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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.

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\* 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				Commodities less food				compound annual rate	From 12 mos. ago
	Food		Services		less food		Services			
	Unadj.	Seas. adj.	Unadj.	Seas. adj.	Unadj.	Seas. adj.	Unadj.	Seas. adj.	From 3 mos. ago	From 12 mos. ago
Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Seasonally adjusted	Unadj.	
<del>Mar. 1975</del>	<del>0.4</del>	<del>0.4</del>	<del>0.2</del>	<del>0.3</del>	<del>0.8</del>	<del>0.6</del>	<del>0.4</del>	<del>0.6</del>	<del>6.6</del>	<del>10.3</del>
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>

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					Commodities				From 3 mos. ago	From 12 mos. ago
	All items		Food		less food		Services			
	Seas.	Seas.	Seas.	Seas.	Seas.	Seas.	Seas.	Seas.	Seasonally	Unadj.
Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	adjusted		
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
April.....	.4	.4	.3	.6	.6	.3	.3	.5	2.9	6.1

## SALT

Q: The SALT talks resumed in Geneva this week. Do you expect any progress? Haven't we really scrubbed the idea of a SALT agreement this year?

A: We are continuing to work toward conclusion of a new SALT agreement. The exchange of views that as taken place in Geneva and other channels in the past few months has led to progress on several issues and provided further insight into the position of both sides on the unresolved issues. I won't speculate on when the outstanding issues will be resolved.

We are not going to rush to meet any deadline on a matter which is so important to our national security interests, but I can assure you that we shall continue to make every effort to obtain a satisfactory agreement.

## U. S. FOREIGN POLICY

Q: Mr. President, in the election campaign there has been considerable debate on such issues as the Panama Canal and US-Soviet relations, but not much has been said about the overall goals of our foreign policy. How would you characterize your foreign policy goals and accomplishments?

A: As President, my responsibility is to define and implement policies in our foreign relations which will best protect United States political, economic and security interests throughout the world. These interests are best served by the United States taking a strong position of leadership, drawing on its tremendous economic and physical strength in international forums, and its bilateral relations with great powers and developing countries to shape the international forces of change in directions that facilitate peace and stable economic growth. I have set policies which meet those criteria.

As President, I have designed and implemented a foreign policy program to strengthen freedom and to keep the peace -- we are at peace. Together with the other nations of the Free World we are safeguarding our freedom and looking to a most promising future.

My foreign policy program -- built on five essential points -- has been successful, and I intend to keep the United States on this steady course.

- First, we will continue the steady progress of our national economy; I look forward to the opportunity of the forthcoming summit in Puerto Rico to consult with the leaders of the other leading industrial democracies on joint measures through which we can continue the substantial progress of the past six months.
- Second, we will commit the necessary resources to our national defense; my record over 27 years in the Congress and in submitting the two largest defense budgets in our peacetime history speak for themselves.
- Third, we will maintain and further strengthen our alliances with the great industrial democracies of the Atlantic Community and Japan; the past year has reflected the most dramatic strengthening of allied solidarity since the post-war alliances were formed.
- Fourth, we will conduct our relations with our Communist competitors from a position of strength and in a way which will advance U. S. interests, reduce international tensions and resolve dangerous conflicts; and
- Fifth, we will continue to build positive, mutually beneficial relationships with the developing nations of the world.



Our initiatives, commencing with the UN Special Session last fall and carrying through our proposals at the Paris Conference and in Nairobi are evidence of our determination in this area.

Let there be no doubt, America today is the world's leader. Americans are justly proud of their country. They want their country to be strong, and they want this strength to serve peace. The five pillars of my foreign policy serve these most important objectives.

## COMMUNIST PARTICIPATION IN WESTERN GOVERNMENTS

Q: Why does the United States oppose the participation of Communists in NATO Governments? What would be the effect for instance if the Italian Communists did well enough at the polls to be invited to join the Italian Cabinet?

A: Decisions on domestic political affairs must ultimately be made by the Italian electorate. I would say however that a Communist government or coalition government including Communists would raise serious questions about that country's role in NATO. Communist participation in NATO governments would change the character of the Alliance. Past actions and statements by European communists demonstrate that their influence in Allied Governments would seriously hamper Western defense efforts essential to Europe's freedom and to international stability. Additionally, the commitment of the American people to defend European freedom would be deprived of the moral basis on which it has stood for 30 years.

Q: Does this policy represent intervention in the domestic political affairs of our allies?

A: It does not. Of course, decisions on domestic political affairs must be made by the voters of the countries concerned. The members of the Alliance, however, cannot close their eyes to a possible resultant impact on NATO and the fact that Communists in Western Europe have long advocated programs and

values detrimental to NATO and to our mutual defense. It is the inevitable impact of such developments on the North Atlantic Alliance which is of concern to us.

## PANAMANIAN INCURSIONS ON US SOVEREIGNTY

Q: What are we doing to stop Panama from challenging US sovereignty by seizing US -owned boats in Canal Zone waters-- there have been several recent instances of such seizures or attempted seizures involving fishing vessels and a pleasure craft which was even fired upon?

A: The United States Government has asserted its position strongly to the Panamanian Government in both of the instances to which you refer. There is no doubt in my mind that the Panamanian Government understands we intend to exercise our rights to jurisdiction in the Canal Zone. I might point out that the fact that we have good relations with the Panamanian Government, based on mutual respect, has enabled the two governments to work out such problems amicably. Both instances involved some difficult legal questions, and in the case of the Sea Wolf there appears to have been a difference of view as to where the vessel was seized.

FYI: Fishing vessels charged with fishing without licenses in Panamanian claimed waters were allowed to leave the Canal Zone without fine after purchasing fishing licenses. Ownership of the Sea Wolf is under question and the boat was seized because of legal action brought in Panama for unpaid bills for repairs.

May 21, 1976

DURATION OF A PANAMA CANAL TREATY

Q: How can you speak of a 40-50 year term for a new treaty taking us well into the next century when the treaty negotiated with the Panamanians in 1967 provided for termination at the end of this century (25 years) and the Panamanians have publicly stated that any treaty extending beyond the end of the century would be totally unacceptable to them.

A: The duration of the treaty is one of the issues on which talks are continuing in the effort to reach agreement. It should be possible to find a formula that will be mutually acceptable and that will protect our interest in the operation and defense of the Canal as well as the basic interests of the Panamanian Government in the Canal. I have absolutely no intention of approving or recommending to the Senate any treaty which does not protect our long-term interests in the Canal.

\* \* \* \* \*

~~SECRET~~

FYI: According to your instructions, our negotiators have now offered the Panamanians a treaty duration of twenty years for operations and forty years for defense. That would take us to 1996 and 2016 respectively. This proposal has been rejected by the Panamanians. The negotiations remain fluid and the greater flexibility we can preserve for ourselves the better.

~~SECRET~~

OK

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 11/24/98, State Dept. Guidelines  
By WJM, NARA, Date 11/30/00

NOTICE TO THE PRESSPRESIDENTIAL TRAVEL - AIR FORCE ONE

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>TOTAL</u>
Domestic	32,474	70,796	24,228	127,498
Foreign	<u>20,705</u>	<u>58,231</u>	<u>          </u>	<u>78,936</u>
TOTAL	53,179	129,027	24,228	206,434

Mileage of Individual Trips - 1976

1/5	St. Louis, Missouri	1,520
1/31	Dearborn, Mich./Williamsburg, Va.	1,185
2/7 to 2/8	New Hampshire	895
2/13 to 2/14	Florida	2,373
2/19 to 2/20	New Hampshire	974
2/28 to 2/29	Florida	2,140
3/5 to 3/6	Illinois	1,700
3/11 to 3/13	Illinois/North Carolina	1,667
3/20	North Carolina	887
3/26 to 3/27	California/Wisconsin	5,509
4/2 to 3/3	Wisconsin	1,396
4/9 to 4/10	Texas	3,982

CONCORDE - DALLAS

Question

Dallas officials are trying to get the Concorde to fly here. Will Federal government interfere, help?

