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GENERAL



WAYNE HAYS

Q. Do you have any comment on the Wayne Hays scandal?

A. That really is a matter for the House of Representatives.

I, personally, deplore such conduct, and I issued guidelines for ethical conduct for members of the executive branch shortly after I took office. I have done my best to see that those guidelines have been followed.

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Q. But wasn't your personal photographer, David Hume Kennerly, one of those involved with Elizabeth Ray?

A. I'm told that he had one date with her. I do not see how that would violate any code of ethics.

POLITICS

EXCESSIVE CAMPAIGNING

Q. As President, you seem to have been one of the most active campaigners, at least in primary elections, in American history. Why haven't you spent more time being President?

A. Well, first I think your question reflects a basic misunderstanding of the American political system - and its importance. But first let me put the time I have spent campaigning in perspective.

From January 1 to June 1, I have made 19 trips around the country. Those trips required 37 days. More than half of those days (19) were weekends (Saturdays or Sundays). Thus most of my campaigning has been done on weekends. While in Washington, with the exception of one golf game and one trip to Camp David, I have been in the office, working, every day since January first. Of the last 150 days, 110 have been full office days. This means that despite the travel, my work week at the White House averages more than five days.

Now let me explain why I have spent most of my weekends campaigning, and why, in fact, I am the only candidate who has entered all 30 state primaries. I have a deep and abiding faith in the American political system. There are still only a relatively small number of nations in which the people can choose their leaders. I want the American people to make an intelligent choice this year, to decide on the basis of my record and my philosophy whether I or someone else should be their next President.

REAGAN SUPPORT

- Q. Ronald Reagan indicated recently that he would likely withhold "immediate" support for you, if you should win the Republican Presidential nomination. Would you support him, if he won the nomination?

And, if you do win, what concessions - such as firing Secretary Kissinger or accepting strong platform planks bolstering U.S. defenses abroad and against school busing - would you accept to win his support?

- A. The first part of your question is based on a false "if." I expect to win the Republican Presidential nomination. On the first ballot.

And when I do, I expect all Republicans to support me. The ideological differences in our party are relatively minor compared to our differences with the Democrats. We stand for peace, through responsible relations with other nations and through a strong defense. We stand for economic prosperity without inflation. We stand for the rights of the individual. We stand for making government more responsive to the needs of all Americans and less intrusive on the lives of everyone.

With those beliefs, and with support from what I expect will be a majority of the American people - Democrats as well as Republicans - we should easily win in November.

NELSON ROCKEFELLER

Q. What role do you see for Nelson Rockefeller, if you are elected in November?

A. Vice President Rockefeller, as you know, has taken himself out of consideration for the Vice Presidency, and it is far too soon for me to even begin to think of filling jobs in my next administration.

Vice President Rockefeller, however, has rendered long and distinguished service to the United States, and I am sure that he will continue, if even as a private citizen, to serve his country.

BUCHANAN THEORY

Q. Patrick Buchanan, in a column published this week (June 1) said that your electability in November is unlikely because the states in which you have won convention delegates are the ones most likely to vote Democratic, while the ones Republicans traditionally need for election have voted for Ronald Reagan. How do you feel about that analysis?

A. I think it is wrong.

The primaries and the general election are not comparable, because in most of the primaries only members of one party vote to choose their candidates. They are, therefore, an accurate reflection of how that state will vote in the November election.

In November, I expect to win the traditional Republican states. I also expect to win many of the other states, which would not likely vote for former Governor Reagan.

As I have said before, I am not a regional candidate. I expect to carry enough states in November - throughout the entire United States - to win the general election.

UNCOMMITTED DELEGATES

- Q. What are you doing to win over the uncommitted delegates, personally or through personal emissaries?
- A. I have recently authorized the PFC to set up a separate delegate tracking operation under the able leadership of James A. Baker, who up until a month ago, was the Undersecretary of Commerce. That group is working through a state and regional structure on a daily basis to provide me with an accurate status report on our delegate situation.

I expect to be talking personally with many of the uncommitted delegates during the next several weeks and expect that other Republican leaders will be speaking to the same uncommitteds on my behalf as well. I firmly believe that through personal contact those uncommitted delegates will have a chance to have their questions answered satisfactorily and positions explained fully, and that they, in the final analysis, will support my candidacy.

YOUR RECORD

Q. You have said that you are running for President on your record as the incumbent. Yet you have not done very well against Ronald Reagan. What in your record do you think is hurting you?

A. I do not believe it is my record. During my administration I have brought peace, I have brought the country out of the worst recession since the 1930's, and I have restored trust in the office of the President.

Frankly, I think the problem is that in choosing to run on my record, I have to stick to the facts, and it is difficult to make facts exciting to many people. It is much easier, as an outsider, to campaign on rhetoric and distortions of the facts. That attracts a lot of people who haven't taken the time to look into the issues.

But I am confident that most people will realize that the record of my administration is an excellent one, and that I will get the nomination in Kansas City and win the general election in November.

GALLUP POLL

Q. A Gallup Poll published last Sunday showed you losing to Jimmy Carter. Doesn't that indicate you would not be the strongest Republican candidate in the general election?

A. At this stage of the game, polls mean very little. As I've said many times before, the only poll that counts is the one registered in the voting booth. And come November, I expect to win that poll.

POLITICS

DEMOCRATIC CANDIDATE

Q. You have said you looked forward to a race against Hubert Humphrey. How do you feel about a race against Jimmy Carter?

A. It will be a different kind of race, because Carter has no experience in national government.

But I am confident I can beat any Democrat.

CALIFORNIA

Q. Your decision not to return to California to campaign looks like you have written that state off as a lost cause. Have you?

A. Not at all. I think we have been closing the gap there, and I believe we will win on Tuesday.

The only reason we didn't campaign a second time in California was the cost.

TURN TO RIGHT

Q. Vice President Rockefeller recently said he felt you had turned dangerously far to the right because of the threat to your nomination posed by Ronald Reagan. Do you feel that you have moved to the right, and are you concerned that the right wing posture you have taken will hurt you, if you are nominated?

A. I have not moved to the right at all. I've always considered myself a conservative, but more toward the center than Gov. Reagan. The policies I have followed have been the ones I feel are best for the nation. I am confident they will help me win the election in November.

VICE PRESIDENT - FBI CHECK

Q. You said in an interview last week that you would allow the FBI to check the background of the Democratic vice presidential nominee, if both the candidate and the Democratic Party requested such a check. Do you plan to have the FBI check the background of whomever you chose to be your running mate?

A. As you know, before I was confirmed as vice president by the House and Senate, I underwent an extensive investigation.

I certainly would have no objection to asking whoever I chose to be my running mate to go through a similar investigation.

INVESTIGATION OF A PROSPECTIVE
DEMOCRATIC VICE PRESIDENTIAL NOMINEE

Question

Mr. President, you recently stated that you would make available the facilities of the FBI at the request of the Democratic Presidential nominee to investigate a prospective Vice Presidential nominee prior to the decision. What is your position?

Answer

The idea of such an investigation was recently raised in a question by a reporter, at which time I stated that I saw no objection to an investigation, as long as it was requested in writing by the Presidential nominee with the written concurrence of the prospective Vice Presidential nominee. On the basis of my experience during the Vice Presidential confirmation process, I am not troubled by the thought of such an investigation.

If the Democratic nominee requests the assistance of the FBI for this purpose, to the extent permitted by law, I would comply with that request.

However, as I raised with the reporter, there are practical problems that must be considered, for example, the length of time an investigation of this magnitude takes to complete. In my case, it took approximately 400 FBI agents 3-4 weeks to complete their work. Unless the current selection procedures are substantially modified, this could not be done.

T.W.B.
PWB/BNR
6/2/76

DELEGATE COUNT

Q. How do you assess your chances for a first ballot victory in Kansas City? Do you believe you can win if you do not get the nomination on the first ballot?

