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THE WHITE HOUSE
WASHINGTON

March 11, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: RON NESSEN

Here is an up-dated set of Q & A's and other guidance for your Illinois trip.

This packet contains the following:

- TAB A - The most important foreign policy issues.
- TAB B - Today's announcement and questions concerning PFIAB.
- TAB C - Text of a speech by Secretary Rumsfeld this week with portions marked in which he outlines the strength of American armed forces compared with Russian armed forces.
- TAB D - Q & A's on a number of local Illinois and Chicago issues not contained in your earlier briefing book.
- TAB E - Q & A's concerning the Nixon deposition to the Church Committee and in the Halperin case. This includes a news story on his statement to the Church Committee.
- TAB F - A copy of an LA Times story in which Reagan strongly opposes any kind of farm price support.

Attachment



NUMBER TWO MILITARY POWER

Q: Ronald Reagan has charged that the U.S. has become Number 2 militarily. He cites the following statistics: "The Soviet Army is now twice the size of ours. Russia's annual investment in weapons, strategic and conventional, now runs about 50% ahead of ours. Our Navy is outnumbered in surface ships and submarines 2-to-1. We are outgunned 3-to-1 in artillery pieces; 4-to-1 in tanks. Soviet strategic missiles are larger, more numerous and more powerful than those of the United States.

Yet you contend that we maintain a rough equivalence with the Soviets in military power. On what do you base that assertion?

A: Our military force is second to none and as long as I'm President, we will never be second. I hope that false statements, made in the heat of a political campaign, do not lead our adversaries and our friends abroad to believe the United States is in second place. Such false statements could lead to miscalculations.

.. Our strategic forces are superior to Soviet forces in a most important category: Numbers of accurate, survivable, individually targetable nuclear warheads. It is, after all, the warheads which actually destroy the target. Our lead in this area has been increasing over the past several years.



- .. We also have a vast superiority in strategic bombers.
And we have superiority in naval warship tonnage.

- .. Our fighting men are the best trained and most ready
in the world. Our aircraft are the most modern and are
widely recognized as the best in the world.

- .. I have reversed the 20-year-old trend of shrinking
defense budgets. My last two defense budgets
were the highest peacetime budgets in the nation's
history. Unless I had reversed the trend, our military
forces, over the long-run, would have been in danger of
falling into second place.



FOREIGN POLICY QUESTIONS
FUTURE SOVIET-CUBAN MOVES IN AFRICA

- Q. One of the broader questions of Angola is how we can stop Soviet/Cuban interventions in future situations such as Angola. You have consistently refused to tell where you would draw the line. Doesn't this tempt them to keep on prodding and intervening and raise the stakes when we are forced to intervene? Wouldn't it be better to say where you draw the line?
- A. Our response to future Soviet-Cuban interventions, such as in Angola, would be tailored to the circumstances. It will be firm and prompt. I do not believe it would be wise to speculate on the specific character of our actions, or where we would draw the line.
- Q. Another question about Angola. Do you believe you can conduct an effective foreign policy with your hands tied by Congress as they were in the Angolan situation? And if so, how?
- A. As I said at the time, by cutting off funds for Angola, Congress put the United States on record as refusing the request for help for an African people who sought no more than to decide for themselves their own political future, free of outside intervention. I believe Congress' action was a grave error that can only result in serious harm to the interests of the United States. It will encourage future Soviet-Cuban expansion in Africa. I will continue to take the Administration's case to the American public and

GERALD R.

will seek their support and that of Congress for a strong foreign policy that enables the United States to play a responsible international role. I have no intention of shirking our responsibilities to our friends and allies around the world.

Q. There are reports of Cuban troops in Rhodesia. What do you intend to do about this new Cuban intervention?

A. We have no confirmation of these reports. The presence of Cuban military forces in that situation would present a grave problem. While I would not want to speculate about our response, Cuba must understand that it should exercise extreme caution and must not consider that what we did in Angola would be our response to another Cuban aggression.

Q. What is the Administration's policy toward the regimes of Rhodesia, South West Africa and South Africa? Can we afford to support racist regimes on the black continent?

A. I firmly support majority rule in Rhodesia, and my Administration will use its influence in that direction. The United States also supports a peaceful evolution in Rhodesia through negotiations. It would be a tragedy for all Africans if change had to be brought about by violence.



Concerning Namibia (South West Africa), the United States has urged the South African Government, in conjunction with the United Nations, to move rapidly to grant the people of Namibia the right to choose their own destiny.

Our policy toward South Africa has remained fundamentally unchanged for over a decade. We maintain relations with the Government of South Africa and a dialogue with all elements of the South African society. But we have made clear the inherent opposition of the American people to the South African Government's internal policies.

US ARMS SALES TO EGYPT

Q: Based on Secretary of Defense Rumsfeld's statements, it would appear that the Administration has more in mind for Egypt than just limited arms sales. What exactly is involved and how can the USG possibly justify arms sales to Egypt since these will fuel an arms race and weaken our commitment to Israel's security?

A: The only items now under consultation are six C-130 transport aircraft. This can scarcely affect the military balance.

Our objective in supplying Egypt anything in the military field is to support Egypt in its moderate policies which have been so instrumental in helping the area move closer to peace. By responding to Egypt's own desires to diversify its resources in this field, including reducing dependence on the Soviets, we can help maintain its confidence in the peace process.

We will do nothing to upset the balance in the area to Israel's disadvantage. Israel's position is very strong and it will continue to receive substantial military and economic assistance from the US to this end.



Q: The Israelis are obviously not persuaded by the Administration's arguments. What is your reaction to their strong condemnation of the arms decision?

A: We have been in touch with the Israelis on this matter. We are firm in our commitment to Israel's security and we will do nothing to upset the balance in the area to Israel's disadvantage.

Q: It is true that the Administrator's real intent is to use the C-130s to set a precedent for future supply of more sophisticated equipment to Egypt, possibly after the results of more primaries are in?

A: There are no plans at this time to provide material other than the C-130s. Any future decision would be taken only after close consultation with the Congress.

SECRET

US-USSR RELATIONS -- ANGOLA

Q: Mr. President, how can you suggest that your policy toward the Soviet Union is successful in light of the aggressive and expansionist character of Soviet actions in Angola?

A: The success of our relations with the Soviet Union depends very much on how strong and determined we are. If we unilaterally cut our defenses; if we deprive ourselves of economic tools as instruments of our diplomacy; if we weaken ourselves in SALT negotiations and leave Soviet programs unconstrained; if -- as has been the case through the actions of the Congress -- we fail to block Soviet moves in local conflicts such as Angola, we are tying our own hands. We are denying ourselves the incentives for Soviet restraint and the penalties for aggressive behavior. If we deprive ourselves of the tools of our own policy, we cannot then be surprised at the unsatisfactory results. Better US-Soviet relations do not depend on American conciliation but rather upon American strength and American willingness to meet our responsibilities. I hope Angola has taught the Democratic Congress that lesson.



FOREIGN IMPORTS

Q: Your Administration has been pledged to lowering trade barriers wherever possible. Now in the next few weeks and months you will be facing some tough calls on imports of various items such as specialty steel. What will be your criteria for making these decisions? Do you favor the new laws that make it easier to block imports?

A: The objective of our trade policy is to enhance the welfare of American industry, American workers, and American consumers. It is for this reason that we seek a more open global economy. We believe such a system serves the interests of other nations as well.

