean the creation of a sizeable bureaucracy and a substantial increase in fraudulent voting. I don't think this is what the American electorate is demanding.

GUN CONTROL

Q: Mr. President, since the increase in serious crime from 1974 to 1975 is a double-digit figure, ten percent, and since many violent crimes involve the use of handguns, would you be willing to accept some form of gun control?

A: I remain opposed to Federal registration of gun owners or of guns. I do not want to see the government encroach upon the rights of law abiding citizens.

Last year, when I sent my anti-crime package to Congress, I called for a ban on the importation or production of the "Saturday Night Specials", which have no apparent purpose except in the use against another person. And I called for passage of a standard minimum sentence to deter or imprison persons convicted of committing a serious crime with a gun.

I think that the most effective way to enforce the law and decrease crime is to guarantee certain imprisonment for anyone who uses a gun to commit a serious crime. I urge Congress to give us all that protection.

CRIME

Q: New statistics released recently show that serious crime in 1975 increased ten percent from 1974. Mr. President, do you think that this figure is an indication of efforts on your part to restore law and order.

A: I think it is helpful to point out that in 1974, crime increased by 18 percent. So the 10 percent figure-- while far too high--represents substantial progress.

I want to see sound government, just laws, and domestic tranquility prevail in this country as much as you do. The brunt of law enforcement responsibility rests at the State and local levels of government. However, I see specific ways that I think the Federal government can, and should, provide leadership and support in the battle against crime. I have called for a standard minimum sentence for persons convicted of committing Federal offenses with a dangerous weapon. I have also called for "career criminal" programs to deal swiftly with persons convicted repeatedly of serious crimes. But Congress has not to enact these requests and others that I presented more than one year ago.

One of the highest priorities in my administration has been government with decency, honesty, integrity and adherence to the law at all levels. I started with the Executive Branch. With the help of Congress, I believe that I can continue with a program to promote domestic tranquility in this country.

NIXON PARDON

Q: Senator Mondale and Governor Carter continue to criticize you for the Nixon pardon. Do you fear this issue in the campaign?

A: Not at all.

Before I issued the pardon, the Special Prosecutor, Mr. Leon Jaworski, estimated that there would have been a delay of nine months to a year in the event of an indictment of the former President before a trial could reasonably be had by a fair and impartial jury.

I have said many times on my own that I pardoned the former President because the Nation had to put the matter behind us, cleanse the air, and get on about our business. At the time, we were facing very large problems in our economy and abroad. It was my view that for the good of all of us, the Nation could not be bogged down as we certainly would have been for another nine to twelve months with a trial and the attendant emotions it surely would have aroused.

I also issued the pardon because I thought Mr. Nixon, his wife, and his children had suffered enough. Those who campaign now by calling for more

compassion among the American people -- for
Vietnam draft evaders -- should ask themselves:
Was not this pardon an act of compassion? I think
it was.

Foreign

AFRICA -- KISSINGER TRIP

- Q. Secretary Kissinger is meeting in Europe with Prime Minister Vorster of South Africa. There are reports he may go on to Africa. What do you expect from this trip?
- A. Our interests in Africa are shared by all of the nations of that area: to bring about racial peace with full protection for the rights of all people -- black and white. Let's place this current trip in perspective. My concern over the acceleration of the trend toward violence and conditions inviting outside intervention goes back to the crisis in Angola over a year ago. The Soviet Union, using Cuba as its surrogate, intervened in Angola to subvert the will of the majority and establish a government propped up by Cuban arms. As a result of Congressional shortsightedness, we were prevented from offering assistance to the Angolan people against this aggression.

Since that time the trend toward violence in Southern Africa has accelerated. Unless this trend can be steered toward negotiations, there is the very strong likelihood of massive bloodshed. Faced with this tragic prospect in April of this year, I asked Secretary Kissinger to undertake a major initiative to promote peace and racial justice in Southern Africa. It was time for America to put its weight and moral influence behind the cause of negotiated solutions while there was still time.