A. I think my chances are excellent to win on the first ballot.

And if I don't win on the first ballot. I am confident I will win on the second one.

[After today's primaries, we may want to give a delegate projection for this answer.]

CAMPAIGN ISSUE

Q. What do you see as the single most important issue in the upcoming general election?

A. The ability of the candidates to be President of the United States.

I believe my record of restoring this nation to peace, prosperity and trust after the turmoil we had been through is ample evidence that I have been a good President, and will continue to be a good President.

INEPT STAFF

- Q. Your staff has been called one of the most inexperienced and inept in history. Does this criticism bother you, and why have you kept people who have served you so badly that you are in danger of not getting your own party's nomination for President?
- A. Those stories crop up occasionally, and they are meaningless.

I feel I have an excellent staff. They have served me well in the face of a challenge that no other candidate has undertaken: entering the primaries in all 30 states that held primaries.

I have no plans to change anyone on my staff.

DELEGATE TOTALS

The current total delegate count, as reported by CBS:

REPUBLICAN:

President Ford	805
Ronald Reagan	654
Uncommitted	144

DEMOCRAT:

Jimmy Carter	903
Morris Udall	308.5
Uncommitted	415.5

NEEDED TO NOMINATE:

Republicans	1130
Democrats	1505



COUNTING THE 1976 DELEGATES



DEMOCRATS

State	Total Delegates	Brown	Carter	Church	Jackson	Udall	Wallace	Others	Uncommitted
Ala.*	35	—	2	—	—	—	27	—	6
Alaska	10	— ½	—	—	—	—	—	—	9 ½
Ariz.	25	—	5	—	—	19	1	—	—
Ark.	26	—	17	—	—	1	5	—	3
Canal Z.	3	—	—	—	—	—	—	—	3
Colo.*	35	1	1	1	—	2	—	—	2
Conn.*	51	—	17	—	5	15	—	—	14
D.C.	17	—	8	—	—	5	—	—	4
Fla.	81	—	34	—	21	—	26	—	—
Ga.	50	—	50	—	—	—	—	—	—
Hawaii*	17	—	—	—	1	1	—	—	15
Idaho	16	—	2	14	—	—	—	—	—
Ill.	169	—	60	—	—	—	3	92	14
Ind.	75	—	51	—	—	—	10	—	14
Iowa	47	—	17	1	—	10	—	7	12
Kan.*	34	—	14	—	1	3	—	1	15
Ky.	46	—	37	—	—	2	7	—	—
La.	41	—	13	—	—	—	9	—	19
Maine	20	1	10	—	—	6	—	1	2
Md.	53	—	32	—	10	7	—	—	4
Mass.	104	—	16	—	30	21	21	16	—
Mich.	133	—	69	—	—	58	2	—	4
Minn.*	65	—	—	—	—	1	—	43	5
Miss.	24	—	5	1	—	—	11	3	4
Mo.*	71	—	28	—	1	3	1	—	38
Mont.	17	—	4	11	—	—	—	—	2
Neb.	23	—	8	15	—	—	—	—	—
Nev.	11	6	3	1	—	—	—	—	1
N. H.	17	—	15	—	—	2	—	—	—
N. M.	18	1	8	—	—	6	—	2	1
N. Y.	274	—	33	—	103	73	—	—	65
N. C.	61	—	36	—	—	—	25	—	—
Okla.	37	—	12	—	—	—	—	7	18
Ore.	34	9	11	14	—	—	—	—	—
Penn.	178	—	73	—	28	23	3	6	45
P. R.	22	—	—	—	15	—	—	—	7
R.I.	22	—	7	6	—	—	—	—	9
S. C.	31	—	11	1	—	—	8	1	10
S.D.	17	—	—	—	—	—	—	—	—
Tenn.	46	—	36	—	—	—	1	—	9
Texas	130	—	94	—	—	—	—	9	27
Vt.	12	2	3	—	—	3	—	—	4
Va.*	54	—	23	—	—	7	—	—	24
V.I.	3	—	—	—	—	—	—	—	3
Wash.	53	—	—	—	24	5	—	—	11
W. Va.	33	—	—	—	—	—	—	—	33
Wisc.	68	—	25	—	7	25	10	1	—
Wyo.	10	1	1	—	—	1	—	—	7
Totals	2,419	21 ½	900	65	246	305	170	189	464 ½

* Process incomplete

REPUBLICANS

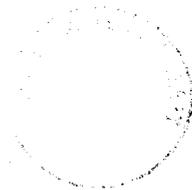
State	Total Delegates	Ford	Reagan	Uncommitted
Alabama	37	—	37	—
Alaska	19	17	—	2
Arizona	29	2	27	—
Arkansas	27	10	17	—
D.C.	14	14	—	—
Florida	66	43	23	—
Georgia	48	—	48	—
Guam	4	4	—	—
Hawaii*	19	12	4	3
Idaho	21	5	16	—
Illinois*	101	77	11	13
Indiana	54	9	45	—
Iowa*	36	15	15	6
Kansas*	34	28	4	2
Kentucky	37	19	18	—
Louisiana*	41	—	21	3
Maine	20	13	4	3
Maryland	43	43	—	—
Massachusetts	43	28	15	—
Michigan	84	57	27	—
Minnesota*	42	16	4	4
Mississippi	30	2	6	22
Missouri*	49	15	12	3
Nebraska	25	7	18	—
Nevada	18	5	13	—
N. Hampshire	21	18	3	—
New York	154	119	19	16
N. Carolina	54	25	28	1
Oklahoma	36	—	36	—
Oregon	30	16	14	—
Pennsylvania	103	88	6	9
Puerto Rico	8	8	—	—
R.I.	19	19	—	—
S. Carolina	36	4	26	6
S. Dakota	20	9	11	—
Tennessee	43	21	22	—
Texas*	96	—	96	—
Vermont	18	18	—	—
Virgin I.	4	—	—	4
Virginia*	51	5	19	6
West Virginia	28	—	—	28
Wisconsin	45	45	—	—
Wyoming	17	1	10	6
Totals	1,724	837	675	137

* Process incomplete

THE END IS IN SIGHT

There are 1,505 votes needed to win the Democratic presidential nomination in New York City in July, and 1,130 to win the Republican nomination in Kansas City in August. These tables show convention delegate votes accumulated so far by candidates in state primaries and party caucuses. They include some projections in states where the process has not yet been completed. Our countdown includes last night's Democratic and Republican primary results in Rhode Island and South Dakota, and the Democratic delegates selected in Montana. The 20 GOP delegates in Montana will be selected later at a state convention. Next week is "Super Tuesday" with biggies in California, Ohio and New Jersey. After that, the presidential primary season is over, final delegates get picked at state conventions, and then it's all up to the two major conventions.

ECONOMICS



FOREIGN POLICY

UNANSWERED QUESTIONS

VICE PRESIDENT

- Q. You have mentioned the names of many people as possible vice presidential candidates. But what specific qualities will you look for in a running mate, if you win the nomination? And will the political balance of your ticket be the foremost consideration?

BUSING

PRIMARY SYSTEM

- Q. The present system of state-by-state primaries seems to be a time consuming and expensive way to chose Presidential nominees. You have said you favor regional primaries. Why do you feel they would be better than the present system and would you ask for a Constitutional Amendment setting them up, if you are elected in November? Or if that is too difficult a process, would you try to get each state in a geographical region to agree to hold their primaries the same day?

INDIVIDUALISM

Q. You have said that your vision for the next four years and for the next century is that the third century of the United States ought to be the century of the individual. You have said you believe we have become dominated by mass government, mass education, mass labor, mass business, mass industry. How do you propose to reverse this trend and to make the next four years the start of a century of the individual?

A.

POLITICAL

DEBATE

Q. Why have you not debated with Ronald Reagan on the issues, and would you be willing to debate with your Democratic opponent?