My advisors have given me their recommendations on the International Trade Commissions' findings on steel. I am reviewing those recommendations and I will announce my decision shortly. (Deadline is March 16)

On shoes, the International Trade Commission (which was divided on this issue) only recently made its findings and recommendations; and my advisors have not yet completed their review. (Deadline mid-April)

My decisions will be based on the merits of each case, the welfare of American workers and consumers, and the impact on our trading relationships with other nations.

- . The welfare of US workers and firms has been and will remain a primary objective of this Administration. I can assure our workers that I will not allow unfair practices by others to undermine competitive American industry and jobs.

- . I shall also carefully consider the interests of American consumers. And I shall take into full account our relationships with important trading partners, who constitute important markets for our exports. In keeping with the spirit of Rambouillet, I intend to consult with these partners as trade problems arise.

I recognize that these decisions are sometimes difficult. Because they are so difficult, I shall weigh carefully the the various positions and attempt to arrive at judgments, fair to all parties concerned, which best serve the interests of the American people.

BRIBES

Q: What is U.S. policy toward bribery by U.S. firms of foreign officials in the Middle East and elsewhere?

A: We deeply deplore any practices such as bribery or attempts to corrupt foreign officials, which run counter to deep-seated and traditional American values. We intend to take strong measures to deal with such practices. We also will pursue efforts to reach an international agreement on ethical standards for multi-national corporations.



US-USSR RELATIONS

Q: Mr. President, with regard to our relations with the Soviet Union, several of your opponents -- both Democratic and Republican -- have charged that detente has become a one-way street, that the Soviets have used this period of improving relations in fact to extract one-sided concessions from the United States, to push us back to second place status in military strength, and to exploit the relationship for U.S. grain and technology while engaging in activities in Angola and elsewhere contrary to our interests and to the spirit of a more stable relationship. Would you respond to these charges and, in light of your dropping detente from your vocabulary, explain your policy toward the USSR.

A: At the outset, let me remind you that in dealing with the Soviet Union, we are dealing from strength.

- . Our military might is second to none.
- . Our economic and technological strength is the greatest on earth.
- . Our heritage as a democracy of free people is the envy of hundreds of millions around the world.
- . In virtually every aspect of human endeavor, we are the most advanced country anywhere.

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My policy toward the Soviet Union is peace through strength. It is not a one-way street. We will negotiate with the Soviet Union only when it is in our national interest to do so. We will oppose Soviet and Cuban military expansion. But, we will try to lower tensions and reduce the risk of nuclear war when we can. I think most Americans support that policy. Most Americans do not want to return to the dangerous confrontations of the cold war.

There should be no misunderstanding about the United States intention or resolve. We must never be second best in a world where there is still so much hostility to freedom and where many look to us for the strength to ensure the peace.

The suspicions and rivalries of more than a generation cannot be swept away in a short time or by signing a piece of paper. Our political rivalry and military competition with the Soviet Union will continue. In the real world, our policy requires us to resist Soviet expansion and at the same time seek ways to reduce tensions. That's what "peace with strength" means.

March 11, 1976

SECRET PLEDGE ON TAIWAN TROOP PRESENCE

Q: Can you confirm the Boston Globe story that you made a secret pledge to Chinese leaders to reduce by 50% the American troop presence on Taiwan this year.

A: As a matter of general policy, we do not comment on the contents of our diplomatic exchanges. In the broader context, let me say that we are continuing the process of normalizing U. S. -PRC relations along the lines of the Shanghai Communique of 1972. At the same time, we take our commitments seriously. The Communique links the ultimate complete withdrawal of our military presence on Taiwan to the prospect of a peaceful settlement of the Taiwan issue. However, any drawdowns that have been made or that may be made on our Taiwan military presence are based on our perceptions of the requirements of the situation in the area and are not the subject of negotiation with any other government.

* * * * *

ADDITIONAL INFORMATION

In 1972, the United States reached a general agreement with the Government of the People's Republic of China to work to normalize relations between our two countries. That agreement is expressed

in a public document, The Shanghai Communique. In that Communique the United States unilaterally expresses its intention to bring about the progressive reduction of the American military presence on Taiwan, linking the process to a reduction of tensions in the area. Moreover, we related the ultimate completion of our withdrawal to the prospect of a peaceful settlement of the Taiwan question by the Chinese parties themselves.

Since 1972 the U. S. Government has, in fact, progressively reduced its military presence on Taiwan. I believe the manpower level was about 10,000 at the time the Shanghai Communique was signed.

Subsequent reductions were made over the past four years to the point where we now have something less than 2,800 men on the island. Last December I indicated in a speech in Honolulu my intention to eventually complete the process of normalizing

U. S. -PRC relations. In the spirit of the Shanghai Communique we will bring about further reductions of our military presence on Taiwan. I expect there will be additional manpower drawdowns in the period ahead, but this is something still in the planning stage.

TAB B
PFIAB

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Question

You have now announced the appointment of an enlarged President's Foreign Intelligence Advisory Board (PFIAB). Have you enlarged the responsibilities of this Board?

Answer

The Board will continue to perform the same functions as it has in the past, namely, to advise the President on the principal objectives and on the effectiveness of our foreign intelligence efforts. Because I am determined to see that our intelligence efforts are as comprehensive and effective as possible, I expect the advice from the enlarged PFIAB to take on a new importance, but the manner and scope of its functions are not being changed.

Question

Many of your appointees have been closely identified in the past with the operations of the intelligence community, so how can you be sure that their advice to you will be fair and objective?

Answer

This Board of distinguished citizens represents a variety of backgrounds, interests and expertise, and it is important that we have people on the Board to advise me who can bring to the recommendations a rich background of experience with the problems of intelligence gathering and evaluation and with the opportunities for improvements and innovations.

Question

Do you think that the affiliations of certain of the members could give rise to conflicts of interest in their participation on this Board?

Answer

No, because the Board is purely advisory in nature and the final decisions on their recommendations will be up to me.

Question

What is the relationship of PFIAB to the new Intelligence Oversight Board whose membership consists of three persons who are also members of PFIAB?

Answer

The Oversight Board will operate independently of PFIAB and will have a staff separate from the PFIAB staff. However, the experience gained by the Oversight Board members from their service on PFIAB will be helpful to them in performing their oversight function.

PFIAB

Q: How long has the President's Foreign Intelligence Advisory Board existed and what have its responsibilities been?

A: The predecessor President's Board of Consultants on Foreign Intelligence Activities was established by President Eisenhower in 1956. Similar Boards under the name President's Foreign Intelligence Advisory Board (PFIAB) were continued by the Kennedy, Johnson and Nixon Administrations. The last reconstitution of PFIAB was effected by E.O. 11460 on March 20, 1969.

Until the naming of the new Board, PFIAB had 10 members including the Chairman. The principle responsibilities of the Board have been the following:

- Advise the President with respect to the total foreign intelligence effort and
- report periodically to the President its findings, appraisals and recommendations for achieving increased effectiveness of the U.S. foreign intelligence effort.

The Board makes these reports on the basis of objective review and assessment of foreign intelligence and related activities of the CIA and other United States Government departments and agencies.

PFIAB

Q How active has PFIAB been in exercising these responsibilities?

A The full Board meets every other month in regular session
and Subcommittees meet more frequently on special projects
and studies.



PFIAB

Q: Where does PFIAB fit in the President's reorganization of the Intelligence Community?

A: The Board, whose members are distinguished private citizens with broad and varied experience, will continue to provide the President with independent advice on intelligence matters.