Since April we have made progress. South Africa has announced its support for our Rhodesian initiative and has announced a date for Namibia's independence. Our own relations with key black African leaders have become closer.

The situation today holds great risks and complexities. There is also an opportunity and, I believe, a moral obligation for the U.S. to try to assist in bringing racial peace with full protection for minority rights in Southern Africa.

For this reason, I am sending Secretary Kissinger for a new round of talks. The Secretary will be meeting in London with Prime Minister Callaghan, and then in Zurich with Prime Minister Vorster.

This is one of the most complex negotiations we have ever been involved in. There are many leaders and groups and countries involved. But the United States will make a major effort here -- because it is right and because it is in our own interest and in the interest of peace in the world.

FOOD AND TRADE AS POLICY WEAPONS

Q: Jimmy Carter says that he would use international trade and food exports to enforce U.S. foreign policy objectives. What is your view of using trade for a weapon?

A: There has been a lot of loose talk recently about economic warfare. A President in office, however, quickly learns that this is an extremely complex and serious matter -- to American consumers and producers, and to the national security of this country.

We have, at our disposal a wide variety of measures which we can use in pursuing our foreign policy interests. In certain circumstances, we can effectively use our economic and commercial ties with countries abroad to advance our foreign policy objectives -- both to encourage positive actions by others by holding out the promise of a more constructive economic relationship with us, and to discourage actions adverse to our interests by making others aware that they could lead to economic costs.

But as I have said many times, this Administration will not use embargoes on food exports as an instrument of foreign policy. I foresee no circumstance under which another embargo might become necessary.

Mr. Carter, I notice, is on the record as proposing the use of total trade embargoes, including food embargoes, as policy instruments against the Soviet Union* or against the Arabs** in certain circumstances. His recent commitment to "no embargoes" stands in contradiction to what he said last July.

I believe that trade embargoes are unwieldy as short-term foreign policy weapons. Threats like this are extremely unwise.

Free trade and free enterprise have built this country. No one should lightly tamper with this system.

Trade and aid can be used positively to improve political relations in some cases, but embargoes are extremely dangerous.

*Carter interview in New York Times, July 7, 1976

**Carter on Meet the Press, July 11, 1976

KOREA

Q: Didn't we overreact to the recent incident in Korea? After all, B-52's, a Carrier Task Force and two fighter squadrons are pretty inflammatory.

A: This issue arose when the authority of the United Nations to operate in accordance with the agreements within the DMZ was thwarted by the brutal murder of two Americans by North Korean forces on August 18.

The objective of our actions since then has been to obtain redress for this wholly unwarranted and unprovoked attack and to reassert our legitimate authority to operate in the zone. We have taken precautionary measures with U. S. Forces, and acted promptly through the UN Command to gain assurances for the future safety of UN personnel. In my view, our actions have been wholly justified.

Let me add that Korea continues to be the major source of international tension. Recent events highlight the need to maintain the Armistice or to assure that its basic arrangements continue, and they emphasize the folly of any unilateral U. S. troop reductions. While remaining firm in our commitment, we are nevertheless prepared to explore ways to relax tensions and

encourage a political resolution of the Korean issue. Our side, the U. S. and the Republic of Korea, is prepared to meet with the other side at any time at any neutral site to discuss fundamental questions as well as measures to reduce tensions and eliminate further senseless bloodshed.

REPUBLICAN PLATFORM REBUKE

Q: The Republican Convention adopted a foreign policy plank that was indirectly critical of the foreign policy of its own Presidential nominee. Are you going to ignore that plank or are you going to change your policy?

A: I do not interpret the plank you are referring to as being critical of our foreign policy. Many of the delegates felt that the platform did not adequately stress the importance of our moral and political principles, and particularly our dedication to freedom, to our foreign policy. I fully agree that they are important and am pleased to have that point made emphatically in our platform.