CAMPAIGN TIME

- Q. It seems as if everything you do is related to the campaign for the Republican nomination. How much time are you spending on your job as President?

WELFARE

- Q. Everyone agrees that the present welfare system is a mess. You have said you would do nothing about reforming it until the nation had regained economic stability. If you are elected, and if the economy continues to improve, would you propose changes in the present welfare system, and what general form would they take?

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Georgia	48	—	48	—
Guam	4	4	—	—
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Idaho	21	5	16	—
Illinois*	101	77	11	13
Indiana	54	9	45	—
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Kansas*	34	28	4	2
Kentucky	37	19	18	—
Louisiana*	41	—	21	3
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Massachusetts	43	28	15	—
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Vermont	18	18	—	—
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N. C.	61	—	36	—	—	—	25	—	—
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Penn.	178	—	73	—	28	23	3	6	45
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S.D.	17	—	—	—	—	—	—	—	—
Tenn.	46	—	36	—	—	—	1	—	9
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The idea of such an investigation was recently raised in a question by a reporter, at which time I stated that I saw no objection to an investigation, as long as it was requested in writing by the Presidential nominee with the written concurrence of the prospective Vice Presidential nominee. On the basis of my experience during the Vice Presidential confirmation process, I am not troubled by the thought of such an investigation.

If the Democratic nominee requests the assistance of the FBI for this purpose, to the extent permitted by law, I would comply with that request.

However, as I raised with the reporter, there are practical problems that must be considered, for example, the length of time an investigation of this magnitude takes to complete. In my case, it took approximately 400 FBI agents 3-4 weeks to complete their work. Unless the current selection procedures are substantially modified, this could not be done.

T.W.B.
PWB/BNR
6/2/76

VICE PRESIDENT - FBI CHECK

Q. You said in an interview last week that you would allow the FBI to check the background of the Democratic vice presidential nominee, if both the candidate and the Democratic Party requested such a check. Do you plan to have the FBI check the background of whomever you chose to be your running mate?

A. As you know, before I was confirmed as vice president by the House and Senate, I underwent an extensive investigation.

I certainly would have no objection to asking whoever I chose to be my running mate to go through a similar investigation.

TURN TO RIGHT

- Q. Vice President Rockefeller recently said he felt you had turned dangerously far to the right because of the threat to your nomination posed by Ronald Reagan. Do you feel that you have moved to the right, and are you concerned that the right wing posture you have taken will hurt you, if you are nominated?
- A. I have not moved to the right at all. I've always considered myself a conservative, but more toward the center than Gov. Reagan. The policies I have followed have been the ones I feel are best for the nation. I am confident they will help me win the election in November.

CALIFORNIA

Q. Your decision not to return to California to campaign looks like you have written that state off as a lost cause. Have you?

A. Not at all. I think we have been closing the gap there, and I believe we will win on Tuesday.

The only reason we didn't campaign a second time in California was the cost.

POLITICS

DEMOCRATIC CANDIDATE

Q. You have said you looked forward to a race against Hubert Humphrey. How do you feel about a race against Jimmy Carter?

A. It will be a different kind of race, because Carter has no experience in national government.

But I am confident I can beat any Democrat.

GALLUP POLL

- Q. A Gallup Poll published last Sunday showed you losing to Jimmy Carter. Doesn't that indicate you would not be the strongest Republican candidate in the general election?
- A. At this stage of the game, polls mean very little. As I've said many times before, the only poll that counts is the one registered in the voting booth. And come November, I expect to win that poll.

YOUR RECORD

Q. You have said that you are running for President on your record as the incumbent. Yet you have not done very well against Ronald Reagan. What in your record do you think is hurting you?

A. I do not believe it is my record. During my administration I have brought peace, I have brought the country out of the worst recession since the 1930's, and I have restored trust in the office of the President.

Frankly, I think the problem is that in choosing to run on my record, I have to stick to the facts, and it is difficult to make facts exciting to many people. It is much easier, as an outsider, to campaign on rhetoric and distortions of the facts. That attracts a lot of people who haven't taken the time to look into the issues.

But I am confident that most people will realize that the record of my administration is an excellent one, and that I will get the nomination in Kansas City and win the general election in November.

UNCOMMITTED DELEGATES

Q. What are you doing to win over the uncommitted delegates, personally or through personal emissaries?

A. I have recently authorized the PFC to set up a separate delegate tracking operation under the able leadership of James A. Baker, who up until a month ago, was the Undersecretary of Commerce. That group is working through a state and regional structure on a daily basis to provide me with an accurate status report on our delegate situation.

I expect to be talking personally with many of the uncommitted delegates during the next several weeks and expect that other Republican leaders will be speaking to the same uncommitteds on my behalf as well. I firmly believe that through personal contact those uncommitted delegates will have a chance to have their questions answered satisfactorily and positions explained fully, and that they, in the final analysis, will support my candidacy.

BUCHANAN THEORY

Q. Patrick Buchanan, in a column published this week (June 1) said that your electability in November is unlikely because the states in which you have won convention delegates are the ones most likely to vote Democratic, while the ones Republicans traditionally need for election have voted for Ronald Reagan. How do you feel about that analysis?

A. I think it is wrong.

The primaries and the general election are not comparable, because in most of the primaries only members of one party vote to choose their candidates. They are, therefore, an accurate reflection of how that state will vote in the November election.

In November, I expect to win the traditional Republican states. I also expect to win many of the other states, which would not likely vote for former Governor Reagan.

As I have said before, I am not a regional candidate. I expect to carry enough states in November - throughout the entire United States - to win the general election.

NELSON ROCKEFELLER

Q. What role do you see for Nelson Rockefeller, if you are elected in November?

A. Vice President Rockefeller, as you know, has taken himself out of consideration for the Vice Presidency, and it is far too soon for me to even begin to think of filling jobs in my next administration.

Vice President Rockefeller, however, has rendered long and distinguished service to the United States, and I am sure that he will continue, if even as a private citizen, to serve his country.

REAGAN SUPPORT

- Q. Ronald Reagan indicated recently that he would likely withhold "immediate" support for you, if you should win the Republican Presidential nomination. Would you support him, if he won the nomination?

And, if you do win, what concessions - such as firing Secretary Kissinger or accepting strong platform planks bolstering U.S. defenses abroad and against school busing - would you accept to win his support?

- A. The first part of your question is based on a false "if." I expect to win the Republican Presidential nomination. On the first ballot.

And when I do, I expect all Republicans to support me. The ideological differences in our party are relatively minor compared to our differences with the Democrats. We stand for peace, through responsible relations with other nations and through a strong defense. We stand for economic prosperity without inflation. We stand for the rights of the individual. We stand for making government more responsive to the needs of all Americans and less intrusive on the lives of everyone.

With those beliefs, and with support from what I expect will be a majority of the American people - Democrats as well as Republicans - we should easily win in November.

"FACE THE NATION"

TOPIC HEADINGS

Position Paper and Guidance [Gergen/Shuman]

General
Politics
Economics
Foreign Policy

POSITION PAPER AND GUIDANCE

BUSING

Q. Mr. President, there has been a great deal of attention in recent weeks to the issue of busing. Your Administration was talking about legislation to provide for an alternative to busing. Last Saturday you indicated that you would shortly send legislation to the Congress. What will the legislation provide for us?

A. Before I say anything about legislation, I would like to place this extremely sensitive issue into what I believe to be its proper context. First of all, we must remember that this Nation has a fundamental commitment to achieving an integrated society where an individual's race creates no barriers. I wholeheartedly embrace that commitment. To me, it means that we must eliminate illegal discrimination and promote equal opportunity.

The Federal Government already plays a major role in seeking these objectives. We spend large sums for Civil Rights Enforcement. We also invest extensively in education and training programs designed to improve the capacities of underprivileged individuals to acquire good jobs. Much more needs to be done, but I think we should be proud of the significant progress that has been made towards eliminating discrimination.