PFIAB

Q: How can PFIAB obtain the information it needs to give the President advice in view of the tremendous volume of secret information known only to the intelligence agencies?

A: The President's Executive Order on United States Foreign Intelligence Agencies issued on February 18 directs the senior officials of each organization of the intelligence community to furnish to the PFIAB "all of the information required" to fulfill its responsibilities. (E.O. 11905, Section 4(a)(6))

PFIAB

Q Has the Board provided any useful advice to the President?

A The President values the advice of the Board and meets periodically with the full Board and also occasionally with individual members. The President expects that the expanded Board will prove even more helpful to him in the future.

MONDAY, MARCH 24, 1969

President's Foreign Intelligence Advisory Board

Announcement of Executive Order Reconstituting the Board. March 20, 1969

The President today issued an Executive order establishing the President's Foreign Intelligence Advisory Board. Today's order reorganizes and reconstitutes the President's Foreign Intelligence Advisory Board originally established by President Eisenhower in 1956 as the President's Board of Consultants on Foreign Intelligence Activities and continued by Presidents Kennedy and Johnson as the President's Foreign Intelligence Advisory Board.

Under the terms of the order the Board is charged with the responsibility of keeping the President advised with respect to the total foreign intelligence effort and of reporting periodically to the President its findings, appraisals and recommendations for achieving increased effectiveness of the United States foreign intelligence effort. The Board will make its reports after conducting an objective review and assessment of foreign intelligence and related activities of the Central Intelligence Agency and other United States Government departments and agencies.

The members of the Board have been chosen by the President from qualified persons outside the Government. The members of the Board in whose qualifications and integrity the President has the fullest confidence are as follows:

MAXWELL D. TAYLOR, Chairman, president, Institute for Defense Analysis
GEORGE W. ANDERSON, former Chief of Naval Operations
WILLIAM O. BAKER, vice president, research, Bell Telephone Laboratories, Inc.
GORDON GRAY, former Special Assistant to the President for National Security Affairs
EDWIN H. LAND, president, Polaroid Corp.
FRANKLIN B. LINCOLN, JR., Mudge, Rose, Guthrie and Alexander
FRANKLIN D. MURPHY, chairman of the board, Times-Mirror Corp.
ROBERT D. MURPHY, chairman of the board, Corning Glass International
FRANK PAGE, JR., president, International Executive Service Corps
NELSON A. ROCKWELL, Governor of New York

J. Patrick Coyne has been appointed by the President to serve as Executive Secretary of the Board. He has served in this capacity with similar Intelligence Advisory Boards utilized by Presidents Eisenhower, Kennedy, and Johnson.

NOTE: For the text of Executive Order 11460, see the following item.

Advisory Board

Executive Order 11460. March 20, 1969

ESTABLISHING THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. There is hereby established the President's Foreign Intelligence Advisory Board, hereinafter referred to as "the Board". The Board shall:

(1) advise the President concerning the objectives, conduct, management and coordination of the various activities making up the overall national intelligence effort;

(2) conduct a continuing review and assessment of foreign intelligence and related activities in which the Central Intelligence Agency and other Government departments and agencies are engaged;

(3) receive, consider and take appropriate action with respect to matters identified to the Board, by the Central Intelligence Agency and other Government departments and agencies of the intelligence community, in which the support of the Board will further the effectiveness of the national intelligence effort; and

(4) report to the President concerning the Board's findings and appraisals, and make appropriate recommendations for actions to achieve increased effectiveness of the Government's foreign intelligence effort in meeting national intelligence needs.

SEC. 2. In order to facilitate performance of the Board's functions, the Director of Central Intelligence and the heads of all other departments and agencies shall make available to the Board all information with respect to foreign intelligence and related matters which the Board may require for the purpose of carrying out its responsibilities to the President in accordance with the terms of this Order. Such information made available to the Board shall be given all necessary security protection in accordance with the terms and provisions of applicable laws and regulations.

SEC. 3. Members of the Board shall be appointed by the President from among persons outside the Government, qualified on the basis of knowledge and experience in matters relating to the national defense and security, or possessing other knowledge and abilities which may be expected to contribute to the effective performance of the Board's duties. The members of the Board shall receive such compensation and allowances, consonant with law, as may be prescribed hereafter.

SEC. 4. The Board shall have a staff headed by an Executive Secretary, who shall be appointed by the President and shall receive such compensation and allowances, consonant with law, as may be prescribed by the Board. The Executive Secretary shall be authorized, subject to the approval of the Board and consonant with law, to appoint and fix the compensation of such personnel as may be necessary for performance of the Board's duties.

SEC. 5. Compensation and allowances of the Board, the Executive Secretary, and members of the staff, together with other expenses arising in connection with the work of the Board, shall be paid from the appropriation appearing under the heading "Special Projects" in the Executive Office Appropriation Act, 1969, Public Law 90-350, 82 Stat. 195, and, to the extent permitted by law, from any corresponding appropriation which may be made for subsequent years. Such payments shall be made without regard to the provisions of section 5661 of the Revised Statutes and section 9 of the Act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 672 and 673).

SEC. 6. Executive Order No. 10238 of May 4, 1961, is hereby revoked.

RICHARD NIXON

The White House
March 20, 1969

Filed with the Office of the Federal Register, 8:53 a.m.
MARCH 21, 1969

MARCH 11, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced the appointment of seventeen persons as members of the President's Foreign Intelligence Advisory Board. They are:

Stephen Ailes, of Maryland, President and Chief Executive Officer, Association of American Railroads, Washington, D. C.

Admiral George W. Anderson, USN (Ret.), Washington, D. C. This is a reappointment.

Leslie C. Arends, of Melvin, Illinois, Retired Member of Congress, Melvin, Illinois.

William O. Baker, of Morristown, New Jersey, President, Bell Telephone Laboratories, Inc., Murray Hill, New Jersey. This is a reappointment.

William J. Casey, of Washington, D. C., Counsel to the law firm of Rogers and Wells, Washington, D. C.

Leo Cherne, of New York, New York, Executive Director, Research Institute of America, Inc., New York, New York.

John B. Connally, of Houston, Texas, Partner, law firm of Vinson, Elkins, Searls, Connally and Smith, Houston, Texas.

John S. Foster, Jr., of Palos Verdes Estates, California, Vice President, TRW Inc. and General Manager, Energy Systems Group, Palos Verdes Estates, California. This is a reappointment.

Robert W. Galvin, of Barrington, Illinois, Chairman of the Board and Chief Executive Officer, Motorola, Inc., Chicago, Illinois. This is a reappointment.

Gordon Gray, of the District of Columbia, Broadcast Executive and former Government Official, Washington, D. C.

Melvin R. Laird, of Maryland, Senior Counsellor, National and International Affairs, Reader's Digest Association, Inc., Washington, D. C.

Edwin H. Land, of Cambridge, Massachusetts, Chairman of the Board, Polaroid Corporation, Cambridge, Massachusetts. This is a reappointment.

General Lyman L. Lemnitzer, USA (Ret.) of Washington, D.C.

Clare Booth Luce, of Honolulu, Hawaii, Novelist; Playwright; Writer; and Lecturer, Honolulu, Hawaii. This is a reappointment.

Robert D. Murphy, of the District of Columbia, Honorary Chairman, Corning International Corporation, New York, New York.

Edward Teller, of Berkeley, California, Director at Large, Lawrence Livermore Laboratory, University of California, Livermore, California. This is a reappointment.