Answer

The operations specifications only permit commercial Concorde flights into Dulles and New York under controlled conditions of Secretary Coleman's detailed study. This would not permit commercial flights of the Concorde into Dallas until after the trial has been made.

The British and the French would have to file an amendment which would then require another Environmental Impact Statement. This change would be very unlikely until after the demonstration time has been allowed and the results considered.

4/6/76  
JRH

MILITARY BASE CLOSING

- Q. Why have you allowed the Defense Department to shut down important military base operations in Texas?
- A. First, let me say that the Defense Department has not announced any final decision to close military installations in the U.S. Rather, what they recently announced was the initiation of studies to determine the feasibility of closure or realignment in line with our overall objection of spending federal tax money wisely and still retaining a strong military. These studies will actively solicit comments by all impacted communities and personnel. Only after all factors have been considered will a final decision be made on which installations will be closed.

Background

In Texas, closure studies will be conducted for Webb Air Force Base and the San Antonio Defense Mapping Office. Major realignment studies will be conducted for the Naval Air Station Corpus Christi, the Army Aircraft Maintenance Depot at Corpus Christi, and Sheppard Air Force Base. (Minor actions include medical realignment into Brooks AFB, some personnel reductions at Ford Hood related to Project MASSTER, dis-establish Army Recruiting headquarters at Amarillo, and closure with no job reductions of Naval Reserve facilities at Paris and Sherman, Texas.)

Affected Positions (not necessarily job eliminations)

<u>Installations</u>	<u>Civilian</u>	<u>Military</u>
Webb	-700	-1,850
Sheppard	-5	-109
NAS Corpus Christi	-877	-1,599
Army - Corpus Christi	+800	-1,5 0
San Antonio Def. Map	-50	0
Brooks AFB	+54	+80
Kelly AFB	-26	-28
Fort Hood	-49	-103
Amarillo Recruiting	-9	-12
Naval Reserve		
Paris	0	0
Sherman	0	0
	-862	-3,621



## Military Base Closing

Page Two

### Justification

Webb AFB - During the Vietnam Conflict peak, the Air Force was training nearly 4700 new pilots per year at 11 installations or 426 per installation. Presently, we have 8 installations to train 1800 new pilots in FY 1977, or 227 per installation. These figures indicate excess training capacity. Because of the declining training rate, the Air Force is considering closing two pilot training installations - Webb and Craig (Alabama) which would have an annual training rate of 302 per installation. Nomination of Webb is based upon its having only two runways while the other training facilities have three; upon a high percentage of substandard facilities; and upon experiencing increased urban encroachment which creates operational restrictions.

Sheppard AFB - The Air Force is developing a new concept for SAC satellite basing. The concept would have all alert aircraft stationed at their home base but the satellite facilities would retain mobilization mission capability. Selected satellite facilities (Sheppard is one of eight) would be placed in standby but would periodically be used for combat readiness exercises.

San Antonio - The Defense Mapping Agency has four topographic center field offices of which San Antonio is one. Consideration is being given to closing one or more of these offices.

Corpus Christi - The Army is giving consideration to consolidating aircraft maintenance. This action could increase civilian employment at Corpus Christi by an amount almost equal to the potential loss at the Naval Air Station. Similar to the Air Force, the Navy is experiencing reductions in pilot training rates. To avoid costly excess capacity, consideration is being given to training consolidation.

- Q. How much will the government save by closing those bases?
- A. Nationally, the recent announcements have the potential to save nearly \$250 million annually. Because no final decisions have been made on the gains and losses to Texas, the annual dollar savings have not been identified.
- Q. What will happen to Government employees?
- A. Defense will make every effort to assist displaced employees in obtaining other acceptable employment. Priority will be given to them for other Defense positions. Over the last ten years, the percentage of displaced personnel who found placement was 62%, who retired, 15%, who resigned, 8%, and who were separated, 15%. Benefits available to these personnel include early retirement, severance pay, and insurance (life, health, and home) support.
- Q. You mentioned several realignments which are to be studied but you did not mention that Kelly Air Force Base is losing 1000 civilians. Why didn't you mention this and what is the justification for the Kelly cutback?
- A. The other announcements were major functional realignment or closures which do require local community impact studies. The reductions at Kelly are internal Air Force actions impacting only one installation. The loss of personnel at Kelly is a reduction in force (RIF) generated by declining workload and modernized techniques. Efficiency improvements of this nature are essential if we are to maintain a modern, effective Defense establishment. However, we are well aware that there is a human cost associated with these improvements. The Air Force has provided the full-range of counselling and assistance services provided for under current law to all the individuals who will be affected by this action.

DALLAS BUSING FOR DESEGREGATION

On July 23, 1975, a three-judge panel of the Fifth U.S. Circuit Court of Appeals ruled that the 1971 plan of District Judge William Taylor was inadequate for the purposes of desegregating the Dallas Independent School District. The case was remanded to Judge Taylor. He then had the responsibility to devise a plan, to be implemented in January, 1976, to dismantle the segregation deemed to exist.

The ensuing months were filled with countless hearings, motions, briefs, plans, etc, brought by plaintiffs, defendants, and a wide variety of intervenors. Attempts were made to include some of the suburban school districts in the plan but they were unsuccessful. Judge Taylor postponed the implementation of the plan until the beginning of the 1976-77 school year.

In early March, Judge Taylor finally issued his desegregation order. The highlights of that order are:

- The district will be divided into five subdistricts, each of these to approximate the racial makeup of the district as a whole.
- Middle schools for the fourth through the eighth grades will be established in the center of each subdistrict.
- Kindergarten through third grade students and ninth through twelfth grade students will attend neighborhood schools, fourth through eighth grade will be reassigned.
- Magnet schools will be established and bilingual education programs will be expanded.
- By 1979, high level school administrators are to be 44% black and 12% Mexican-American.

Taylor's order will require the busing of between 14,000 and 20,000 students. It is also expected that some kind of property tax increase will be necessary to finance the purchasing of buses and other costs of the desegregation program to finance the purchasing of buses and other costs of the desegregation program.

Mexican-Americans were most pleased with the desegregation plan; blacks and Anglos reacted with mixed feelings. Basically, the plan does not go far enough for some and goes too far for others. Under the circumstances, many observers feel it is probably the best plan Taylor could have come up with. It is not expected that either side will appeal.

## DALLAS MAYORIAL ELECTION

- Q. Mr. President: Are you aware that Dallas is in the midst of a heated Mayorial run-off election?
- A. Yes I am, but I feel that the election is a local matter and that it would be inappropriate for me to comment on it.

### Background

The City of Dallas is currently in the midst of a heated Mayorial run-off election. Last Saturday, none of the five candidates that were running for Mayor received adequate votes to be elected. As a result, a run-off election has been scheduled for April 24th. Opposing each other will be Bob Folsom, who received 48% of the vote and who has received strong endorsement from the business leadership and the established members of the community, and Gary Weber, a seven-year Councilman who received 44.9% of the vote. Apparently, the election has focused largely on the question of busing. On Wednesday of this week, there was a court order issued requiring busing for approximately 17,000 of Dallas school children. The local business community had apparently worked long and hard to encourage a moderate busing plan and the current Mayor is publicly endorsing the court order on the basis of it being as reasonable a plan as could be expected in carrying out the Federal law. However, Bob Folsom has come out strongly opposed to it despite the support of the business leadership. In summary, the busing issue has polarized the Dallas community.