CARTER ON FOREIGN POLICY

Q: What is your response to Governor Carter's criticism that your Administration is focusing too much on relations with the USSR and neglecting our European allies and Japan?

A: Relations with our European allies and with Japan have never been better, as is evident from recent visits of the Heads of State of many of these countries to the United States and from our recent summit conferences on economic affairs in France and in Puerto Rico. There might have been some substance to Governor Carter's criticism if he had made it several years ago, but in the last two years we have established the most cooperative and friendly relations with our like-minded friends in Europe and with Japan. Governor Carter ought to address himself to present problems rather than dwelling on past shortcomings that have been corrected.

COMMUNISM IN MEXICO

Q: Seventy members of Congress wrote you about their fears that Mexico is going Communist. Do you share this concern?

A: I don't agree with that assessment. I am not going to attempt a point-by-point discussion of the statements made by the Congressmen, but I have no fear that Mexico will seek to solve her problems by adopting Communism or in any way which is basically contrary to the best interests of Mexico. Certainly we do not always agree with the Mexicans' point of view on matters of mutual concern, but our good neighbors in Mexico do not need to copy anyone else's political or economic systems; they are both too proud and too intelligent to do that.

CSCE ANNIVERSARY

Q: Mr. President, August 1 marked the first anniversary of the signing of the CSCE Final Act in Helsinki. After a year, how do you assess the value of this document? Has it made any difference? Has anything at all changed? Has there been any progress in the area of human rights?

A: In the year since the Helsinki Summit, the United States has continued to stress the need for full compliance with and implementation of the provisions of the CSCE Final Act. In Helsinki, I stated that CSCE would be judged "not by the promises we make, but by the promises we keep." We are working with our NATO partners to monitor implementation of the CSCE Final Act in all its parts.

Frankly, the information we are receiving suggests a mixed picture on implementation. There has been progress in the area of military security, with both East and West giving advance notification of major military maneuvers. Similarly, we have seen implementation of provisions concerning cooperation in the field of economics, science and technology and the environment.

There has also been some progress in the implementation of provisions on human rights, an issue of importance to many Americans. Regulations governing foreign journalists have been eased somewhat; steps have been taken to improve emigration procedures; and there has been progress in the reunification of divided families. Nevertheless, this government has emphasized to the Communist signatories that their

actions thus far represent only a start and that much more must be done to implement fully the provisions of the Final Act in this area.

In sum, the United States continues to believe that CSCE will be judged by its deeds; the net results thus far have been positive.

SALT

Q: There have been rumors of an imminent breakthrough in the SALT talks. Do you expect any real progress in negotiating a new SALT agreement this year?

A: We are continuing to work toward conclusion of a new SALT agreement. The exchange of views that has taken place in the past few months has led to progress on several issues and provided further insight into the position on both sides on unresolved issues. We will continue the talks -- always being guided by what serves U. S. interests -- and without regard to politics or press predictions. Any further comment on my part about the progress of the negotiations would be inappropriate. ◆

SALT NEGOTIATIONS AND TEST BAN AGREEMENTS

Q: In light of reports of Soviet cheating on arms control agreements, do you still plan to press ahead on ratification of the new nuclear test ban Treaties and the SALT TWO negotiations?

A: Yes, I do. I believe that both the nuclear testing agreements and SALT agreements are of considerable importance to our fundamental goal of improving relations with the Soviet Union and reducing the risk of nuclear war. With regard to these allegations of cheating, there have indeed been some concerns, and these have led on several occasions to consultations with the Soviets. These discussions have been very useful and I am satisfied that the Soviets are in full compliance with their obligations.

I would like to point out that many of these concerns are the direct result of inevitable uncertainties associated with monitoring through long-range national technical means. In this regard, the nuclear test ban treaties contain far-reaching verification provisions including extensive data exchange and -- for some peaceful nuclear explosions -- on-site inspection. Once ratified, these treaties should reduce these monitoring uncertainties and their provisions may have significance for other arms control treaties as well. Pending ratification of these agreements, we expect that all nuclear explosions will be limited to yields of 150 kilotons and the Soviets have confirmed that this is their understanding.