Edward Bennett Williams, of Potomac, Maryland, Senior Partner, Williams, Connolly and Califano, Washington, D.C.

The President today also announced his designation of Leo Cherne as Chairman of the Board.

The Board advises the President concerning the various activities making up the overall national intelligence effort. It also conducts a continuing review and assessment of foreign intelligence and related activities in which the Central Intelligence Agency and other Government departments and agencies are engaged. The Board reports to the President on its findings and makes appropriate recommendations.

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MARCH 11, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Two weeks ago I announced to the Nation a comprehensive program to strengthen the foreign intelligence agencies of the United States Government. My actions were designed to achieve two basic objectives;

--First to ensure that we have the best possible information on which to base our policies toward other nations;

--And second, to ensure that our foreign intelligence agencies do not infringe on the rights of American citizens.

Today, as an additional part of this effort, I am announcing the expansion of my Foreign Intelligence Advisory Board. This Board was set up in 1956 in order to provide independent, nonpartisan advice on the effectiveness of the intelligence community in meeting the intelligence needs of the President. Since 1974, the Board has been composed of ten members, all of whom are private citizens.

I am announcing today that I am expanding the Board to 17 members, and I am appointing the following members to the Board:

Stephen Ailes	Robert W. Galvin
Leslie C. Arends	Gordon Gray
Admiral George W. Anderson	Melvin Laird
William O. Baker	Edwin H. Land
William J. Casey	General Lyman L. Lemnitzer
Leo Cherne	Clare Booth Luce
John B. Connally	Robert Murphy
John S. Foster, Jr.	Edward Teller
	Edward Bennett Williams

I am announcing my decision to have Leo Cherne serve as the new Chairman of the Board.

(MORE)

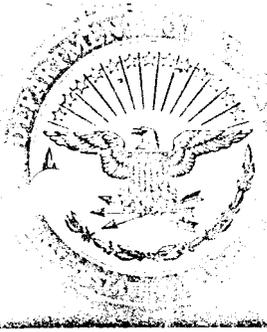
The intelligence needs of the '70's and beyond require the use of highly sophisticated technology. Furthermore, there are new areas of concern which demand our attention. No longer does this country face only military threats. New threats are presented in such areas as economic reprisal and international terrorism. The combined experience and expertise of the members of this Board will be an invaluable resource as we seek solutions to the foreign intelligence problems of today and the future.

In developing the Nation's offensive and defensive strategy to conduct foreign policy and provide for the national security, we must be able to deal with problems covering the broadest spectrum of activities.

By strengthening the Board as I have done today, and by giving the Board my full personal support, I fully anticipate that the Foreign Intelligence Advisory Board will continue its indispensable role in advising me on the effectiveness of our foreign intelligence efforts.

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TAB C
RUMSFELD SPEECH



NEWS RELEASE

DEPARTMENT OF DEFENSE SECRETARY OF DEFENSE PUBLIC AFFAIRS

WASHINGTON, D.C. 20301

PLEASE NOTE DATE

HOLD FOR RELEASE AT 6:00 PM (EST)
FOR AM PAPERS
THURSDAY, MARCH 11, 1976

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ADDRESS BY
THE HONORABLE DONALD H. RUMSFELD
SECRETARY OF DEFENSE
AT REUTERS 125th ANNIVERSARY DINNER
ST. REGIS SHERATON HOTEL, NEW YORK, N.Y.
WEDNESDAY, MARCH 10, 1976

I welcome this opportunity to join you in honoring the 125th Anniversary of one of the world's most prominent news organizations.

A free Press has been one of the most cherished elements of the American Republic since our beginnings as a nation. Thomas Jefferson put it in the strongest terms, "The basis of our government being the opinion of the people," he wrote, "the very first object should be to keep that right: and were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate a moment to prefer the latter." Now, not being one given to overstatement, I think he went a bit far . . . but Mr. Jefferson does make an important point. There cannot be a free government without a free Press. But as free people continue to learn to their sorrow and ours, in many places in the world, without free government there can be no free Press.

An informed public cannot exist without a free Press -- indeed, it is a necessity if the national discussion of goals, priorities, and responsibilities is to be conducted with the thoroughness they require. An informed, attentive public is a necessity for us as a nation to weigh and assess our place in the world.

We face serious and specific problems today. Of particular importance, to us and to the Western world, are the adverse trends in the balance between the military power of the West and the expanding military power of the Soviet Union.

~~Know there are some who say the United States has fallen to a position of inferiority. The fact is that we have not. And, there should be no doubt about it.~~

~~However, where once we were the world's foremost military power, we find ourselves today in a position "roughly equivalent" to that of the Soviet~~

MORE



~~Union. And where their capabilities have been growing, ours have not been.~~
 The steady erosion of the West's relative position would, if it were permitted to continue, inexorably result in a shift in the worldwide military balance -- a balance which has contributed so fundamentally to our achieving the relative peace and stability we have enjoyed since the end of World War II.

To be sure, the peace has been imperfect, and the stability somewhat ragged, but we would hardly wish to sacrifice them because they were imperfect. Sometimes we forget or overlook the most obvious facts. What is more obvious than that we live in an imperfect world? In an imperfect world, the United States and our Allies can hope to maintain an acceptable degree of peace and stability, only if we take the steps necessary to arrest these adverse trends. Only by such determined action can we hope to maintain a global environment sufficiently stable and secure to allow the values and freedoms we cherish -- such as freedom of the Press -- to survive and flourish.

When no attack is impending, and when potential adversaries are not behaving in a dramatically threatening manner, free peoples tend to neglect their defenses. In a nation governed by consent, not command, where decisions are made by persuasion, not coercion, domestic concerns tend to predominate. As the sense of threat recedes, democracies tend to lose interest in military preparedness.

Autocracies, of course, do not have that difficulty. They need not respond to the will of their people. Any government based on coercion is, by its very nature, more sensitive to threats both domestic and foreign, and can manufacture spurious threats as needed. Autocracies, therefore, may build and maintain formidable military capabilities with far less difficulty than free societies.

And yet, we would not wish to imitate them. We would not choose to ease our difficulties at the price of freedom. The challenge becomes, therefore, how to make certain that our people -- as well as the free peoples of the Western world, who face a problem similar to ours -- are aware of some harsh facts, so that we may act with the energy and will necessary to preserve the peace.

The first step, I believe, is to convey the facts to the people as clearly and forthrightly as is possible. I am confident, and always willing to bet on it, that the American people will find their way to right decisions, provided they have sufficient information. Indeed, it is upon that gamble -- the magnificent gamble, as it has been called -- that our government is based. And for 200 years, we have won, time after time.

The facts of our position relative to the Soviet Union drive one to the conclusion that continued shifting of the balance of power -- shifting in the direction it has gone for the past 10 to 20 years -- would be unacceptable from the standpoint of peace in the world. There is no doubt in my mind that the American people increasingly sense the shift in relative

positions, and grasp the fundamental necessity of maintaining a proper military balance between the U.S. and the USSR. As they do, they will willingly turn to the task of redressing that balance with energy, imagination and resolve.

What happens to the worldwide military balance in the years ahead will have a profound effect on world stability for the rest of this century. The decisions we make now will contribute to shaping the future for the next two decades, just as the decisions made over the past two decades have molded the situation we now face.

Let me emphasize one point: There is far more at stake than merely the relative military positions of two superpowers.