Now, with regard to segregated school systems, and particularly with regard to busing, my objective is to create better educational opportunities in a manner consistent with the Nation's commitment to justice and to the elimination of illegal segregation. In my view, forced school busing, while done with the best of intentions, has often disrupted the lives and impeded the education of the children affected. Therefore, I believe that ways must be found to minimize forced busing while also remaining true to the Nation's ideals and our educational goals. This is not an easy task, but it is my objective.

For a number of months we have been working within the Administration on legislation and other means of minimizing court-ordered busing. We now have draft legislation which appears to be a positive step in the course we are following. During the next few weeks, I plan to meet personally with a wide range of people outside the Administration to seek their views on what we are considering. Following those meetings, I plan to send a bill to the Congress.

SYRIAN TROOPS IN LEBANON

Q. Do you think Syria is playing a constructive role in Lebanon? What about the thousands of Syrian troops in Lebanon? Do you condone that?

A. We have consistently maintained that the political role Syria has played in mediating the conflict has been constructive. At the same time, our position on the risks of foreign military intervention remains unchanged. We have stated consistently that foreign intervention carries with it the risk of widening the conflict.

It is important to understand that the restoration of security in Lebanon, which the parties themselves are discussing, is very complex. It is not appropriate for the U.S. to intrude by commenting on every development in Lebanon. In the last analysis, the restoration of peace and security depends on the political accommodation among the parties in Lebanon themselves. We, of course, remain hopeful that a peaceful accommodation can be reached in the shortest possible time.

Q. What is the proper United States role in this crisis? Shouldn't we intervene with troops, as Ike did, to stop the suffering of the Lebanese people?

A. Our efforts have been limited to political and humanitarian moves: to assist the parties toward a political settlement and to provide emergency relief assistance including the President's proposal for \$25 million in rehabilitation funds for Lebanon. I have no plans at all to involve American troops. That would only make the situation more dangerous and explosive.

Q. Did we give any kind of tacit approval to Syria to intervene? Did we "clear" any of the Syrian moves with Israel?

A. We did not give any tacit approval nor "clear" any moves with anyone else. We have urged all governments to exercise restraint.

THE WHITE HOUSE
WASHINGTON

TO:

Jan

FROM: CONNIE GERRARD

Are you keeping
originals or drafts
of Face Nation
buying book?

If so, here are things
to add

FACE THE NATION

June 6, 1976

This interview presents a major opportunity to reach voters in the last three primary states, as well as others across the Nation. CBS plans to show a small portion of it on its Saturday night news; it is also likely to be picked up on the Sunday TV news, Sunday radio spots, and the Monday newspapers.

The interviewers will be:

George Herman
Bob Schieffer
Helen Thomas

The following represent staff views on goals of the interview:

1. The ideal political lead would be your view that you are the best GOP candidate because you are the most qualified and the most electable. For a minority party to turn out an incumbent President -- especially one with your record of achievement -- would run a very strong risk of defeating not only the party's Presidential nominee, but many other GOP candidates as well.
2. While it would be improper to break the embargo on the new Harris poll showing you now have a 2-1 lead over Reagan among Republican voters, it would be helpful to foreshadow the poll so that it will receive maximum attention on Monday.

For example, you could say: "I have talked with Republican leaders and members of the Republican party across the country. Based on those conversations, I am convinced that while Mr. Reagan has pockets of strength in different regions, my support within the party is growing across the country and more and more Republicans are deciding that they prefer my candidacy over his. I think I have a very commanding lead over him among Republicans."

3. On busing, our recommendation is that you not go beyond what you have already said about your forthcoming proposals. Tricky questions are beginning to arise about the details and constitutionality, and with the legislation still in draft form, we may get tied in to arguments and details that we will want to change later.

Also, the Administration can argue much more effectively about its program once the full package is presented.

HUMPHREY-HAWKINS BILL

- Q. The Humphrey-Hawkins legislation, which is now under consideration in the Congress, would set an unemployment target of 3 percent and commit the government to meet the target by whatever means necessary. Why has your Administration opposed this bill?
- A. Because it is a cruel sham. It promises jobs it can't deliver without seriously damaging our whole economic system. Let me explain why:
- First, the bill would concentrate employment growth in the government rather than in the private sector. The result would be to create a bloated bureaucracy instead of permanent, productive employment.
 - Second, although the budget costs of the Humphrey-Hawkins Bill cannot be estimated precisely, they would be substantial. They would add greatly to the budget deficit at a time when we must have a reduction in the deficit, as I have proposed, if our present economic recovery is to continue.
 - Third, the unemployment target of three percent is unrealistically low and efforts to achieve it through large-scale public works programs will be inflationary, will create unproductive government employment, will interfere with efforts to increase capital investment and to increase the standard of living of all Americans. In short, it will create dead end jobs -- dead end for those forced to take them, and expensive for the whole country.

My policies of pursuing recovery as rapidly as is consistent with avoiding re-igniting inflation are what is required to restore a healthy high-employment economy without inflation.

The worst part of the Humphrey-Hawkins bill -- and what its supporters must answer to -- is that it promises the unemployed something it cannot deliver. That's cruel. In the past 15 years, big government made too many promises to the American people which it could not keep. I think the American people are tired of being fooled.

BUSING

- Q. Mr. President, there has been a great deal of attention in recent weeks to the issue of busing. Your Administration was talking about legislation to provide for an alternative to busing. Last Saturday you indicated that you would shortly send legislation to the Congress. What will the legislation provide for us?
- A. Before I say anything about legislation, I would like to place this extremely sensitive issue into what I believe to be its proper context.

First of all, we must remember that this Nation has a fundamental commitment to achieving an integrated society where an individual's race creates no barriers. It wholeheartedly embraces that commitment. To me, it means that we must eliminate illegal discrimination and promote equal opportunity.

The Federal Government already plays a major role in seeking these objectives. We spend large sums for Civil Rights Enforcement. We also invest extensively in education and training programs designed to improve the capacities of underprivileged individuals to acquire good jobs. Much more needs to be done, but I think we should be proud of the significant progress that has been made towards eliminating discrimination.

Now, with regard to segregated school systems, and particularly with regard to busing, my objective is to create better educational opportunities in a manner consistent with the Nation's commitment to justice and to the elimination of illegal segregation.

In my view, forced school busing, while done with the best of intentions, has often disrupted the lives and impeded the education of the children affected. Therefore, I believe that ways must be found to minimize forced busing while also remaining true to the Nation's ideals and our educational goals. This is not an easy task, but it is my objective.

For a number of months we have been working within the Administration on legislation and other means of minimizing court-ordered busing. We now have draft legislation which appears to be a positive step in the course we are following. I plan to meet personally with a wide range of people outside the Administration to seek their views on what we are considering. Following those meetings, I plan to send a bill to the Congress.

Q. Aren't you playing politics, trying to win votes, by holding out the promise that you will be able to stop school busing through legislation or a court challenge?

A. Of course not. That's ridiculous. An issue as sensitive and important as this one should not be exploited for any supposed political advantage. Besides, if you know my record, you know my position on forced busing has not changed at all over the years.

Let me try to outline my position:

- I believe some courts have gone too far in ordering forced busing for the purpose of achieving racial balance in the schools. That kind of massive busing simply does not accomplish its purpose, which is to assure a quality education for all of our children. And that kind of massive busing has torn apart many communities.
- The courts should pay more attention to the Equal Educational Opportunity Act of 1974, which I voted for as a member of Congress and signed into law as President. It lists seven steps to achieve a quality education, and to uphold the equal rights of all students, with busing to be used only as a last resort.
- I have taken a number of steps to minimize forced busing:
 1. I have directed Attorney General Levi to look for a case in which it would be proper and appropriate for my Administration to ask the Supreme Court to reconsider the use of massive forced busing as a remedy for school segregation.