Finally, as I have indicated before, we are continuing to work towards conclusions of a new SALT agreement. We will continue to make very effort to reach an agreement that is in our national interest--without regard to politics or press predictions.

NUCLEAR PROLIFERATION

Q: There have been recent reports that we are attempting to persuade Pakistan not to purchase a reprocessing plant from France, yet we have continued shipment of nuclear fuel to India which has exploded a nuclear device. Can you comment on this situation and tell us if you share the concerns of Congress about halting the spread of nuclear weapons?

A: I believe that nuclear proliferation is one of the most serious foreign policy problems we face today, one which promises to become even more serious in the future unless it can be adequately dealt with.

Since I have assumed this office, we have launched a series of initiatives aimed at reducing the risk of further proliferation of nuclear weapons. This program includes both direct measures, such as working with other nuclear suppliers in strengthening safeguards on nuclear exports, and diplomatic efforts to gain acceptance of our views. I have recently commissioned a Nuclear Energy Task Force to conduct an in depth review of our domestic and international nuclear energy policies. This review will help us chart our future course in this difficult area.

We are hopeful that other countries will forego small national reprocessing plants and defer a decision on reprocessing until other, possibly more

economic alternatives can be fully explored.

I deplore the Indian test of a nuclear explosive device; however, we have a contractual obligation to supply fuel for a civil power plant that is essential to the well-being of local inhabitants in that area. We will continue supply of this fuel only if satisfactorily stringent conditions can be established which will preclude its use in further nuclear explosives.

I am encouraged by the seriousness with which other nuclear suppliers are viewing the dangers of nuclear proliferation, and I am optimistic that we can cooperate on measures that will significantly reduce the threat of nuclear proliferation.

RELATIONS WITH VIETNAM

Q: According to press reports, Premier Pham Van Dong took a conciliatory line toward the U.S. at his speech at the Non-Aligned Conference in Colombo. What is your reaction to this and will the U.S. again veto Vietnamese membership in the UN?

A: Our principal concern in Vietnam is to obtain an accounting for Americans still missing in Indochina. I do not see any possibility of improving our relationship without a prior accounting for these men. We have had exchanges with the North Vietnamese indicating our willingness to discuss outstanding issues, but it would be premature for me to speculate on what outcome might result from them. Our policy remains that we will deal with Vietnam largely on the basis of Vietnam's actions toward us and toward its neighbors, and for us a preeminent concern is an accounting for our MIA's.

With regard to the admission of Vietnam to the UN, we will make known our position on this question at the appropriate time.

PRC/TAIWAN

Q: The PRC has recently taken a new, harder line on Taiwan. Will the U. S. abrogate its treaty with Taiwan and proceed with normalization in the face of such military threats?

A: I am aware tha, in recent discussions with some people outside the government, PRC officials have taken what has been reported as a "harder" line on Taiwan. It would not be useful for me to speculate on why they may have taken that line. But I have no reason to believe that the basic Chinese position on Taiwan has changed from what it has been. Nor has our own.

As you know, in the Shanghai Communique we reaffirmed our interest in a peaceful settlement of the Taiwan question by the Chinese themselves. As I stated following my discussion with leaders in Peking in December, the United States is determined to complete the normalization of relations with the People's Republic of China on the basis of the Shanghai Communique. As far as our policy towards Taiwan is concerned, we have in the past acted -- and we will continue to act -- responsibly on matters affecting Taiwan.

U.S. POLICY TOWARDS LEBANON-PARTITION?

Q: The U.S. appears to be going nothing as the situation in Lebanon drifts. Can there be a settlement or is the U.S. tacitly accepting partition of Lebanon since we recently sent foreign service officers to the Christian held parts? What is our policy?