We are the world's leading democracy, just as the Soviet Union is the most powerful autocracy in the world. The wisdom and durability of our free system of government is, in a very real sense, on trial. If we become vulnerable to the threats and pressures of potential adversaries, we will have shown to the world that a nation governed by consent is incapable of the steadiness of purpose necessary to survive in a difficult and challenging world. I believe that free people, when informed, will demonstrate the prudence and foresight needed to recognize and counteract dangers that can undermine their liberties.

The balance of which I speak is necessary for many reasons. At the most basic level, it ensures our country's physical safety against attack. But there are other reasons:

- our Allies must know that they can, with our help, withstand either overt attack or the more subtle, indirect diplomatic and economic pressures that in the absence of such confidence, can erode the will and ultimately the ability to resist.
- Our views and values must be given the weight and importance they merit in our dealings with those whose interests differ from ours.
- We must encourage the support of those whose resources and cooperation we desire, but who might otherwise think it necessary to establish a more accommodating relationship with potential adversaries.
- And we must ensure and make realistic our own will and confidence in supporting our interests, our Allies and our ideals in a difficult, untidy, and uncertain world.

*what is
to
be
said
on
the
radio*

~~It must be said that we have an acceptable balance today. We have "rough equivalence" -- which means we have parity in some aspects of power, marked superiority in others, and a degree of inferiority in still others -- in a gross, total balance-of-power sense, with respect to the Soviet Union.~~

MORE

Today, U.S. strategic nuclear forces serve as an effective counterweight to those of the Soviet Union. We possess -- and the Soviets know we possess -- the secure second-strike capability that can survive any attack of which they are currently capable and retain the ability to inflict heavy damage on the USSR in return -- a capability necessary to assure a strong deterrent.

Today, our general purpose forces are strong and flexible. Our Navy is adequate to the task of securing the most vital sea areas and, in concert with our Allies, of ensuring the control of essential sea lines of communication.

Today, in Central Europe, U.S. forces -- together with those of our Allies -- are capable of adequate response to an attack by Warsaw Pact forces.

In short, "sufficiency" is a fact . . . today. It has been our policy to maintain rough equivalence, and it must remain so.

But the task has been made harder by the fact that for some years now, the Soviet Union has been expanding its capabilities steadily, but has been refraining from some of the more flamboyant aggressions or provocations that spurred us to establish the balance in the first instance. They have not been rattling missiles in Cuba, or invading Czechoslovakia or Hungary, as such, as they did in years past. Their behavior in those days provided free nations with the clear, visible threat that encouraged us to remain vigilant. The result was that although the Soviets tested both our strength and our resolve, they found both to be durable. They appear, therefore, to have concluded that a less abrasive, more flexible approach to superpower relationships would be both less hazardous and potentially more beneficial to them.

The free nations of the world have tended to react with a degree of euphoria to this shift in the Soviets' approach. To a measurable extent, both we and others have ignored the fact that this difference in the Soviet style did not represent a fundamental difference in their determination to continue developing military capabilities. Consequently, while Soviet military power has continued to expand at an impressive rate in the past decade or two, we have experienced repeated reductions in our Defense budget . . . cuts based on a failure to sense the necessity for the very strength which produced the more relaxed situation in the first place. A mood of optimism led to behavior which has contributed to the shift in the relative strength which the United States and the West had previously enjoyed vis-a-vis the Soviet Union and the Warsaw Pact.

The important fact is that the Soviets' willingness to experiment with a more cooperative approach in their relations with us was a direct result of our strength. That fact is too often overlooked, even today. Nor did the Soviets' willingness to relax some tensions indicate a willingness to relax all tensions. The Soviets have always recognized that a degree of cooperation, or a shift in the tone of our relationship, does not rule out continued conflict with the West -- indeed, they have even referred to detente as a means of improving world conditions for the ultimate triumph of Communist ideas. These facts cannot be ignored.

MORE

Our policy of seeking to relax tensions and lower the level of confrontation is sound, but it must be understood for what it is -- an approach taken toward relations with nations who are not our friends, who do not share our principles, whom we cannot trust, who have substantial military power and have shown an inclination to use it to the detriment of freedom.

Such a relationship, if approached judiciously and realistically, is sensible. It is certainly more promising, both for the principal parties and for the world at large than the increasingly dangerous atmosphere of confrontation that preceded it. But if it is to be successful, two essential conditions must be fulfilled: first, our will to defend our interests and our ideals must not flag; second, our military strength must remain real and convincing.

Over the past ten to fifteen years, we have neglected that second condition. We have seen cuts in the defense budget -- cuts which amount to more than \$38 billion over the past six years alone, cuts which in retrospect must be seen as having been based on somewhat wishful thinking. This pattern can be seen not only in the United States but also in Western Europe and elsewhere in the world . . . where free nations, nations that treasure their freedoms as we do, have succumbed to a similarly relaxed attitude about providing for their protection in the future. But wishful thinking is a notoriously poor foundation for national policy. It is unrealistic and historically unsupportable to assume that, because we are not at war, we can afford to be less ready, less capable.

Understandably, our position relative to the Soviet Union -- while still roughly equivalent -- has weakened. It has weakened even more rapidly because the Soviets have not been standing still. Our position of predominance has eroded because, while we have been relaxing our efforts, the Soviets have expanded their military capabilities to a degree and with a rapidity that must be cause for concern to us as well as all who share our values. As a result, there has been a massive shift in the world balance.

Determined imperialism backed up by formidable military power is a potent combination. It has enabled the Soviets to cow some nations and peoples into a disturbing tolerance of their views. I can see no other reason for the success, however uneven, they have had. Surely it is not the standard of living they provide their people . . . or the singularly unsuccessful efforts to produce agricultural abundance for their people through communes, or adequate consumer goods through their controlled economy. But expanding Soviet power could bring yet other peoples under their influence or domination in the future, were they and we to be unprepared and vulnerable to such pressures. The end of that road is as certain as it is unacceptable.

Steadily, and in some areas swiftly, the Soviet Union has pulled abreast of the United States in military capability, both strategic and conventional. Their military effort has a weight and momentum that indicates a sense of purpose. If the military balance -- so indispensable to our interests and survival, as well as to the world stability at large -- is to be maintained, as it must, we

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and others who share our values must act to arrest the trends that are clearly evident in our military position relative to that of the Soviet Union.

The trends are clear in almost every area of military effort. Specifically:

- o The United States has been allocating less and less of its real resources for defense; the Soviet Union has been spending more and more. . . and has now passed us. Inflation has taken a severe toll on the U.S. defense budget's purchasing power. In constant dollars, real purchasing power, the U.S. defense budget is 30% lower than it was in the early 1960's. Yet while our budget has dropped in real terms, the Soviets, with a smaller and poorer economy, have increased their defense spending steadily by nearly a third, in real terms, over the past ten years. Their defense spending --in real terms -- is now above our own, even by the more conservative estimates. And because Soviet manpower costs are far lower than ours, they have been investing considerably more of their defense dollars in procurement, research and development and warfighting capability.

- o U.S. military manpower has declined, while Soviet manpower has increased. The Soviets have 4.4 million men under arms -- more than double our own 2.1 million. Their forces have grown by a third in the past decade. Ours have steadily dropped.

- o The U.S. Navy has been shrinking; the Soviet Navy has been expanding. We have half as many active ships in our fleet as we did ten years ago. In those same years, the Soviets have expanded their fleet dramatically and are apparently developing the ability to challenge U.S. control of the high seas. Since 1962, the Soviets have built more than 1,300 ships for their Navy. In that same period, the United States has built about 300.