SGM  
4/8/76

## HOUSING

- Q. Mr. President. Are you aware of the fact that the City of Dallas has embarked upon a program of "urban homesteading" and if so, what do you think of this idea?
- A. I am aware that the City of Dallas, in conjunction with the major banking institutions of the area, has embarked upon a pilot program of "urban homesteading" by using \$66,000 of community development money as a partial guarantee. I understand that the banks have agreed to private rehabilitation financing and that the City will proceed to sell 35 houses to interested citizens. I think this program is an example of how a partnership among Federal and local governments and the private sector can help solve many of our urban problems. I will be interested in the result of this project.

SGM  
4/8/76

CUSTOMS/I&NS DISPUTE

- Q. What are you doing to resolve the dispute between the Customs and Immigration Services over the Mexican border?
- A. The Customs Service and the I&NS both have jurisdiction at the border. Customs has jurisdiction regarding the flow of goods across the border, while I&NS has jurisdiction regarding the flow of people. Ofttimes, this distinction becomes blurred and interagency conflict ensues. However, Customs and I&NS recently executed a Memorandum of Agreement which addresses and resolves most of the problems. Therefore, the issue has been largely eliminated.

The real sore points with border towns regarding these two agencies are (1) they impede the flow of traffic into the United States (Mexican nationals coming to the United States to shop); and (2) they (particularly I&NS) have on occasion offended Mexican-Americans by subjecting them to harrassment at border crossing points. The President should be made aware of this, if he is not already, and should be advised that we have raised these matters with the Commissioners of both services for their personal and immediate attention.

DP/JBS/4-8-76

SOLAR ENERGY RESEARCH INSTITUTE (SERI)

- Q. We would like to have the new Solar Energy Research Institute located in Texas. What are our chances?
- A. ERDA, the Federal agency responsible for the bulk of our solar energy research and development program, recently completed its studies and decided on the type of solar energy research institute that is needed.

On March 15th, ERDA issued a request for proposals for a manager-operator and an initial facility for the proposed institute. Any responsible organization is qualified to respond to the request.

Proposals are due to ERDA by July 15, 1976. I understand ERDA expects to get a large number of proposals -- all of which will be evaluated by ERDA and a selection made sometime in December.

I would urge you to get your proposals in to ERDA so that you can be in the competition.

GRS

4/3/76

## HOUSING INDUSTRY

Q: What is the Administration doing to help the housing industry recover from its recent slump?

A: I have asked for funds in my FY 77 budget to supply additional housing for 500,000 families. These programs will expand housing opportunities, spur construction and help to house moderate and low-income families.

Although 1975 was a disappointing year in the housing industry, current trends indicate that housing construction is beginning to pick up like the rest of the economy. My Administration will work to provide the proper financial and regulatory climate to assist this upturn.

### Background

The Housing and Community Development Act of 1974 was signed on August 22, 1974. This Act increased the availability of mortgage credit by:

- extending all of the unsubsidized FHA insurance programs until June 30, 1977;
- increasing the size of mortgages that can be insured by the FHA -- from \$33,000 to \$45,000 for single family homes;
- increasing the size of mortgage loans by savings and loan associations -- from \$45,000 to \$55,000 for single family homes;
- increasing the size of mortgage loans that can be purchased by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation -- from \$35,000 to \$55,000 for single family homes;
- increasing the size of mortgage loans that could be purchased by GNMA -- from \$33,000 to \$38,000 for single family homes;
- lowering the down payments required on FHA insured mortgages.

The Emergency Home Purchase Assistance Act of 1974 was signed on October 18, 1974. This bill authorizes the Government National Mortgage Association within the Department of Housing and Urban Development to make commitments up to \$7.75 billion at predetermined interest rates to purchase mortgages on both new and existing homes, which are not insured by the Federal Housing Administration or guaranteed by the Veterans Administration -- the so-called "conventional mortgages" which comprise about 80% of all mortgages. The advantage of the plan is that with the GNMA commitment, the homebuyer, the builder and lender have an insured source of financing at a known, favorable interest rate. The cost to the government is limited to the loss which GNMA realizes if its selling price for the mortgage is less than the original purchase price.



April 8, 1976

SUBJECT:

SWINE FLU APPROPRIATIONS

Following clean and easy passage in the House, the President's swine flu appropriations request was approved yesterday by a Senate subcommittee with \$1.8 billion for various jobs measures tacked onto it. The \$1.8 billion included extension of CETA funds through 1976, summer youth funds, and an older American's employment provision.

What is the President's reaction to this?

GUIDANCE: The President had requested the Congress, as you know, to pass quickly his \$135 million appropriation request for swine flu funds in the form of a clean bill. He was pleased that the House acted quickly and responsibly on that request, and he had been hoping that the Senate would do the same.

Would he veto the bill if it came down here with the jobs amendments?

GUIDANCE: Until we take a closer look at what the subcommittee has done, I can't guess what action he would take.

Background: Regarding the subcommittee actions, while we are in favor of extending the CETA funds and of funding summer jobs for youth, we have two objections to the subcommittee recommendations: (1) it is less CETA money than we had requested (We requested \$1.7 billion for 1976 to include 1977 phase-out, and Senate Appropriations recommended \$1.2 billion with no phase-out.) and (2) we did not want the older Americans appropriation. Still, action on CETA and summer jobs is urgently needed.

ME

May 5, 1976

SUBJECT: FOOD STAMP REFORM

The Washington Post has a story this morning on the promulgation of the actual food stamp regulations which USDA has been working on since it was announced in February that we would be making administrative reforms.

How does the White House feel about all the criticism generated over the new USDA rules? Will they actually go into effect by June 1?

Because of Congressional inaction on the President's October 20 legislative proposals to reform the food stamp program, the President in February directed the Agriculture Department to promulgate rules for administrative changes. In March, USDA published their proposed rules in the Federal Register, and they have been taking comments on those rules. All who have complained about the rules have had the opportunity to express their criticism through this mechanism.

Yesterday, as a result of the extensive study and comment the Department has received, they announced the final rules. We expect them to go into effect on June 1, the day that was designated for their implementation.

ME

May 5, 1976

SUBJECT: WELFARE NON-COMPLIANCE  
IN FORTY-FIVE STATES

The AP yesterday ran a story that forty-five states had failed to meet the goal of reducing errors in welfare payments that HEW had set, and in the fall those states held in non-compliance could suffer reductions in their Federal welfare matching funds. Some of the States that could suffer cutbacks are New York, Illinois, Michigan, California, Ohio, Maryland and Virginia.

Will the President allow Secretary Mathews to place penalties upon these States, given the President's intense primary battle?

GUIDANCE: As you know, the President has on many occasions reiterated the need to reform the present welfare system, and he has expressed particular concern over the problems of overpayment and ineligibility.

Placing a high priority on this issue, Secretary Mathews has had a special task force under his Human Resources Council working with the States and the State organizations on this problem of quality control, trying to help them ameliorate this problem. The Secretary and his staff will continue to help the States straighten out their apparent non-compliance problems. As for the loss of Federal matching funds, that will be Secretary Mathews' decision, and, as I understand it, he has not yet made any decision whether or not to impose penalties.

Note: There are indications that Mathews would like to impose some penalties (probably minimal), but the system contains an elaborate appeals process that would probably let many States off the hook.

ME

5/5/76 JWA

SUBJECT: Illinois Attorney General Scott's criticism of Gerald R. Ford for allowing his name to be used by a fund-raising organization involved in fund-raising law violations in Illinois.

BACKGROUND: The Illinois Attorney General held a news conference yesterday announcing the indictment of a fellow named Patrick J. Gorman on charges of improper fund raising for the "New Spirit of '76 Foundation. Noting that Gerald R. Ford as Minority Leader was one of the persons on the letterhead, the Attorney General criticised persons in responsible positions for lending their names to organizations that are not engaged in law abiding activities, and <sup>that</sup> bilk innocent citizens.