A: The U. S. has been very active diplomatically encouraging a peaceful negotiated settlement, our efforts have been helpful in avoiding a broader confrontation. We seek a solution which will preserve Lebanon's independence, territorial integrity and national unity. Our position has not changed. We remain opposed to partition or de facto partition as a solution to the Lebanese tragedy.

While there are obvious limits to what can be done from the outside, we must continue to encourage progress toward a political settlement. Accordingly, our Embassy needs to have contact with the various Lebanese parties to render any possible diplomatic assistance. Because of security conditions, it has not been possible for our Embassy personnel remaining in West Beirut to get in touch with the leaders in East Beirut, so some foreign service officers were sent directly. These contacts are part of our Embassy's overall mission to be helpful diplomatically and imply no change in our policy of opposing partition.

Our Government, in its best traditions, has also been providing humanitarian assistance (over \$7 million to date) and I have also proposed that the Congress approve \$20 million in special relief and rehabilitation funds for Lebanon. The situation has created many difficulties, but we are doing the best we can and exploring ways in which we might be of further help.

ARMS SALES TO MIDDLE EAST

Q: There have been reports this week that the Administration intends to sell \$5 billion worth of arms sales to the Middle East. How can this continued massive sale of weapons to Arab states be reconciled with the US commitment to the security of Israel, particularly when these weapons which are being provided to the Arab states could be used against Israel in a future war?

A: First let me reiterate that there can be no question of my own personal commitment and the commitment of the US Government to the twin goals of peace in the Middle East and to the security and survival of the state of Israel as a free and independent nation. These fundamental objectives are the basis of US policy toward the Middle East.

Our ability to successfully pursue those goals relies on the strength of our relationship with the principal Arab states, as well as Israel. The unique role played by the United States in working toward a lasting peace in the Middle East will depend on our ability to maintain the trust and respect of parties on both sides of the dispute. Therefore, we must be sympathetic to the legitimate defense needs of our friends such as Saudi Arabia who are anxious to develop the ability to protect their own national security and the security of their vast natural resources.

We have approved a number of requests from Israel, Iran, Saudi Arabia and other nations, for military purchases amounting to approximately \$5 billion. I can assure you that these requests continue to receive the attention of the highest levels of the US Government and that they are carefully examined in terms of our interest in promoting stability and working for a peaceful settlement in the Middle East which, over the long term, provides the best hope of ensuring Israel's security.

U.S. RELATIONSHIP WITH IRAN

Q: There is considerable concern about the increasingly open-ended U. S. relationship with Iran, including the arms policy to Iran as "out of control." What is the strategy with respect to Iran, and how do you justify the continuing sale of such large quantities of sophisticated military equipment to Iran?

A: Those who blindly condemn American arm sales to Iran are simply showing their own disregard for the interests of peace and stability.

America and Iran are close friends today, and that friendship is not only one of the great successes of our foreign policy but is also one of the best guarantees of harmony in a vital part of the world. We do sell arms to Iran, but those sales are closely monitored at the highest levels, they are always made public, and they are only one part of a very broad range of economic and diplomatic contacts that we have with Iran -- all of which contribute to our friendship.

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Let's look for a moment at the broader picture. Iran is a country of great strategic importance. It is bordered on the North by the Soviet Union, on the West by Turkey, Iraq and the Persian Gulf -- so vital to the world's energy needs; and on the East by Afghanistan and Pakistan.

Consider the value to the United States of having a strong friend and ally in that location, serving as a force for stability and moderation. Look at the economic importance of Iran, with whom the United States will have a two-way volume of trade during the period 1975-1980 of some 26 billion dollars, exclusive of both the oil and arms, which attract so much public attention. Iran's policy and practice has been to keep the oil flowing to the United States and other nations of the free world rather than participating in an embargo. Look at the political importance of Iran, a country whose foreign policies parallel our own on almost every major issue, whose actions in the Gulf, in South Asia and in the Middle East have increased the chances for stability

in these regions. Iran has good relations with Israel, as well as Pakistan. Its policy is one of trying to promote peace and harmony among its neighbors. It has made liberal use of its oil revenues to this end by aiding the economic development of poorer nations.