- o Similar trends are evident in air forces. Our active tactical aircraft force levels have dropped numerically by more than 40% since 1968. During the same period, the Soviets have increased theirs, building a production base which is estimated to be half again as large as ours in the process.

- o In the area of strategic nuclear forces, the Soviets have been making qualitative as well as quantitative improvements. Today, they have a third again as many ICBM's as we do, and they have equalled us in the SLBM count. There are important qualitative differences in the two forces. The Soviets have long been superior in throw-weight and megatonnage, but now they are advancing swiftly in the critical areas of accuracy and MIRV technology, where we have held the technological advantage and, which have offset Soviet missile throw-weight and explosive power.

No one indicator of relative military effort tells the whole story. Taken together, however, the trends present a picture of a consistently shifting military balance. If we do not arrest them -- as we must -- we could, in the years ahead, be faced with a world in which our chief rival has the ability to threaten or intimidate much of the world, and in which we do not possess the capabilities to withstand that coercion. Indeed, if we allowed our position to erode beyond "rough equivalence," we would find that adversaries do not need

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to resort to physical force to damage our interests. A faltering of our alliances, a weakening of our ability to assure access to critical raw materials, or a growing sense of beleaguerment in a fragmented and threatening world can accomplish our adversaries' purposes more economically than the blunt instrument of war. If we fail to protect our own interests, no one else will do it for us.

That is not a pleasant prospect. We risk far too much to permit these trends to continue. World stability -- however imperfect -- could not survive if our military posture were to slip to an inferior position. Nor would we hope that our efforts to arrive at equitable agreements to control strategic arms and conventional forces would then be successful. The Soviets would have little reason to negotiate if we should no longer be in a position to deter their ambitions. Serious negotiations and solid agreements in such vital areas are possible only between equals. In short, the United States cannot afford to let the erosion of our relative defense posture continue.

This year, President Ford -- a staunch supporter of a strong defense for the United States -- has committed himself to a defense budget that will arrest the downtrends I have described. He made this decision after careful thought. He made this decision in a year when he recognized the monumental pressure on the budget in the non-defense areas. The facts drove him to the conclusion that we must not wait another year.

The President's budget provides for a real increase in budget outlays over the amount provided by the Congress in FY '76. It is a solid budget, prepared in full awareness of the need for economy and efficiency in the use of defense resources. It is a budget which is tight enough that cuts inevitably would be seen as approval of the unacceptable past trends.

There are those who suggest we need not be too disturbed at the prospect of slipping below rough equivalence. I can only conclude that those who argue that position have a less than realistic view of the ability of democratic freedoms to survive undefended in a turbulent world, or too little insight into the present role of military power. The meaning of military power in our age goes far beyond use in combat. Indeed, if our power is challenged to the extent that we must use it in combat, it may be correctly said that our power was insufficient, and we should have had more. The highest purpose of military preparedness is peace. If we have sufficient military power, we are much less likely to have to use it.

If we were to cease being a military power of the first rank, could we expect to face down our adversaries in some future confrontation such as the Cuban missile crisis? Could we expect the young politicians and future leaders of nations, whose support and cooperation are essential to our security interests and economic well-being, to deem us a staunch, reliable, and capable ally, and an influence to be reckoned with in world affairs? Could we expect the Soviets to refrain from efforts to expand their influence at our expense, consolidate their hold upon vital areas of the world, and in time, attempt to coerce us directly?

MORE

The answer to these questions is a resounding "no". In a competitive and imperfect world -- where freedom is less secure than those of us who cherish it would wish -- there is no alternative for the United States but continued, dependable forces capable of guarding our interests, defending our ideals, and discouraging the adventurism of others.

The United States has been capable of extraordinary effort and remarkable achievement when the need was clear and when the purpose was seen to be honorable. But as free people, we have sometimes needed an atmosphere of crisis or emergency to focus our attention and mobilize our will. We must now learn to conduct ourselves responsibly without that heady atmosphere. The need is clear. The cause is as honorable as it is fundamental -- the security of the United States and our ability to defend and uphold human liberty and the rights of man, which led to our nation's founding.

This is not a friendly world for free people, nor is this a time when the democracies of the world thrive. Free peoples are being challenged all around the world, and the outcome is by no means assured.

Freedom is what is at stake. The difficulties are great, but we are a people who thrive on challenge. I have no doubts that the American people will rise to this challenge, as they have to others in the past. The American people, I am convinced will commit themselves to an America that will stand proudly as the centerpiece of freedom for another 200 years -- and more.

- E N D -

LOCAL ISSUE

SEX AND MARIJUANA STUDY PROPOSED BY SOUTHERN ILLINOIS UNIVERSITY

Q: Are you going to allow the HEW department to give \$62 thousand to Southern Illinois University for a study of sex and marijuana? Is that a proper use of the taxpayers' money?

A: I don't think that is a peroper use of the taxpayers' money and I have indicated my feelings about this matter to H.E.W. Secretary Mathews.

CHICAGO CROSS-TOWN

Question

Mr. President, what is your position on the proposed Chicago Cross-town expressway (proposed I-494)?

Answer

The Federal Highway Administration regulations require that the City and State cooperate on the construction of highway projects. The responsibility for undertaking construction of the Cross-town still rests with the State. If the State does not wish to construct the project, it may delegate construction responsibilities to the City with the approval of the Federal Highway Administration.

In addition, environmental requirements must still be satisfied. Draft environmental impact statements have been prepared for parts of this project, but no final statements have been prepared. There are substantial questions about the adequacy of the draft EIS statements.

Finally, local matching funding for the project still remains as a major problem.

Before the Federal Government can become involved, the State and local governments must agree on the proposed route.

Note: Mayor Daley strongly supports the cross-town expressway; Governor Walker and Senator Percy are vehemently opposed.

JRH 3/10/76

COOK COUNTY VOTING FRAUD

Q. Mr. President, Chicago and Cook County have had a large vote fraud problem in the past and in fact some people feel that the results of 1960 election in Illinois would have been different had this fraud not occurred. What is being done to assure that the election will be an honest one in 1976?

A. Over 60 persons have been convicted by the federal court for vote fraud during the last four years. A federal task force of Assistant United States Attorneys and federal marshals will be visiting various precincts throughout Cook County to insure that vote fraud allegations are expeditiously check out and arrest made if necessary. They will be coordinating their effort with a state task force of over 700 agents and lawyers who will also be on the street pursuing voting irregularities.

CHICAGO SCHOOL FACULTY INTEGRATION PLAN

Background

The Chicago Board of Education has been ordered by the Office for Civil Rights in H.E.W. to submit a faculty integration plan that reflects the overall racial makeup of the city's schools.

OCR notified the Chicago Board of Education in October that it was in violation of the Civil Rights Act of 1964 in the assignment of faculty and was not providing equal facilities for instruction of English to non-English speaking students. Subsequent to that notification the Board submitted a plan to OCR, but the plan was rejected.

The Office of Civil Rights is continuing to meet with the Chicago Board of Education staff in an effort to work out an agreeable solution this problem, and it has given the Board until March 31, 1976 to develop an acceptable plan.

BRADLEY ROTC

- Q. Last week, a student at Bradley University asked you why the Air Force had decided to close down the ROTC unit at Bradley. Have you taken steps to rectify what you then called an error?
- A. I have looked into the matter, for Bradley has supplied some fine officers for the Air Force during the 27 years the ROTC has been in existence there.