GUIDANCE: The President--as Minority Leader--was listed on the letterhead of the "New Spirit of '76 Foundation." On March 2, he wrote a letter to Mr. Dwight Fuller Spear, the Executive Director of the Foundation saying "Periodically it is my practice to request an accounting of the sources of funding and the purposes for which the funds are used from foundations or organizations on whose letterheads my name appears as being on the "ational Advisory Board At your earliest convenience I would very much appreciate receiving such a report from the "New Spirit of '76 Foundation". (COPY OF THE LETTER ATTACHED)

The Managing Director of the Foundation, M. F. Bourjaily, Jr. replied March 15, sending a report, and saying it would be sent monthly from then on, and more information could be furnished if desired. (Copy of letter and Report attached)

This seems to me to indicate the President--as Minority Leader--did all that was possible to keep a check on the organizations using his name. I might add that as President he is most careful that his name is NOT used in any ~~any~~ improper or illegal manner, particularly in fundraising.

The President resigned from the organization before he became Vice.Pres.

Suspense

E  
Endorsements  
Spear, Dwight Fuller

re: Spirit of '76

March 2, 1973

Mr. Dwight Fuller Spear  
Executive Director  
The New Spirit of '76 Foundation  
1776 Massachusetts Avenue, N. W.  
Washington, D. C. 20036

Dear Mr. Spear:

Periodically it is my practice to request an accounting of the sources of funding and the purposes for which the funds are used from foundations or organizations on whose letterheads my name appears as being on the National Advisory Board.

At your earliest convenience I would very much appreciate receiving such a report from the New Spirit of '76 Foundation.

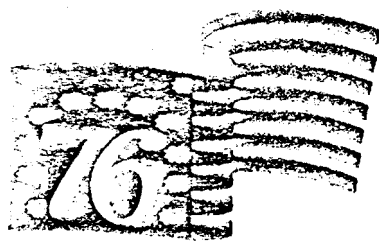
Thank you for your cooperation in this matter and very best wishes.

Sincerely,

Gerald R. Ford, N. C.

GRF:1

National Advisory Board  
 Steven Markarian  
 F.O.M. USNR  
 Washington, D.C.  
 Chairman, National Advisory Board  
 Edwin E. "Buzz" Aldrin, Jr.  
 Col. USAF Ret.  
 Former Astronaut  
 Hidden Hills, California  
 Hon. Leslie C. Amick  
 Minority Whip, U.S. House  
 of Representatives  
 15th District, Texas  
 Hon. George A. Atkinson  
 Mayor  
 Hartford, Connecticut  
 Hon. La Mott Baker  
 Member of Congress  
 3rd District, Tennessee  
 Hon. Carlos H. Canales  
 Governor  
 Territory of Guam  
 Hon. B. B. Chappell  
 Member of Congress  
 4th District, Florida  
 Hon. Don H. Clauson  
 Member of Congress  
 1st District, California  
 Hon. Hank E. Coffey  
 Member of Congress  
 6th District, Texas  
 Hon. R. L. Conklin  
 Member of Congress  
 13th District, Pennsylvania  
 Hon. Wm Jennings Bryan Dorn  
 Member of Congress  
 3rd District, South Carolina  
 Hon. Thomas G. Dunn  
 Mayor  
 Elizabeth, New Jersey  
 Hon. J. J. Egan  
 Governor  
 State of Nebraska  
 Hon. O. C. Fisher  
 Member of Congress  
 21st District, Texas  
 Hon. Gerald R. Ford  
 Minority Leader, U.S. House  
 of Representatives  
 5th District, Michigan  
 Hon. Gilbert Gude  
 Member of Congress  
 8th District, Maryland  
 Hon. Seymour Hays  
 Former Member of Congress  
 6th District, New York  
 John J. Hayes  
 Maj. Gen. USA (Ret.)  
 Annandale, Virginia  
 Rick Jason  
 Motion Picture Actor  
 Beverly Hills, California  
 Hon. Joseph M. Narz, Jr.  
 Mayor  
 Camden, New Jersey  
 Prime F. Osborn  
 President, L&NRR Company  
 Louisville, Kentucky  
 Hon. Howard W. Robison  
 Member of Congress  
 27th District, New York  
 Hon. Franklin R. Shields  
 Mayor  
 Winston-Salem, North Carolina  
 Robert A. Sines, DDS  
 Periodontist  
 Portland, Oregon  
 Hon. R. M. Stovall  
 Mayor  
 Fort Worth, Texas  
 Hon. Hans G. Tandler, Jr.  
 Mayor  
 Jacksonville, Florida  
 B. V. Thompson, Jr.  
 President, Texas Steel Company  
 Fort Worth, Texas  
 Hon. Morris W. Turner  
 Mayor  
 Lubbock, Texas  
 Hon. Edwin W. Wasieleski  
 Mayor  
 Long Beach, California  
 Hon. Richard F. W. White  
 Mayor  
 Kansas City, Kansas  
 Hon. Charles D. Whitcomb, Jr.  
 Mayor  
 Kansas City, Missouri  
 Hon. Edgar D. Whitman  
 Governor  
 State of Indiana  
 Hon. Wendell Wyatt  
 Member of Congress  
 1st District, Oregon



## The New Spirit of '76 Foundation

Executive Office  
 1500 Massachusetts Avenue,  
 Suite 45  
 Washington, D.C. 20005  
 Telephone USA 1776

Executive Committee  
 Dwight Fuller Spear  
 Executive Director  
 Founder

Leon P. Keller  
 Treasurer

Monte Bourjaily, Jr.  
 Secretary  
 Managing Director

March 15, 1973

Hon. Gerald R. Ford  
 U.S. Capitol  
 Room H-230  
 Washington, D.C. 20515

Dear Gerry:

Dwight Spear passed on to me your letter of March 2 asking for updated information about the Foundation on whose National Advisory Board you appear, in response to my invitation to serve thereon.

The "Leadership Report" which accompanies this note will be issued monthly from now on. I hope that you will find in it the answer to your questions. Of course, if you desire more information, give me a call, or have a member of your staff do so. As I said to you in our previous note in which I reported on our financial position as of December 31, 1972, we are operating as if in a goldfish bowl. We have nothing to conceal and will therefore be happy to have you, or anyone else, inspect our entire operation.

Thank you for your interest. It is requests like yours that will keep us on the ball. I do hope that you will have some ideas to offer about how we can add effective, self-fulfilling programs which will achieve our goal of getting as many people as possible personally involved in public affairs, not only supporting the Bicentennial celebration but supporting America.

Sincerely,

Monte F. Bourjaily, Jr.  
 Managing Director

MFB/jks  
 Enc.



Executive Office  
1500 Massachusetts Avenue, N.W.  
Suite 45  
Washington, D.C. 20005  
Telephone USA 1776

The New Spirit  
of '76 Foundation

## LEADERSHIP REPORT

### SIGN UP FOR AMERICA

More than 50,000 signed American's Creeds have been returned so far in our SIGN UP FOR AMERICA campaign. It is obvious that concerned citizens want to be personally involved in our nation's Bicentennial observance. Invitations to sign the Creed, an official document of the U. S. House of Representatives, will be sent to an additional 9,000,000 American Homes this year.

We know of no other program at this time on the national level which offers Americans, as individuals, an opportunity to record themselves permanently as believing in their country. The New Spirit of '76 Foundation will create a Patriots' Roll of Honor of the names on the signed Creeds and will present this Roll to the President on July 4, 1976. This gives added significance and appeal to the campaign.

The most amazing aspect of our effort is that it is being carried out without "front money". Although not required to make a contribution in order to be enrolled, most of those who sign the Creed do respond to our appeal by enclosing from \$1 to \$100 or more, with an average of slightly under \$5. All the funds received are plowed right back into the campaign, so that it is self-sustaining.