The United States has long recognized the importance of a close relationship with Iran. There is nothing new or secretive about it. Immediately after World War II we came to Iran's assistance in forcing the Soviet Union to end its military occupation in the north, and then helping it build the economic and military strength needed to protect itself and remain part of the free world during the period of the cold war.

In 1969, when the United States declared that it would henceforth expect its allies to assume greater regional security responsibilities, Iran was not only willing to do so but able to assume the financial responsibility for it. Following the British withdrawal from the Gulf in 1971, Iran and Saudi Arabia assumed the major responsibility for maintaining stability and moderation in the region, and for maintaining the all-important access of the free world to the immense reserves of oil and natural gas. The United States has not had to assume this responsibility but in our own clear self-interest, we have a definite responsibility to help our friends and allies help themselves.

In our view, it would be foolhardy to renounce or weaken our commitment to a valuable ally of long-standing such as Iran, an ally willing and able to look after itself. In our view, the greater Iran's own capacity for self-defense, the less the likelihood that the United States might become involved militarily in that part of the world.

Finally, our arms contracts with Iran have not been made in secret nor have they been made without thorough review by the highest authorities of the United States Government. Every major sale of weapons has been made public and has been sent to Congress as required by law.

Our close friendship with Iran gives us a reason to be proud rather than apprehensive. This relationship is in the interest of the United States, of the free world, and of world peace. I will not be deflected from sustaining and strengthening it.

DEFENSE BUDGET

Q: You recently again criticized Congress for its failure to fully fund your defense budget. What is your reaction to Democratic attempts to make still additional cuts?

A: Over the past 10 years, Democratic controlled Congresses have cut almost \$50 billion out of the defense budget. Those cuts have gone far beyond just fat, and it is incumbent on anyone who wants to take money out of defense for some social program or any other reason to say which muscle he's going to cut.

In the past few years, we've closed bases overseas and at home; we've cut back manpower to its lowest point since before Korea; we've reduced many of the fringe benefits our service people receive and we've dangerously reduced Training and Maintenance Operations. But we have reached the limit.

If the Democrats want to take another \$5-7 billion out of defense -- as Mr. Carter says -- then the American people deserve to be told how our strategic forces will be cut or our conventional forces will be cut or both. I've studied every line item in the defense budget -- not just this year but for a good many years. I know what I'm talking about and I am making sure Congress knows what must be done to ensure our security.

AMERICA'S ROLE

Q: What is and will be America's role in the world for the remainder of the 20th Century?

A: The role of America is to preserve freedom at home and abroad where it exists. It is for this reason that I have been so distressed at proposals to cut defense spending. If America does not defend the free world there will be no defense at all. It is as simple as that and our friends and allies know this.

NIXON-FORD FOREIGN POLICY

Q: Isn't Governor Carter correct when he speaks of the Nixon-Ford foreign policy? How does the foreign policy of your Administration differ significantly from that of Nixon?

A: The permanent interests of the United States and other nations in the world do not change, so there is of course a great deal of continuity between the foreign policy of one administration and that of its successor. Maintaining this continuity is particularly important to American foreign policy because so many nations depend on our steadiness and the reliability of our commitments.

Having recognized the importance of continuity, I should also point to some of the foreign policy initiatives undertaken during my two years in office. We have reversed the ten-year trend of Congressional cutback in the Nation's defense strength. We have established closer relations with our European allies and with Japan. We have undertaken new initiatives in Africa and in the Middle East, and we have made a series of detailed proposals for improving our relations with the developing nations of the world. We have stood up vigorously for our own interests and those of our friends and allies in the United Nations. These and many other initiatives make it clear that we have made our own imprint on foreign policy.