The Air Force decided to close down the ROTC unit at Bradley because there was not enough interest in the program to justify its continuation.

The Defense Department's criterion for a viable unit is a minimum enrollment of 17. The first year a unit does not enroll 17, the unit is put on probation. After that year, if the school does not enroll 17, the Air Force considers closing the unit.

Enrollment in the Bradley program on October 31, 1975 was 19 freshmen, 15 sophomores, 16 juniors and 13 seniors. Of 15 sophomores, only 7 are qualified and willing to enter next year's junior class. (There are 3,800 students at Bradley.)

Because of this low enrollment and the year's probation, the Air Force announced the planned closure by June 1977 of the Bradley Unit.

On the basis of this information, I see no reason for the Air Force to reverse its decision, unless more students enroll in the program.

Background

The low enrollment made the average cost per graduate at Bradley more than nearly \$20,000, compared to an Air Force average of a little more than \$12,000.

PUBLIC HOUSING - ROCKFORD, ILLINOIS

- Q. What is the Administration doing to overcome the problems of public housing and acquired properties in the Westside of Rockford? Crime, vandalism, and vacancy characterize the environment of these properties.
- A. As the result of financial problems, the Federal Government manages two multi-family projects totaling over 400 units. A number of alternatives are under consideration, but any plan will have to be coordinated with the City of Rockford and the Housing Authority.

FLM/3/10/76

HUD HELD PROPERTIES - CITY OF CHICAGO

- Q. What is the Administration doing to reduce the Government's inventory of acquired properties?
- A. We have been working with new sales methods to reduce the inventory and to offer protection to prospective buyers to assure that the homes can become satisfactory dwellings. We are working in concert with the City of Chicago to assure disposition of the inventory as rapidly as possible.

Background

Further, the Chicago HUD office has developed a housing counseling program which has resulted in voluntary counseling agencies providing services in more than 20 locations. The program provides for referral of defaulting mortgagors directly to these counseling agencies by the lending institution. A computerized monitoring system has also been implemented to provide an early warning on a past due mortgage to provide early assistance to the homeowner prior to a serious length of nonpayment as well as to study lending institution foreclosure and servicing practices.

FLM/3/10/76

WELFARE PAYMENT DEFERRALS

- Q. What is the current status of HEW's refusal to pay Illinois \$20.6 million for welfare expenses and the threat to hold back another \$244 million?
- A. Of the \$244 million in question \$188 million has been paid by HEW with another \$56 million in deferred status. It is hoped this matter can be resolved by April 1 if the state submits proper documentation by March 19 as promised.

Background

SRS has found that \$265 million in state billing is in one form of dispute or another because HEW has not been able to establish that the claims were for allowable services given to eligible individuals at reasonable cost. Of this amount \$244 million involves the Department of Mental Health purchase of services of which \$188 million has been paid. Of the remaining \$77 million that has not been paid it is either being deferred or disallowed. Almost \$21 million of this sum is principally for services purchased from other public service agencies.

SCM
3/10/76

MEDICAID FRAUD

- Q. The Medicaid program in Illinois has been found to have had an estimated \$3 million bilked from it by unscrupulous laboratories and physicians who in many instances double billed or illegally billed the state for services that were never given to welfare patients. What is HEW doing about this problem?
- A. At the present time, HEW is formulating plans to step up its enforcement and investigative procedures in an effort to correct the problem. An announcement of this plan will be forthcoming shortly. It will involve an increase in the number of individuals assigned to ferret out fraud and also several methods for finding where fraud now exists that has not been reported before.

Background

The Better Government Association, 60 minutes, and the Chicago Tribune announced on February 16 that they had uncovered widespread Medicaid fraud in Illinois involving several laboratories that had cheated the state out of an estimated \$3 million in illegal billings for services to welfare patients which also included kickback schemes involving physicians. A laboratory would enter into an agreement with the physician to pay him a percentage of the gross from Medicaid billings in order to obtain the physician's Medicaid lab work. Investigations found that countless numbers of labs had charged the state for either services that were not given to the patient or for more than the actual number of services that were ordered. At the present time, the U.S. Attorney's office is coordinating the investigation into the problem and HEW is assisting in whatever way that it can.

SCM
3/10/76

TAB E - NIXON TESTIMONY
1. Church Com. 2. Halperin Case

NIXON INTERROGATORY FOR THE CHURCH COMMITTEE

Q. Did the White House review the interrogatories prepared by former President Nixon in response to questions from the Church Committee on Intelligence?

A. Former President Nixon's attorneys requested that the Executive Branch review the interrogatories for the purpose of determining whether or not they contained classified national security information.

Accordingly, the interrogatories were reviewed by an official of the National Security Council who determined that they did not contain any classified national security information.

Follow-up question:

Did the Administration delete anything from Nixon's proposed answers?

A. No.

M. D.
3/10/76

NIXON INTERROGATORY FOR THE CHURCH COMMITTEE

Q. Has President Ford reviewed former President Nixon's interrogatories?

A. Not to my knowledge. He may have seen press reports, but he has not read the interrogatories themselves.

Follow-up question: [any specific question concerning the content of the interrogatories]x

A. We have no comment on the substance of Mr. Nixon's responses.

M. D.
3/10/76

NIXON TESTIMONY

Q: Didn't former President Nixon's deposition in the Halperin wiretap case conflict with Secretary Kissinger's testimony?

A: This matter is currently in litigation and therefore I cannot comment on it.

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7NIXON-INTELLIGENCE 490 TWO TAKES 940

7BY DAVID C. MARTIN

7ASSOCIATED PRESS WRITER

WASHINGTON (AP) - FORMER PRESIDENT RICHARD M. NIXON SWEARS HE DID NOT KNOW ABOUT CIA EFFORTS TO FOMENT A MILITARY COUP IN CHILE AND THAT HE APPROVED "POSSIBLE ILLEGAL" INTELLIGENCE GATHERING TECHNIQUES IN THE UNITED STATES BECAUSE THEY HAD BEEN USED BY PREVIOUS ADMINISTRATIONS.

PART OF NIXON'S STATEMENT, MADE IN NOTARIZED WRITTEN RESPONSES TO QUESTIONS POSED BY THE SENATE INTELLIGENCE COMMITTEE, DIFFERED FROM THE PANEL'S PREVIOUSLY PUBLISHED FINDING THAT THE FORMER PRESIDENT PERSONALLY ORDERED THE CIA TO ORGANIZE A COUP AGAINST CHILEAN MARXIST SALVADOR ALLENDE IN 1970.

THE 37-PAGE STATEMENT WAS DELIVERED TO THE COMMITTEE TODAY AND AT THE SAME TIME WAS MADE PUBLIC BY NIXON'S ATTORNEYS.

IN RESPONSE TO THE COMMITTEE'S QUESTIONS, WHICH WERE NOT MADE PUBLIC, NIXON SAID:

- "I DO NOT REMEMBER LEARNING WHILE PRESIDENT" THAT THE U.S. "INTERCEPTED TELEPHONIC COMMUNICATIONS TO, OR FROM, THE ISRAELI EMBASSY," BUT "IT IS POSSIBLE THAT AT SOME TIME I MAY HAVE LEARNED . . ." THE EXISTENCE OF THESE INTERCEPTS WAS FIRST REVEALED PUBLICLY IN 1972 BY A FORMER FBI AGENT.