-o0o-

*After nearly two years of operating in borrowed space or out of the hip pockets of its officers, the Foundation has formally opened Executive Offices at the address above.*

*We also have a new, easy-to-remember telephone number: (202) USA 1776.*

-o0o-

With the opening of the new offices, we've added to the Foundation staff.

Ms. Michele M. Bannon is filling the position of Chief Copywriter. A graduate of the University of California at Davis, with a year with Bull's Eye Marketing Service, Michele adds not only ability but also eye-appeal to the offices.

Lacking the eye-appeal but making up for it with his experience, John R. Hess has accepted appointment as Director of Public Relations. Well-acquainted with journalists and with news-makers, Jack joins us after eight years with the National Rifle Association and more years than he'll admit in newspapering and PR.

In February, Judy Schmitz joined the office as secretary and administrative aide. All three, plus Founder and Executive Director Dwight Spear and Managing Director Monte Bourjaily Jr. are anxious to make callers and visitors welcome.

-o0o-

GAINS AND A LOSS Two more distinguished Americans have joined the National Advisory Board: MGEN John J. Hayes, USA (Ret.) is working actively with the Foundation on several youth projects, as well as giving us the benefit of his experience in the logistics and financial management areas...Kansas State Representative Ronald W. Peckham, the third youngest legislator in the nation has also agreed to serve.

RADM Parke Brady's untimely death in Florida last December saddened us all. He was one of the earliest members of the National Advisory Board, a strong supporter of the Foundation's programs, a true patriot. He will be missed.

-oOo-

Alfred Richardson Simson has received Foundation endorsement as "outstanding among American historical artists." Over 200 appeals have been made to commission his services. Simson's paintings provide an opportunity for corporate involvement in Bicentennial activities by contributing a lasting legacy to America's cultural heritage.

-oOo-

The Foundation is providing its supporters an opportunity to be personally involved in recognizing each of the returning POWs. All contributors have been invited to subscribe to a fund for the purpose, first, of purchasing individual desk sets of flags...the National Standard, the Bennington Flag and the ensign of the individual's service...in support of the Executive Committee's decision to give our 1973 Patriot's Award to all the prisoners. The set will be inscribed:

1973 PATRIOT'S AWARD

For display of the Spirit of '76 as a POW in SE Asia  
Presented by Supporters of the New Spirit of '76 Foundation

-oOo-

The Internal Revenue Service has reaffirmed the Foundation's status as a tax-exempt, charitable, educational and literary organization which is not a private foundation. ...the Foundation's first quarter fiscal report (Oct-Dec 1972) has been prepared and clearly demonstrates that all receipts are being put right back into the programs for which funds received were contributed.


-oOo-

OPERATIONAL AND PROJECTED: In addition to the signature campaign, pilot programs are already under way in the educational area. This month, Dwight Spear will recognize the efforts by 7th and 8th graders at Waggoner HS, Louisville, Ky., where 200 signed the Creed. Sidney Baxter, assistant principal, called the signature campaign to the students' attention. And recognition will also go to St. Anthony's School, Dunmore, Pa., whose principal, Sister Filomena DiCarlo, made patriotism an integral part of the learning experience of her 7th and 8th grade students...Efforts to dramatize WAKE UP AMERICA DAY (April 19 - Patriot's Day in New England) came too late for 1973. Cooperation of 4-H clubs in a program for 1974 is being sought...The Foundation feels that there should be a day in the fall, as well as in the spring and summer, for patriotic observance. DISCOVER AMERICA DAY is the theme being considered, in connection with Columbus Day and Leif Erikson's discovery anniversary. We will welcome suggestions on ways to dramatize such a program.

-oOo-

IN CONCLUSION The Foundation is operational. Its dedicated staff is committed to helping others find ways to show their "Spirit of '76", a patriotic activism which is based on a firm belief in our country's future. YOU CAN HELP. The staff will welcome your creative ideas and constructive suggestions.

Yours...for service to America



Monte Bourjaily Jr., Managing Director



Presidential Statement on OPEC Price Increase

OPEC has raised the price of imported oil. As a result the American consumers will pay more.

In my first State of the Union Message I put before the Congress a complete program for significantly reducing our dependence on imported oil over the next ten years. While some of the legislation I requested has been passed by the Congress, much more needs to be done.

The program I proposed consists of five fundamental parts:

1. Maximizing energy conservation
2. Full development of domestic oil and gas reserves
3. Doubling of domestic coal production
4. Substantial increase in our nuclear power capacity.
5. Completion of a national petroleum storage program

The plan I sent to the Congress addressed each of these areas, as well as focusing on our post-1985 requirements with legislation and an increased Research and Development budget to expedite the development of advanced technologies such as solar energy.

5

The cartel has taken full advantage of our dependence on their oil and this year American consumers will pay \$ 35 billion for imported oil as compared to \$ 27 billion last year, and \$ 3 billion in 1970. This country cannot afford to have the price and supply security of so vital a commodity controlled by other countries.

The major responsibility for reversing this situation rests with the United States Congress which has been unable to face up to the energy problem and pass the program that I requested.

This price increase should act as a reminder to every member of Congress that facing the difficult choices required to develop a comprehensive energy policy will be less painful than the increased costs every American consumer must pay for foreign oil.

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## OHIO RUBBER INDUSTRY STRIKE

- Q. Mr. President, the Rubber Industry Strike is now over six weeks old. What is your Administration doing to bring about a contract settlement in the Rubber Industry?
- A. This is a situation to which we have been staying close. The Federal Mediation and Conciliation Service has one of their top representatives and five mediators working to help find a solution to the impasse. The Federal Mediation and Conciliation Service has begun to exert more pressure on the parties to settle their differences and feels there has been some progress.

### Background

James S. Searce, Director of the Federal Mediation and Conciliation Service intends to call the parties in the contract dispute to Washington, D. C. on Monday, June 7, 1976. He has not announced this decision publically.

On April 20, 1976, the United Rubber Workers (URW) instituted a strike against the BIG four tire manufacturers (Firestone, Goodyear, Goodrich, and Uniroyal). The nationwide strike affects some 70,000 employees at 47 plants. Union and management officials have wide differences of opinion as to what a fair settlement would be. Among other demands the Union is seeking an uncapped cost of living escalator. The strikers have exhausted their strike benefits and efforts to increase the dues of non-striking URW members to raise additional money for strike benefits has failed.

The URW President has visited Geneva, Switzerland to encourage a world wide boycott of Firestone products, which the AFL-CIO Executive Council has endorsed. Firestone was chosen as the boycott target because the Union is concentrating on getting an industry-wide pattern setting settlement with Firestone.

WMD  
6/3/76

## ADDITIONAL ARKANSAS AND LITTLE ROCK Q & A GUIDANCE

The following are issues for Arkansas based on discussions with Governor Pryor and Mayor Wimberly of Little Rock.

### 1. Crime and Law Enforcement

One of the major issues of the current gubernatorial campaign, and indeed most of the state and local elections, is that of crime. Although there is no massive increase in crime rates in the state or in Little Rock, the public has perceived this to be a major problem. There is an attitude that the court system has been too lenient in its sentencing. The President should be prepared to articulate the Administration's positions for improved law enforcement, penal facilities, etc.

### 2. Economy

Little Rock and the state in general are experiencing unemployment between 6-7%. The state has been very aggressive in attracting new industries and has offset unemployment caused by the economic downturn. Arkansas is conveniently located for distribution activities. Little Rock has become an active distribution point because of its unique combination of waterway, rail, air and highway facilities. The Port Authority in Little Rock has been very aggressive in developing surrounding land and attracting industries to it. Little Rock is proud of its combined efforts of local businessman, local public leaders and the State Industrial Development Commission in improving its downtown facilities (e.g. Convention Center), promoting industrial development and upgrading the economic attractiveness of the area.