2. At my direction, legislation is being drafted which would limit the use of forced busing. I also am considering ways to help communities comply with the laws before their cases reach the stage that a court orders massive forced busing. I will make my decisions on these matters and announce them, after I have weighed them carefully and considered the views of others, such as members of Congress, civil rights leaders, Constitutional experts and State and local officials.

-- Finally, I want to emphasize that I am opposed to segregation and will fulfill my Constitutional duty to uphold the law. But I am determined not to let massive, court-ordered busing for the purpose of racial balance disrupt either our communities or the lives and educations of the very children we are supposed to be helping.

Q. If you are so opposed to busing, why don't you support a Constitutional amendment forbidding busing?

A. Such a Constitutional amendment wouldn't get the required two-thirds vote in the Senate and House or be ratified by 38 State legislatures.

Anyone who tells the American people a Constitutional amendment to stop busing can pass is not being fair and square. He's kidding people. The solution I favor, through legislation and court review, is practical and can be put into effect relatively soon.

Q. Is your legislative proposal constitutional?

A. Yes.

Q. You say you can name many court cases where the court-ordered busing was beyond what was needed to remedy segregation caused by official school board actions. What are those cases?

A. While the Attorney General is seeking a case on which to challenge the extent of busing, I don't think it's proper for me to criticize specific court rulings.

Q. Haven't the courts already rejected your argument that busing should be limited to those schools segregated by official action?

A. That is an issue we are dealing with as we draft the legislation.

UNCOMMITTED DELEGATES

Q. What are you doing to win over the uncommitted delegates?

A. I will ask the uncommitted delegates to support me because of my proven record of accomplishments as President and because I am clearly the Republican with the best chance of winning in November.

(Guidance: Jim Baker is setting up a State and regional structure to communicate with the delegates.)

ECONOMIC RECOVERY

- Q. The recovery in the economy has been a good deal stronger than many critics expected. But some critics charge that the recovery is based upon large deficits and that next year will see more inflation and perhaps even another recession. Is this a pre-election recovery which will fade out next year?
- A. That's just political rhetoric! The recovery has been stronger than expected. It is based on very firm and solid foundations; every sign indicates the recovery is going to be long-lived and durable, extending through this year, 1977 and beyond.

Production, sales order and employment are all rising rapidly. Inflation has receded. Confidence of consumers and businessmen in the future health of the U.S. economy has been restored to a very substantial degree.

Although unemployment dropped in May to 7.3 percent (which means that 300,000 Americans went back to meaningful work), unemployment are still too high. But we are moving in the right direction.

What we require is a continuation of my steady, prudent policies, and that will assure continued, steady progress. The budget which I proposed calls for a significant reduction in the growth of Federal spending. Too large and sudden a reduction would tend to slow the recovery. Too small a reduction would threaten to rekindle inflation.

ANTI-WASHINGTON FEELING

- Q. You have been a politician in Washington for over 25 years. Isn't that going to hurt you in this year of a strong anti-Washington feeling among voters?
- A. (With a smile) I've often wondered this year why so many politicians who say they are anti-Washington are trying so hard to convince the voters to send them to Washington.

Seriously, I don't believe the so-called anti-Washington feeling will hurt me for several reasons:

1. I offer the voters experience: 22 months of dealing with complex domestic, economic and foreign policy problems in the White House and, before that, 25 years of dealing with those issues, and working constructively with both Democrats and Republicans in Congress. I think voters want a tested, experienced President.
2. If there is an anti-Washington feeling in the country, it is not directed, indiscriminately, against all public officials. I have faith that the American people are able to determine for themselves which public officials have served them faithfully, honestly, openly and with the best interests of the people always in mind.

3. Finally, I share some of the complaints about Washington, and I am working hard to correct what's wrong: I have proposed cutting the growth of Government spending...giving people a bigger tax cut...reducing unnecessary Government red tape and forms...eliminating needless, costly Government regulations...and, generally, getting the Government off your back.

ANTITRUST LEGISLATION

- Q. As you know, the Senate is currently considering S.1284, an omnibus antitrust bill. What is your position on this legislation?
- A. I question whether that particular legislation is a responsible way to ensure that our antitrust laws are vigorously enforced.

One part of it expanding civil investigative powers of the Justice Department is similar to what I have already proposed. However, there is another section of the bill--the so-called *parens patriae* section--that is unwise.

I hope that the Congress will revise this legislation before it reaches my desk so that our antitrust efforts can remain effective.

ANTITRUST LEGISLATION

Question:

As you know, the Senate is currently considering S. 1284, an omnibus antitrust bill. What is your position on this legislation?

Answer:

This measure is a complex proposal which does not lend itself to concise comment. However, permit me to comment briefly on certain key features of the bill.

With certain exceptions, I support the civil investigative demand features of the bill. In this respect, the bill is substantially similar to legislation that I submitted at the beginning of the Congress. These provisions would provide important tools to the Justice Department in enforcing our antitrust laws.

On the other hand, I have serious reservations, as well as specific objections, concerning the so-called parens patriae title of the bill. I am also opposed to that feature of the legislation which would change long standing legal procedures and impose a mandatory stay period in merger cases. While these provisions have been improved, I continue to believe they are unsound and not in the best interests of our economy.

During the last two years I have sought to improve federal enforcement efforts in the antitrust area. For example, in December 1974 I signed a bill which increased the maximum penalties for antitrust violations. However, as I have indicated, in several respects I question whether S. 1284 is a responsible way to vigorously enforce the antitrust laws.

I question whether that particular legislation is a responsible way to ensure that our antitrust laws are vigorously enforced. One part of it ^{expanding} concerning civil investigative powers of the Justice Department is similar to what I have

Senmults 6/4/76

already proposed. However, there is another section of the bill ~~however~~ -- the so-called parents practice section -- that is ~~unwise~~ unwise.

I hope that the Congress will revise this legislation before it reaches my desk so that we can have a strong

~~antitrust~~

~~a strong and an active, effective antitrust policy.~~

That our antitrust efforts can remain ~~active~~ effective.

THE HUMPHREY-HAWKINS BILL

Q. The Humphrey-Hawkins legislation, which is now under consideration in the Congress, would set an unemployment target of 3 percent and commit the government to meet the target by whatever means necessary. Why has your Administration opposed this bill?

A. ~~There are several reasons why I find the approach set forth in the Humphrey-Hawkins bill objectionable.~~

- First, the bill would concentrate employment growth in the government rather than in the private sector. The result would be to create a bloated bureaucracy instead of **permanent, productive employment.**
- Second, although the budget costs of the Humphrey-Hawkins bill cannot be estimated precisely, they would be substantial. They would add greatly to the budget deficit at a time when ~~continued economic recovery requires~~ a reduction in the deficit, as I have proposed, *if our present economic recovery is to continue.* **We must have a**
- Third, the unemployment target ~~in the bill~~ *of three percent* is unrealistically low and efforts to achieve it through large-scale public works programs will be inflationary, will create unproductive government employment, will interfere with efforts to increase capital investment and the standard of living of ~~all the American workers~~ *to increase*

~~We believe that~~ *(my)* policies of pursuing recovery as rapidly as is consistent with avoiding re-igniting inflation ~~are~~ *are* what is required to restore a ~~healthy~~ *healthy* high-employment economy without inflation.

~~I~~ *(more)*

In short it will create explosive dead-end jobs - dead-end for those paid to take them, and ~~dead-end~~ for the whole country explosive

Because it is a cruel sham. It promises jobs ~~for~~ ~~it can't~~ ~~deliver~~ and it would ~~without seriously~~ ~~damaging~~ our whole economic system.