- ALTHOUGH HE WAS AWARE OF MAIL COVER OPERATIONS IN WHICH THE CIA READ THE OUTSIDE OF LETTERS TO AND FROM THE SOVIET UNION AND CHINA; "I DO NOT REMEMBER BEING INFORMED THAT SUCH MAIL COVERS INCLUDED UNAUTHORIZED MAIL OPENINGS."

NIXON INDICATED THAT FORMER WHITE HOUSE AIDE JOHN D. EHRLICHMAN APPARENTLY HAD TOLD INVESTIGATORS THAT HE ONCE INFORMED NIXON THAT SOME OF THE INFORMATION RECEIVED BY THE WHITE HOUSE WAS DERIVED FROM MAIL OPENINGS. BUT THE FORMER PRESIDENT SAID "I DO NOT RECALL JOHN EHRLICHMAN EVER INFORMING ME THAT HE KNEW, OR SUSPECTED, THAT SOME OF THE INFORMATION IN INTELLIGENCE REPORTS RECEIVED BY THE WHITE HOUSE WAS DERIVED BY MEANS OF MAIL OPENING."

- IT IS "QUITE LIKELY" HE WAS AWARE OF ELECTRONIC EAVESDROPPING BY THE NATIONAL SECURITY AGENCY; BUT DID NOT KNOW THAT PRIVATE CABLE COMPANIES WERE TURNING OVER COPIES OF OVERSEAS TELEGRAMS TO THE GOVERNMENT.

- HE DID NOT KNOW ABOUT CIA OR FBI BREAK-INS AND DID NOT LEARN ABOUT THE 1971 BURGLARY OF THE OFFICES OF DANIEL ELLSBERG'S PSYCHIATRIST BY THE WHITE HOUSE "PLUMBERS" UNTIL 1973.

- HE AUTHORIZED WIRETAPS ON HIS BROTHER DONALD NIXON TO DETERMINE IF HIS BROTHER "WAS THE TARGET OF ATTEMPTS BY INDIVIDUALS TO COMPROMISE HIM OR MYSELF." HE ALSO SAID HE AUTHORIZED WIRETAPS IN CONNECTION WITH INVESTIGATIONS OF NEWS LEAKS AND THE UNAUTHORIZED DISTRIBUTION OF SECRET DOCUMENTS TO THE PENTAGON.

THE DOCUMENTS CASE INVOLVED NAVY YEGMAN CHARLES E. RADFORD; WHO WAS SUSPECTED OF PASSING THE SECRET DOCUMENTS FROM THE WHITE HOUSE TO THE PENTAGON. RADFORD WAS ASSISTANT TO REAR ADM. ROBERT O. WELANDER; THEN LIAISON BETWEEN THE PENTAGON AND THE WHITE HOUSE.

IN A SWORN DEPOSITION FILED IN FEDERAL COURT ON WEDNESDAY, NIXON ACKNOWLEDGED THAT HE AUTHORIZED WIRETAPS OF 17 NEWSMEN AND GOVERNMENT OFFICIALS BUT SAID THAT SECRETARY OF STATE HENRY A. KISSINGER WAS RESPONSIBLE FOR SELECTING THOSE TO BE TAPPED.

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ZURGENT

7NIXON-INTELLIGENCE TAKE TWO 410

7WASHINGTON NIXON-INTELLIGENCE ADD: TO BE TAPPED.

THE FORMER PRESIDENT'S DEPOSITION APPEARED TO CONFLICT WITH SWORN TESTIMONY BY KISSINGER THAT IT WAS NIXON WHO SPECIFICALLY AUTHORIZED A TAP TO BE PLACED ON THE HOME TELEPHONE OF THEN NATIONAL SECURITY COUNCIL AIDE MORTON HALPERIN.

NIXON SAID THAT HIS ANSWERS TO THE SENATE COMMITTEE'S QUESTIONS WERE "BASED TOTALLY UPON MY PRESENT RECOLLECTION OF EVENTS."

ON THE SUBJECT OF CHILE, NIXON ACKNOWLEDGED HE DIRECTED THE CIA TO ATTEMPT TO BLOCK ALLENDE'S RISE TO POWER BUT SAID "I DO NOT RECALL RECEIVING INFORMATION WHILE PRESIDENTIAL CONCERNING PLANS FOR A MILITARY COUP IN CHILE."

INSTEAD, NIXON SAID HE DISCUSSED WITH THEN-CIA DIRECTOR RICHARD M. HELMS "THE DIRECT EXPENDITURE OF FUNDS TO ASSIST MR. ALLENDE'S OPPONENTS; THE TERMINATION OF U.S. FINANCIAL AID AND ASSISTANCE PROGRAMS AS A MEANS OF ADVERSELY AFFECTING THE CHILEAN ECONOMY; AND THE EFFORT TO ENLISTED SUPPORT OF VARIOUS FACTIONS; INCLUDING THE MILITARY; BEHIND A CANDIDATE WHO COULD DEFEAT MR. ALLENDE."

THE SENATE COMMITTEE, IN ITS REPORT ON ALLEGED ASSASSINATION PLOTS, CONCLUDED THAT "THERE IS NO QUESTION THAT THE CIA RECEIVED A DIRECT INSTRUCTION FROM THE PRESIDENT ON SEPTEMBER 15TH TO ATTEMPT TO FOMENT A COUP."

NIXON SAID HIS EFFORTS AGAINST ALLENDE WERE BASED IN PART ON THE KNOWLEDGE THAT THE KENNEDY AND JOHNSON ADMINISTRATIONS HAD SPENT SOME \$4 MILLION TO PREVENT ALLENDE FROM BEING ELECTED PRESIDENT IN 1964.

SIMILARLY, NIXON SAID HE APPROVED THE "POSSIBLE ILLEGAL" DOMESTIC INTELLIGENCE GATHERING TECHNIQUES CONTAINED IN THE 1970 HUSTON PLAN BECAUSE "THE PROCEDURES WERE CONSISTENT WITH THOSE EMPLOYED BY PRIOR ADMINISTRATIONS AND HAD BEEN FOUND TO BE EFFECTIVE BY THE INTELLIGENCE AGENCIES."

NIXON SAID THE QUESTION OF THE LEGALITY OF SUCH TACTICS AS MAIL OPENING; WARRANTLESS WIRETAPS AND BREAK-INS NEVER CAME UP DURING DISCUSSIONS OF THE PLAN. HE SAID HE WITHDREW HIS APPROVAL AFTER ATTY. GEN. JOHN W. MITCHELL INFORMED HIM OF FBI DIRECTOR J. EDGAR HOOVER'S OBJECTIONS AND BECAUSE MITCHELL TOLD HIM "THAT THE RISK OF DISCLOSURE OF THE POSSIBLE ILLEGAL ACTIONS . . . WAS GREATER THAN THE POSSIBLE BENEFIT TO BE DERIVED."

AT THE SAME TIME, NIXON ASSERTED THAT "THERE HAVE BEEN - AND WILL BE IN THE FUTURE - CIRCUMSTANCES IN WHICH PRESIDENTS MAY LAWFULLY AUTHORIZE ACTIONS IN THE INTERESTS OF THIS COUNTRY; WHICH IF UNDERTAKEN BY OTHER PERSONS; OR EVEN BY THE PRESIDENT UNDER DIFFERENT CIRCUMSTANCES; WOULD BE ILLEGAL."

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WOULDN'T END THEM OVERNIGHT

Reagan Opposes Farm Price Supports

BY RICHARD BERGHOLZ

Times Political Writer