3. General Revenue Sharing

Most public and private sector leaders throughout the state are very supportive of General Revenue Sharing. Little Rock has used its funds both for capital projects and operating costs. However, inflation has forced a rise in city operating costs and a diversion of more General Revenue Sharing funds to operations. Failure to reenact General Revenue Sharing would force a substantial increase in local taxes.

4. Agricultural Policy

Arkansas is a major agriculture state, particularly in poultry, soy beans and rice. Since a large proportion of these agricultural products are exported, the state is particularly sensitive to the Federal Government's export policies. Governor Pryor attended a White House meeting last fall to discuss our policy on rice exports.

5. Gubernatorial Race

Governor Pryor is currently running against three opponents in the Democratic primary for Governor. While a second term appears likely, he is facing criticism in the areas of crime and the use of state revenues.

6. CETA

Little Rock has a positive experience with the CETA program and has used it primarily for the training of personnel and not for rehiring of released city employees.

7. Community Development

Little Rock has also had a positive relationship with HUD and the Community Development Program. It has used the funds for major improvements in states such as drainage and other areas of need throughout the city. The President could emphasize the value of local priorities and decision-making.

8. Transportation

Recently, Little Rock and surrounding jurisdictions purchased a public transit company and transformed it into a Regional Authority. Despite the use of local funds and federal operating assistance, ridership remains low and deficits high. The city recognizes its responsibility in this area, but finds it a sizeable financial burden.

The city has been working for several years to complete the Wilbur D. Mills Expressway through the city. Changes in the EIS have delayed this project, but the Federal courts have approved the city actions on rights of way and utility easements.

9. Racial Integration

Little Rock is quite proud in the progress it has made in its racial relations and integration. A combination of civic leadership and cooperation has developed what many people in Little Rock believe to be a model for other cities to follow. The President's acknowledgment of this accomplishment would be well received.



GISCARD VISIT

President Valery Giscard d'Estaing arrived here at 10:00 am this morning at Andrews Air Force Base via the Concorde. Following the arrival ceremony, which most of you witnessed, the President met with President Giscard in the Oval Office at 11:00 am. That meeting is in progress, and we will have a readout for you following the meeting. This evening at 8:00 p. m., the President will host a white tie dinner for President and Mrs. Giscard d'Estaing.

*Not  
before  
3PM*

*(Wed. Ball  
handling  
arrangement.)*

Q. Do you have an agenda for this meeting?

A. I do not have a specific agenda for you, but among the topics likely to be discussed are international economic issues; possible ways the U. S. and France can cooperate on a range of international political issues, including developments in Africa; a review of the Western Alliance, and, of course, bilateral issues. The President and President Giscard d'Estaing will continue their talks tomorrow at 10:00 a. m.

As I said, we will have a readout this afternoon.

## BUSING/BOSTON Q&amp;A

Question:

Does the President intend to give any direction to Attorney General Levi on the Boston school case?

Answer:

The President has had a number of discussions with Attorney General Levi on the whole issue of busing as a remedy for school segregation and has instructed him and Secretary Mathews to seek alternative remedies. He has specifically asked the Attorney General to look for the appropriate and proper case to ask the Court to re-examine busing as a remedy and to explore alternative solutions which are less destructive of the fabric of our community life. This is the President's direction to the Justice Department. The selection of the particular case is obviously best left to the legal experts and thus Attorney General Levi will make the decision in the Boston case.

May 18, 1976

MT. VERNON SOUND AND LIGHT SHOW

*just*

QUESTION:

Is the President going to Mt. Vernon Wednesday evening for the sound and light show?

ANSWER:

The President and Mrs. Ford do plan to join President and Madam Giscard d'Estaing at Mt. Vernon Wednesday evening, for the first performance of the sound and light program "The Father of Liberty". This is the Bicentennial gift of the French nation to the American people.. I understand there will be open coverage, and we'll have the details as to times and so forth later.

ROCKEFELLER SPEECH IN FRANKFURT

Q. On Friday in Frankfurt President Rockefeller delivered some strong criticism to the Soviet Union, accusing that government of empire building and of the danger of being overrun or engulfed by Soviet imperialism. Were his remarks in line with Administration policy, and does the President endorse what he said in Frankfurt?

A. The Vice President was speaking at a U. S. Bicentennial Celebration, and in keeping with the occasion was addressing the subject of the growth and development of democratic processes here and abroad. <sup>T</sup> thrust of his speech, if you read <sub>Q</sub> it, called for the need for maintaining and strengthening these processes and for strong Western defenses. As for our relations with the Soviet Union, it has been, and continues to be our policy to resist expansionism, while working with other nations toward a more stable world.

As for the language of the speech, members of the Administration write their own speeches.

May 17, 1976

U. S. TOLERATES SOUTH KOREAN ABUSES

Q. The Washington Post reports this morning that President Nixon and Secretary Kissinger demonstrated a lack of interest publicly and privately in "the destruction of democratic rule and loss of human rights in South Korea" in 1973 and 1974. According to a former State Department official, Donald Ranard, Kissinger instructed that his officials in Seoul keep a "hands off" policy about President Park's rule. Can you comment on these allegations, and tell us what the Administration policy is toward South Korea and the human rights problems there?

A. Our policy and our concern on human rights issues throughout the world has been clearly stated. Furthermore, we have unequivocally made known our views on these issues to the Korean government, both in public and through diplomatic channels. On April 14, Secretary Kissinger reiterated our position before the Senate Government Operations Committee (Appropriations Subcommittee), to the effect that we cannot and do not ignore the practices of other countries that deny basic rights to their citizens.

Q. Well, are the accounts as outlined by Ranard untrue then?

A. My understanding is that the accounts of meetings, conversations, etc., as reported by Ranard are misleading

and in any case, the reported "lack of interest" on the  
of the Administration on human rights issues is totally  
false.

ONLY IF PRESSED:

I am not going to get into a discussion about what internal  
conversations or exchanges may or may not have taken place  
in 1973 and 1974, but our policy is clear.

FYI ONLY:

The State Department is prepared to issue a strong  
denunciation if asked about the Ranard story.

SECURITY ASSISTANCE VETO

5/1/76

Q: Why did the President veto the security assistance authorization bill? (International Security Assistance and Arms Export Control Act of 1976.)

A: The President decided to veto this legislation because, if enacted, it would impose an unprecedented web of restrictions on the Administrations ability to carry out our security assistance programs. While the President supports a greater congressional role in U.S. foreign policy, he believes there must be a line drawn on congressional encroachment on his Constitutional authority and responsibility to formulate and implement that policy. The recent past has demonstrated how congressional interference in foreign policy can be counter-productive, damaging to our bilateral relationships with friends and allies, as well as to our credibility abroad.

(If you wish to provide examples: cite the impact of the Jackson-Vanik amendment on jewish emigration from the Soviet Union; or the impact of the aid embargo against Turkey on our bilateral relations with that NATO ally as well as our ability to operate important intelligence facilities in Turkey.)

Q: What are the President's specific objections to the legislation?

A: As set forth in the President's veto message to the Congress, the bill contains numerous provisions which severely impinge upon his authority to implement our security assistance programs. Among other things these include:

-- several provisions whereby the Congress can veto actions taken or proposed by the Administration by concurrent resolution, a procedure of questionable constitutionality.

-- a \$9 billion annual arms sale ceiling.

-- termination of the Grant Military Assistance Program after 1977.

-- provisions which attempt to legislate solutions to the domestic policies of foreign governments to which we are opposed (such as human rights or visa practices).

-- termination of the President's authority to restrict trade with Vietnam.



Q: Senator Humphery and others charge that the Administration had indicated it could "live" with the provisions of the legislation and that the President's veto violates a tacit understanding that he would sign the bill.

A: The President was not involved in any discussions as to whether the Administration could "live" with the bill, nor did he make any commitment to sign it. When he had the opportunity to analyze its provisions and see their implications, he decided the bill was unacceptable and he vetoed it.