~~let me~~ *let me explain why:*

THE WORST PART OF THE HUMPHREY-HAWKINS BILL...AND WHAT IT'S
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CANNOT DELIVER. THAT'S CRUEL. ~~THE AMERICAN PEOPLE ARE TIRED OF BEING~~

IN THE PAST 15 YEARS, ~~THE~~ BIG GOVERNMENT ~~HAS~~ MADE TOO MANY
PROMISES TO THE AMERICAN PEOPLE WHICH IT ~~COULD~~ COULD NOT KEEP. I THINK
THE AMERICAN PEOPLE ^{are tired of being} ~~are~~ FOOLED ~~BY~~

US/Soviet Shipbuilding Expenditures

Q: Congressman Aspin released some figures furnished to him by the CIA which indicate that between 1971 and 1975 the US outspent the Soviet Union in the construction of major surface warships and attack submarines. In view of this fact, how do you justify the request for an increase in the US shipbuilding budget that the Administration recently submitted to Congress?

A: ^{D. Q.} A variety of very technical issues are involved in making these expenditure comparisons, and we have not had as yet an opportunity to examine the specific comparisons made by Congressman Aspin. However, in February the CIA released a study which showed that from 1965-1975 the estimated dollar costs of Soviet naval procurement exceeded the US figure by about 70%.

It must be emphasized that the missions of the US and Soviet navies are very different, as reflected in the different mix of ship types in the two fleets. Our shipbuilding program must be geared to broader considerations than just a dollar-for-dollar matching of Soviet expenditures; it must reflect what is required to provide naval forces capable of performing the US naval mission.

Over the last several months, the US shipbuilding program has been the subject of intensive study within the NSC framework. The shipbuilding program that the President has set before the Congress is the result of that study, and represents the best judgment of his key defense advisors on what we must do to provide naval forces capable of performing US naval missions.

May 10, 1976

U. S. POSITION ON ISRAELI ACTIVITIES
IN THE OCCUPIED TERRITORIES

Q. What is your position on Israeli Government policy -- affirmed again over this weekend -- to declare one settlement illegal, but continue to build settlements elsewhere in the occupied West Bank?

A. There is no change in our general policy that the status of the Occupied Territories should be resolved by negotiations among the parties. The general policy has remained the same for several Administrations. We do not wish to comment on specific decisions of the Israeli Government.

Q. What position will the USG take in the debate which Egypt has called at the UN Security Council condemning Israeli activities in the occupied West Bank?

A. We believe that this question was thoroughly aired in the Security Council a couple of months ago and our position was made clear. ~~Therefore, we are uncertain as to the real need for another debate.~~ Our position on any new draft resolution at a new debate will be made clear when it emerges.

May 10, 1976

SUBJECT:

EMPLOYER OF LAST RESORT

In an interview published today in U.S. News and World Report, Chairman Burns advocated that, as a solution to the unemployment problem, the Federal Government hire those people who are unable to find jobs otherwise at a wage below the minimum level. This would 1) take people off the Government dole, and 2) provide an incentive for these people to find jobs in the private sector at a higher wage, so that theoretically these would be short-term jobs.

What is the President's reaction to Chairman Burns' suggestion?

First of all, I believe that Chairman Burns has been advocating such a program for several months. My first recollection of the Chairman publicly discussing this proposal was a fairly widely publicized speech he made in September in Athens, Georgia, and I know he has discussed the idea many times since.

The President is familiar with Chairman Burns' proposal, but he believes that the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. Already this year 2 million people have found employment; the President is encouraged by this, and he expects this trend to continue. He believes that the economic policies he has implemented are the best way to improve the long-term employment situation.

ME

ME

May 11, 1976

SUBJECT:

FEDERAL RESERVE REFORM BILL

Yesterday the House passed and sent to the Senate a bill to make some modest reforms in the Federal Reserve Board, including making the term of the FRB Chairman generally coincide with Presidential terms of office, require that the Chairman testify before Congress every three months on his assessment of the upcoming year, and require the Fed to follow full employment and full production goals in setting monetary policy.

What is the Administration's reaction to this bill?

GUIDANCE: As you know, the President believes in the independence of the Federal Reserve Board, and he does not favor so-called reforms which would violate that fundamental independence.

The Administration is gratified that a couple of highly objectionable provisions were removed from the bill, and the House-passed bill does not appear to be in gross violation of the independence about which the President feels so strongly.

Does that mean the President will sign it if it comes down?

GUIDANCE: We will have to wait and see what the Senate does.

ME

Q. Is NSA intercepting communications of Americans, as found by the Senate Select Committee in its staff report issued today?

A. NSA intercepts foreign communications for the purpose of collecting foreign intelligence. As the Senate staff report found, NSA no longer uses watch lists to pick out communications of Americans.

It should be recalled that all of the NSA electronic surveillance activities are governed by the President's Executive Order on Foreign Intelligence Agencies. Under that Order the Attorney General must approve procedures for any electronic surveillance to intercept communications made from or intended to be received in the United States or interceptions directed against United States persons abroad.

M.D.
5/11/76

FEC - Nessen

- Q. Why did the President wait so long to sign the bill?
- A. The Congress spent over 100 days playing with our election law. The President has spent the last few days meeting with Congressional and Party leaders to determine the impact of the changes on this election, future elections, and our two party system.
- Q. Is the President reappointing the same Commissioners?
- A. He is appointing all but Chairman Thomas Curtis who has asked the President not to be reappointed. He will be replaced by former Senator Marlow Cook.
- Q. Why did Curtis ask not to be reappointed?
- A. Ask Tom Curtis.
- Q. Who will be the new Chairman?
- A. The six members elect a new Chairman.
- Q. How did the President decide who will have the short terms and the longer terms?
- A. The President chose to give the shorter terms to Stabler and Cook, originally his own appointees, and the longer terms to those originally designated by Congress.

FEC - UNCONSTITUTIONAL

- Q. The President, in his statement, says that the FEC amendments are unconstitutional. Why did he sign them into law?
- A. Although there are weaknesses in the bill, the President, in his statement, said that, "...I have nevertheless concluded that it is in the best interest of the Nation that I sign this legislation. Considerable effort has been expended by members of both parties to make this bill as fair and balanced as possible."

The President went on to point out in his statement that the amendments jeopardize the independence of the Federal Election Commission by permitting either House of Congress to veto regulations which the Commission issues. The President stated that, in his opinion, this provision is unconstitutional and he has directed the Attorney General to challenge it.

The entire law is not unconstitutional, and indeed the Supreme Court so ruled on January 30. The unconstitutional provisions -- particularly relating to the one-House veto -- can be either corrected by new legislation or perhaps by court action.

In the meantime, the Commission, once reconstituted, can continue to insure that elections are run in the fair manner.

M.D.

5/12/76

May 13, 1976

SUBJECT:

DEREGULATION OF NATURAL GAS

This morning the Washington Post stated that six senators who had previously taken opposing views on the deregulation of natural gas have introduced a compromise deregulation bill. Major areas of compromise include: allowing the price of new offshore gas to rise according to the cost of living, lifting the ceiling on new onshore gas after seven years, and phasing out the use of boiler fuel over ten years.

What is your reaction to this compromise?

GUIDANCE: As you know, since the 1975 State of the Union address, the President has consistently reiterated the need for deregulation of the price of new natural gas at the wellhead. He believes it is essential that we increase the domestic supply of this vital energy source, and thereby decrease our vulnerability to interruptions of foreign sources.

As for the Senate compromise bill, we have not had a chance to analyze it yet, but we will be looking at it closely.

ME

February 3, 1976

SUBJECT:

NATURAL GAS COST INCREASES
TO AN AVERAGE HOME

1974	\$170.00	Average cost of heating a home with natural gas for one year
1985	\$280.00	Average cost of heating a home with natural gas for one year if current regulations are continued.
1985	\$304.00	Average cost of heating a home with natural gas for one year if gas deregulated in 1976.