Q: Senator Humphery and others have also charged that the President vetoed this legislation to avoid a confrontation over the foreign aid appropriations bill due to the Transition Quarter funding for Israel.

A: As far as acceptability is concerned the two pieces of legislation are independent of each other. This legislation was vetoed because it contained numerous provisions -- some of questionable constitutionality -- which would severely hamper our ability to carry out our security assistance program in a way that best serves the interest of the United States as well as our aid recipients. As far as the appropriations bill is concerned, which has not yet cleared the Congress, the President's position has not changed.

## SECURITY ASSISTANCE LEGISLATION

- Q: What will happen now? If the President's veto is sustained will he submit new legislation for FY 76.
- A: As I understand it, the Congress has two options. It can come up with a new FY 76 authorization bill acceptable to the President or it can continue for the remainder of the fiscal year and the TQ on what is known as a "continuing resolution authority". In either case, the Administration would be willing to work with Congress to come up with a mutually satisfactory resolution of the problem.
- Q: But the existing CRA would not accommodate requested funding levels for the Middle East and certain other assistance programs.
- A: The President is aware of these problems and hopes that Congress can move quickly to provide a means of funding the several Middle East programs which are so vital to our peace efforts in the Middle East. I am told that the Congress can either amend the existing CRA to accommodate the Middle East package and any other programs it wishes, or alternatively it can adopt a new CRA which supercedes the existing one.

5/27/76

PNE SIGNING CEREMONY

Volunteer

The President will sign the Peaceful Nuclear Explosion Agreement tomorrow at 10:00 a.m. As of now the ceremony will be held in the ~~State~~ <sup>EAST</sup> Room. A simultaneous ceremony will take place in Moscow; General Secretary Brezhnev and President Ford will each sign the agreement. Ambassador Stoessel and Dobrynin will participate as observers in Moscow and Washington respectively.

We will provide texts of the treaty and fact sheets for those who are interested. *Today. Briefing 8:30 a.m. EOB Y50*

Q: Will there be any additional briefings? Can you tell us about the agreement in detail?

A: Arrangements for additional briefings are being made as for more detailed information, I suggest you take a look at the printed material we will have available later.

5/27/76

10:00

Resignation of William Geimer as Director, ~~of the~~ Intergovernmental and Regional Relations, Federal Energy Administration. (POSTING)

Memorandum to Heads of Dept.s and Agencies on the Classification and General Schedule of Government Employees. (RELEASE)

Executive Order on "Amending Executive Order No. 11649, Regulations Governing ~~the~~ the Seals of the President and Vice President of the U.S. (RELEASE)

IF SIGNED:

\* Intention to nominate ten persons to be members of the of the ~~the~~ Board of Directors of the National Center for Productivity and Quality of Working Life. (RELEASE)

Intention to nominate David P. Taylor to be ~~a~~ an Assistant Secretary of Defense for Manpower and Reserve Affairs. (RELEASE)

Intention to nominate Ernest Ambler to be Director of the National Bureau of Standards, Department of Commerce. (RELEASE)

Intention to nominate William Ingram to be U.S. Dist. Judge for the Northern Dist. of Calif. (POSTING)

William Schwarzer to be U.S. Dist. Judge for the N. Dist. of California. (POSTING)

Mary Anne Richey to be U.S. Dist. Judge for the Dist. of Ariz. (POSTING)



FRIDAY, MAY 28, 1976

RELEASES:

Resignation of William W. Geimer as  
Director, Intergovernmental and Regional  
Relations, FEA

David P. Taylor intention to nominate as  
Assistant Secretary of Defense

Statement by the President --Arms Control  
Agreement

Executive Order/Seals of the President and  
Vice President

Memorandum for the heads of departments  
and agencies

VISITOR:

The President of Finland Urho Kekkonen will  
pay a State Visit to the U. S. August 3-4.

TRAVEL:

Camp David Saturday night through Monday  
morning.

Monday (Memorial Day) Tomb of the Unknown  
Soldier -- 11:00 a.m. There will be an  
advance text. Embargoed until 6 a.m. Monday

BUSING:

Nothing new and different

FOOD STAMPS:

Federal judge has put a restraining order  
on Federal Stamp Program--



June 1, 1976

UNANSWERED QUESTIONS FROM THE RON NESSEN BRIEFING

LES KINSOLVING:  
(Larry)

What security measures are being undertaken for July 3 and 4?

LES KINSOLVING:  
(Ron)

What is the President's reaction to Tom Curtis' endorsement of Reagan?

SARAH MCCLENDON:  
(Ron)

Does the President have any comment on the conduct of persons in the Federal Government?

BOB SCHIEFFER:  
(Larry)

What will the cost of the June summit be?

LES KINSOLVING:  
(John)

Does the President agree with Mrs. Ford's comment on Rep. Wayne Hays?

JIM DEAKIN:  
(John)

Could you ask Phil Buchen if the Attorney General "has run up against a blank wall" in finding a busing case?



THE WHITE HOUSE  
WASHINGTON

June 2, 1976

MEMORANDUM FOR RON NESSEN

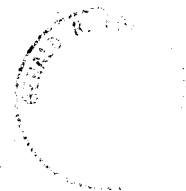
FROM: JIM SHUMAN

SUBJECT: NEW JERSEY INTERVIEW

Attached are the questions, with suggested answers, which we discussed this morning at the Jones-Gergen meeting.

There also are questions and answers on the items of specific interest to the Bergen Record:

1. Ethnic Purity
2. I-287 (Note that this is a revision of the answer given the President with the book last night)



QUINLAN CASE

Q. The case of Karen Ann Quinlan has raised the issue of whether people should be allowed to die naturally and with dignity rather than be kept alive artificially.

A. Death is a personal and difficult matter which must always be handled with sympathy and compassion by those closest to the dying.

It is not a matter that I, as President, feel I should involve myself in.

JBS/6-2-76





## NEW JERSEY I-287

### Question

Mr. President, what is your position on the completion of I-287 in New Jersey?

### Answer

Once interstate highway segments satisfy certain minimal Federal requirements, decisions concerning construction are left up to the individual states and their local governments. I-287 was originally planned to funnel traffic around more congested areas of Northern New Jersey and New York City. I have learned, however, that since these plans were formulated, state and local priorities may have changed. Final decision on the construction of this highway rests with the State of New Jersey, which must allocate the actual construction funds out of their apportioned share of Federal Highway dollars.

### BACKGROUND

Governor Byrne's position on the completion of this highway segment is not clear. The purpose of I-287, a 20 mile segment which would link the Garden State Parkway, I-80 and I-78 (coming west from the New York State Thruway), was to by-pass heavily populated areas.

In November, 1975 there was a public hearing on selecting a corridor for the road. This was followed by a 90-day public review and comment period. There has been some consideration of withdrawing the route -- but New Jersey has decided to proceed and to finalize the Environmental Impact Statement, in order to take another look at the environmental impact of this highway. The cost of completing I-287 is estimated at \$256 million.

JRH  
6/2/76



HARTFORD RULING - NEW JERSEY

Q: A Federal judge in Hartford, Connecticut, recently ruled that Federal grants to parks and other community facilities in suburban areas should cease unless those areas were accessible to members of urban minorities. This seems to set a precedent. Do you agree with the decision and will you see that Federal agencies comply with it?

A: As I understand the Hartford case, it addressed the legality of the Community Development Block Grant applications of seven suburban communities around Hartford. The District Court ruled that the applications were illegal because they didn't address the housing needs of low-income people who work in the communities.

The District Court's decision, like the Supreme Court's decision in the Gautreaux case, provides remedies for the jurisdictions in question in terms of existing laws like the Housing and Community Development Act of 1974.

The 1974 Act does not compel a community to provide for low-income housing, but it does require that communities which accept Federal funds like Community Development Block Grants, address the housing needs of low-income people and fully comply with civil rights laws prohibiting discrimination.