TALKING POINTS - DEREGULATION OF NEW NATURAL GAS

January 30, 1976

I. Federal regulation of interstate natural gas price has created the following situation:

o Declining production

- 1973 - 22.6 Tcf (Trillion cubic feet)
- 1974 - 21.6 Tcf (5% drop)

1 Tcf drop is the equivalent of an additional 500,000 barrels of oil per day which would have to be imported to make up for the loss of natural gas.

- 1975 - preliminary figures show around a 7% decline.

o Consumption artificially high due to low regulated prices.

- natural gas now supplies about 30% of total U.S. energy requirements

o Gap between supply and demand is widening every year

o Curtailments have been rising since 1970:

- 1970 - 0.1 Tcf (1% of consumption)
- 1974 - 2.0 Tcf (10% of consumption)
- 1975 - projected before warm winter to be 2.9 Tcf (15% of consumption)

o If gas is not available, higher priced alternate fuels will have to be substituted.

II. Solution is Deregulation

o FEA estimates 1985 gross marketed production of 17.9 Tcf under current regulation and 22.3 Tcf under regulation.

- difference is equivalent to 2 million barrels of oil per day

- o Legislative action necessary
 - S. 2310 (Pearson/Bentsen) passed by the Senate on October 22, 1975
 - H.R. 11265 (Krueger) pending in the House Scheduled for a vote on Tuesday, February 3.
- o This is the most important energy vote of 1975-76
 - Failure to enact deregulation will result in the need for an additional 2 million barrels of oil per day by 1985. Administration supports legislation such as Krueger's.

III. Economic Impact of Deregulation

- o Aggregate cost will be somewhat greater with deregulation than without it, but higher costs will be more than offset by increased gas supplies and decreased dependency on foreign oil.
- o Residential consumers will see home heating bills increase somewhat under deregulation
 - 50 cents more per week per family, or the cost of one package of cigarettes
- o Will have to substitute higher cost alternate fuel (oil) for lost natural gas without deregulation
- o Residential annual fuel bill by 1985:
 - under present regulation (alternate fuel) \$280/year
 - with deregulation (under Krueger) - \$304/year
 - *Only 20% of cost of gas is gas itself*
 - *80% is transportation, etc.*
 - *Use of expensive propane (over \$2).*

May 21, 1976

SUBJECT: CONSUMER PRICE INDEX
FOR APRIL

The CPI for April was up .4% over March, after three months of increasing by only .2%.

GUIDANCE: Although the change in the Consumer Price Index was slightly higher in April than it was in the preceding couple of months, it is still running below our forecasts.

I am particularly gratified in the decline in the inflation rate of services,*which had been abnormally high in recent months.

Despite the improvements in recent months we cannot let our guard down when fighting inflation. We have made major progress, but we cannot assume that the problem is yet solved.

* Accompanying chart shows services increased by .5% in April, after increases of 1.1%, .7% and .7% in January, February and March.

Table A. Percent changes in CPI and components, selected periods

Month	Changes from preceding month								Changes in all items	
	All items		Food		Commodities less food		Services		compound annual rate	From 12 mos. ago
	Seas.	Seas.	Seas.	Seas.	Seas.	Seas.	Seas.	Seasonally adjusted	Unadj.	
	Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Unadj.			adj.
Mar. 1975	0.4	0.4	0.2	0.3	0.8	0.6	0.4	0.6	6.6	10.3
Apr. ....	.5	.5	-.1	.2	.8	.5	.6	.6	5.7	10.2
May ....	.4	.5	.4	.9	.6	.3	.2	.4	5.7	9.5
June ....	.8	.7	1.5	1.2	.5	.4	.7	.7	7.0	9.3
July	1.1	1.0	2.4	1.8	.7	.9	.5	.5	9.1	9.7
Aug. ....	.3	.4	-.3	-.2	.5	.6	.5	.4	8.5	8.6
Sept. ...	.5	.4	-.2	.3	.5	.3	1.0	.8	7.4	7.8
Oct. ....	.6	.6	.7	.9	.5	.3	.6	.6	5.8	7.6
Nov. ....	.6	.6	.4	.6	.3	.3	1.1	1.0	6.8	7.3
Dec. ....	.4	.5	.5	.6	.1	.4	.6	.6	7.3	7.0
Jan. 1976	.2	.4	.1	-.2	-.3	-.2	1.0	1.1	6.5	6.8
Feb. ....	.2	.1	-.4	-1.0	.3	.3	.7	.7	4.4	6.3
Mar. ....	.2	.2	-.7	-.8	.4	.3	.6	.7	2.9	6.1
<i>April....</i>	<i>.4</i>	<i>.4</i>	<i>.3</i>	<i>.6</i>	<i>.6</i>	<i>.3</i>	<i>.3</i>	<i>.5</i>	<i>2.9</i>	<i>6.1</i>

Q. What is the Administration's position on the tax revision bill approved yesterday by the Senate Finance Committee.

A. The Senate Finance Committee bill is ^{Especially} disappointing because it does not give the taxpayer the additional tax cuts requested by the President - particularly the increase in exemptions from \$750 to \$1,000.

We are studying the bill's many complicated provisions and will comment on them when this is completed.

5/28/76

CALIFORNIA PROFILE

CALIFORNIA

California was admitted to the Union in 1850, as the 31st state. In size it ranks third in the Union, Alaska and Texas being larger.

California was nicknamed the "Golden State" because of its early and sustained gold production. It officially adopted the golden poppy, the California valley quail, and the California redwood as its state flower, bird, and tree respectively. The grizzly bear is the official state animal, and the state fish is the South Fork golden trout. The state capital is Sacramento.

Physical Features. California's physiography is simple; its main features are few and bold; a mountain fringe along the ocean, another mountain system along the east border, between them--closed in at both ends by their junction--a splendid valley, and outside all this is a great area of barren, arid lands, belonging partly to the Great Basin and partly to the open basin region.

History. "Gold made California!" The most important feature of modern Californian history is the way in which the territory came to be a part of the United States, with gold as the underlying dramatic element. In the 18th century fear lest England or Russia might obtain California, and thus threaten Mexico, caused Spain at length to occupy it. The Spanish occupation merely kept others out, to the ultimate advantage of the American Union, which would not have been strong enough to take over California much prior to the time when it actually did so. If the Spanish settlers had discovered California's gold, the destiny of the province would have been different from what it proved to be; in the event California might have become a Spanish-American republic, or England might have acquired it. Gold was not discovered there, however, until the Americans were already pouring into the province. Thereafter the rush of American settlers put the stamp of certainty on the connection with the United States.

Exploration and Early Settlement. The name California was taken from Garci Ordonex de Montalvo's story, Las Sergas de Esplandian (1510), of black Amazons ruling an island of this name "at the right hand of the Indies . . . very close to that part of the Terrestrial Paradise."

Jesuit missionaries entered Lower California as early as 1697, and maintained themselves there until expelled in 1767 by order of Charles III of Spain; not until Russian explorations in Alaska from 1745 to 1765 did the Spanish government take definite action to occupy Upper California.

The Mission Period. Twenty-one missions were established in California between 1769 and 1823, extending from San Diego in the south to Sonoma in the north. Economically the missions were the blood and life of the province. The missions, however, were only one phase of Spanish institutions in California. The government of the province was in the hands of a military officer stationed at Monterey. There were also several other military establishments and civilian towns in the province, as well as a few private ranches.

The political upheavals in Spain and Mexico following 1808 made little stir in this far-off province, but in 1822 allegiance was given to newly independent Mexico. From this colorful feudalistic era derive place names, land titles, trails which became highways, and the traditions of Mexican law which became the heritage of the later state.

Foreign Influence. Foreign commerce, which was contrary to all Spanish laws, was active by the beginning of the 19th century. Trade with the United States was by far the most important. It supplied almost all the clothing, merchandise, and manufactures used in the province; hides and furs were given in exchange. Americans were hospitably received and very well treated by the government and the people. Many of the later comers wanted to make California an independent republic. An offer made by President Andrew Jackson in 1835 to buy the northern part of California, including San Francisco Bay, was refused. By the treaty of Guadalupe Hidalgo, in 1848, however, Mexico ceded California to the United States. Gold was discovered at Sutter's Mill on the American River in 1848 and the new territory took on great national importance.

The gold rush changed California as much culturally as it had economically and politically. Rapid influx of a cosmopolitan population, combined with sudden increases in wealth, provided consumers and purchasing power for the amenities of civilized life. Virtually overnight new towns and cities were founded and old ones expanded. San Francisco, the new western metropolis, boasted magazines, newspapers, theatres, libraries, and even able historians. Artists, such as C.C. Nahl, depicted the drama of the scene, while Bret Harte, Mark Twain, and others created a gold rush literature.

The economic depression of the 1930's although generally less pronounced than in most other states, created great social unrest, accentuated by the influx of migrant laborers, chiefly from the dust bowl area of the Great Plains, and helped form modern California political character. For one result of the depression was the rise of various radical socioeconomic nostrums (such as the "end poverty in California" (EPIC) plan, a comprehensive social welfare scheme presented by Upton Sinclair, and various old-age pension plans) and the rapid growth of the Democratic Party, long of minor importance in the state.

The state's large population growth after World War II gave it an increasingly influential position in national politics. Congressional reappointment after the 1950 census raised the number of California's representatives from 23 to 30 and after the 1960 census the number rose to 38, second only to New York (41) and, for the first time, exceeding Pennsylvania (27).

PANAMA CANAL

Q. Can you confirm the report in this morning's Washington Post that on the day he was sworn in the President wrote General Torrijos that treaty talks would continue under the 1974 guidelines which call for the transfer of the Canal to Panama and elimination of permanent U.S. interest in it?

A. The President did not write personally to General Torrijos, but Secretary Kissinger did communicate at that time with a number of leaders around the world on the day President Ford assumed office. In those messages he confirmed the continuation of the major lines of U. S. policy and one of the messages was to then Foreign Minister Tack of Panama.

FYI: In the period immediately following Ford's inauguration, heads of state and foreign ministers of governments throughout the world received messages from Ford or Kissinger or both confirming the basic continuation of our foreign policies.

As for any communications between governments since then, you can say that we are in touch with many governments at various levels without confirming the frequency or subject of contacts between heads of state.

Q. Wouldn't any communication affirming "elimination of permanent U. S. interest" in the Canal be a new development?

A. It would be, and without going into the substance of the communication, it could not have been a part of the message since the United States has a continuing interest in the Panama Canal. Our policy has not changed since the eight principles were signed in 1974.

May 20, 1976

SUBJECT:

INDIAN TRIBE PRIVACY

The front page of the Post this morning had a story that BIA acting commissioner had yesterday testified on behalf of exempting Indian tribes from the disclosure provisions of the Freedom of Information Act.

What is the White House reaction to this?

GUIDANCE: The White House strongly supports the testimony by Mr. Frankel of the BIA (which is, after all, part of the Department of Interior). The BIA has a special trust relationship with the Indian tribes it serves, which means that it is being forced to disseminate what would otherwise be confidential information, and the Administration feels the privacy of this special trust relationship ought to be preserved.

ME

May 20, 1976

ANGOLAN PRIME MINISTER: CUBA IS PRIMARY ALLY

Q: According to the New York Times this morning, Angolan Prime Minister Lopo de Nascimento has said that his government's foreign policy is based on non-alignment but with preferential relations with certain socialist countries, particularly Cuba. How do these statements affect the possibilities for any normalization of relations between the U.S. and the Angolan Government?

A: It continues to be our policy that we are not opposed to the Angolan Government, but rather to the presence of Cuban troops in that country. Our attitude on normalizing relations with Angola or on consideration for UN membership will be based on our publicly stated position.

FYI: It is important that we distinguish between the presence of Cuban technicians, engineers, businessmen, etc. and Cuban troops which constitute the basis for our objections to UN membership for Angola and to our ability to normalize relations with the new government.

JAPANESE SAY U. S. PLEDGES AID IN
LOCKHEED CASE

Q: Mr. Shizno Saito, a senior Japanese diplomat who was here on consultations on the Lockheed case has indicated that our government has pledged "positive cooperation" in resolving the Lockheed affair. What further developments do you expect now on this issue?

A: As you know we have worked out an arrangement with the Japanese Government whereby Japanese legal officials have access to SEC and Congressional evidence in this case. These arrangements protect legal proceedings in the United States as well as individual rights. The Justice Department in conjunction with the SEC has provided voluminaous information to the Japanese and will continue to work with the Japanese Justice Ministry in the investigation to expedite the proceedings.

May 21, 1976

FORD HINTS AT VORSTER TALKS

Q: According to reports this morning, President Ford told a group of reporters from Kentucky that he would rule out a meeting with Rhodesian Prime Minister Ian Smith, but that at the appropriate time, he might meet with the proper authorities in South Africa. Since Prime minister Vorster has already indicated that he would be glad to accept an invitation from the President to discuss the situation in southern Africa in general, are you planning to invite him in the near future?

A: I have seen the reports you mention, and once again I think you have to look at the President's comments in general terms. There are no plans at this time for a meeting with Prime Minister Vorster.

RODRIGUEZ ON US-CUBAN RELATIONS AND
PLANS IS RHODESIA

Q: According to reports, Cuban Deputy Premier Rodriguez said that his country is ready to normalize relations with the U.S. when we withdraw our economic blockade. He also said that Cuba does not intend to send troops to aid Rhodesian liberation movements. In view of this last statement, do you see any possibility for improvement in US-Cuban relations?

A: The State Department has responded to Rodriguez's statements on Rhodesia to the effect that 'we hope this is an accurate description of their intentions!' As for any change in our relations with Cuba, the same situations regarding Cuban intervention (in Puerto Rico and Angola) still exist so I do not foresee any change in our relations at this time.

May 21, 1976

SENATE PUTS OFF B-1 BOMBER DECISION
UNTIL FEBRUARY

Q: Is the President disappointed that the Senate voted to put off until February a decision on whether to produce the B-1 bomber?

A: The President is disappointed by the Senate's action and hopes that when the conferees meet, they will agree to proceed with a decision in November based on the exhaustive 2 year test program undertaken to study the B-1. I understand that the cost of such a delay would be in the neighborhood of \$500 million, and given the extensive test program for the B-1. Such a delay seems unwarranted.

B-1 BOMBER

Q. Mr. President what do you think of the Senate voting to delay the start of production on the B-1 Bomber.

A. I think that is a bad decision. The House defeated a similar amendment and I hope that the Congressional Conference will accept the House position on this matter and reject the Senate position. Incidentally, 20% of the Senate was absent when that vote was taken and I think it is too important an issue to be decided with that many Senators absent.

Man bombers are an important part of defense forces; they make up more than one-half of our nuclear capability. The bomber we have now, the B-52 is aging and needs to be replaced. I don't think the American people will allow a mistake to be made in such a crucial area affecting our strategic nuclear balance.

The B-1 tests are continuing in a satisfactory manner. This airplane has undergone more tests than any other plane in the history of military aircraft. The tests are now 90% complete.

Three Presidents and seven Defense Secretaries and every Congress since 1970 has considered the B-1 bomber and has decided to go on with the tests and with the preparation for production.

A final decision on whether to go ahead with production will be made on November 1 pending the outcome of the remaining tests. The money the Senate wants to hold back would be spent only if and when the tests are completed in a satisfactory way and only if I have made the decision to go ahead with production. So, I say again, I hope the Congressional Conferees will go along with the House version of the bill and release this money to be spent for the B-1.