I have stated before that I will enforce the law in this matter.

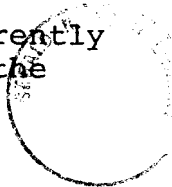
BACKGROUND

On January 28, 1976, a decision of the United States District Court found HUD's approval of block grant applications for seven suburbs of Hartford to be illegal. The City of Hartford brought suit against the suburbs for failure to provide a completed Housing Assistance Plan as part of their block grant application, under the terms of the Housing and Community Development Act of 1974.

HUD had allowed the original applications because the suburbs in question had pleaded difficulties in the preparation of their Housing Assistance Plans for the first year of Community Development Block Grant allocations. Subsequently, HUD has altered its regulations for the second year of block grant applications - a revision which in the opinion of the agency moots the Hartford decision.

Of the seven suburbs involved in the case, one has opted not to re-apply for Community Development Block Grants, three are appealing the court's decision and the remainder apparently are attempting to develop block grant applications under the new guidelines.

FLM  
6/2/76



ETHNIC PURITY - NEW JERSEY

Q: Could you elaborate on your views, as first expressed in the Rose Garden news conference with the American Society of Newspaper Editors, on what role the Federal and State governments should play in opening up suburbs or racially restricted areas of cities to member of minority groups and specifically to blacks.

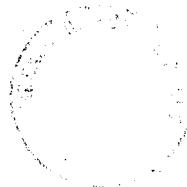
A: I stated at that time that I supported existing Federal housing laws. The Housing and Community Development Act of 1974, the first law that I signed when I took office, provides for greater participation by State and local governments in the use of Federal funds for housing and urban needs.

The law also provides, however, that communities which apply for Federal Community Development Block Grants must provide a housing assistance plan for low-income people residing in the community or expected to reside, which complies with civil rights legislation and provides adequate citizen participation.

Another part of the law, Section 8, provides direct cash assistance for lower-income families to meet their housing needs. This provision avoids the massive housing projects that characterized former Federal public housing programs, which antagonized many suburban communities.

Taken together, the various provisions of the 1974 Act provide a sensible and flexible guideline for the interaction of Federal, State and local governments in the matter of low-income housing.

FLM  
6/2/76



In early March in a memo from Jim Cannon on behalf of the President to Attorney General Levi the President directed the Attorney General to prepare draft legislation which would minimize forced school busing.



For his consideration

F4I for responding to questions.

REAGAN ON RHODESIA

Q: Mr. President, Governor Reagan has said that he would use American troops to restore stability in Rhodesia should there be disorder there. Does your Administration support the use of U.S. troops in Rhodesia?

A: It is hard to keep track of exactly what Mr. Reagan has proposed, but I can certainly say that American troops are not the answer.

The United States has put its weight behind the effort for a negotiated settlement in Rhodesia, based on majority rule and guaranteeing minority rights. This is essential to avoid bloodshed and escalating racial conflict in Southern Africa. We strongly support the British initiatives in this field and will back them up with all the measures Secretary Kissinger announced in Lusaka on April 27.



KISSINGER

Q. MR. PRESIDENT, CAN YOU CLARIFY DR. KISSINGER'S STATUS? ONE WEEK HE SAYS HE WOULD PREFER TO LEAVE AFTER THE ELECTION AND THE NEXT WEEK YOU SAY YOU WANT HIM TO STAY FOR ANOTHER FOUR-YEAR TERM? IS HE IN OR OUT?

A. (WITH A SMILE) HELEN, THAT QUESTION IS ASKED SO OFTEN, AND I ALWAYS GIVE THE SAME ANSWER, MAYBE WE SHOULD ~~RESTATE~~ RESTATE THE QUESTION INSTEAD!

SERIOUSLY, AS I HAVE SAID PREVIOUSLY, SECRETARY KISSINGER HAS BEEN VERY SUCCESSFUL IN CARRYING OUT AND SPEAKING FOR THE FOREIGN POLICY DECISIONS I MAKE. JUST LOOK AROUND THE WORLD. WE ARE AT PEACE. OUR RELATIONS WITH OUR ALLIES HAVE NEVER BEEN STRONGER. OUR ADVERSARIES UNDERSTAND OUR DETERMINATION. OUR MILITARY STRENGTH FOR KEEPING THE PEACE IS UNSURPASSED. WE ARE PURSUING VIGOROUS, FORWARD-LOOKING POLICIES IN AFRICA AND LATIN AMERICA, AND IN THE INTERNATIONAL ECONOMIC ARENA.

WE ARE TRUSTED BY BOTH SIDES IN THE MIDDLE EAST (NO ONE ELSE IS) AND SO WE ~~ARE~~ ARE ABLE TO PLAY THE PEACEMAKERS ROLE IN THAT VOLATILE REGION.

NOW, AS LONG AS ~~SECRETARY~~ SECRETARY KISSINGER CAN SHOW THAT KIND OF SUCCESS IN CARRYING OUT MY FOREIGN POLICIES, I SEE NO NEED TO ~~BREAK~~ BREAK UP A GOOD TEAM.

USING THE PRESIDENCY FOR POLITICAL PURPOSES

Q. MR. PRESIDENT, ARN'T YOU USING THE INCUMBANCY FOR YOUR OWN POLITICAL PURPOSES, STAGING EVENTS AND MAKING DECISIONS ██████████ IN ORDER TO ATTRACT VOTES AGAINST MR. REGAN?

OR

Q. HASN'T MR. REGAN'S CHALLENGE FORCED YOU FAR TO THE RIGHT, CAUSING YOU TO MAKE DECISIONS WHICH ARE MORE AND MORE CONSERVATIVE IN AN EFFORT TO WIN PRIMARY VOTES?

A. THE SHORT ANSWER TO YOUR QUESTION IS: "NO."

THE DECISIONS I MUST MAKE DAY IN AND DAY OUT IN THE OVAL OFFICE ARE BASED ON THE ██████████ SAME MIDDLE-OF-THE-ROAD POLITICAL PHILOSOPHY I HAVE FOLLOWED FOR ALL OF MY 26 YEARS ██████████ OF MY PUBLIC SERVICE. I HAVE ONLY ONE CONSIDERATION IN MIND: WHAT IS BEST FOR THE AMERICAN PEOPLE I SERVE.

I CAN ASSURE YOU THAT WHAT MAY BE POPULAR WITH SOME VOTERS IN THIS WEEK'S PRIMARY STATES IS NOT A FACTOR WHEN I MAKE MY DECISIONS.

WHAT I WANTED

(WITH A SMILE) I CAN TELL YOU THIS: IF I ██████████ TO DO ONLY WHAT WAS POLITICALLY POPULAR, I WOULD NOT HAVE RECOMMENDED AN INCREASE IN SOCIAL SECURITY TAXES...OR VETOED A TAX CUT JUST BEFORE CHRISTMAS IN 1975... OR URGED THE CONGRESS TO SHOW SOME FISCAL RESPONSIBILITY BY PLACING A CEILING ON GOVERNMENT PAY RAISES AND PENSION INCREASES...OR VETCED A NUMBER OF PROGRAMS THAT WERE POPULAR WITH SOME SPECIAL INTEREST GROUPS BUT WERE INFLATIONARY AND BAD FOR THE COUNTRY AS A WHOLE.

SOME OF THOSE DECISIONS WERE NOT POPULAR...THEY WERE NOT GOOD POLITICS. BUT I MADE THOSE DECISIONS BECAUSE I BELIEVED THEY WERE IN THE BEST, LONG-RANGE INTEREST OF ALL THE AMERICAN PEOPLE.

NOW, I AM ASKING THE AMERICAN PEOPLE TO GIVE ME A MANDATE FOR FOUR FULL YEARS IN THE WHITE HOUSE SO THAT I CAN CONTINUE TO CARRY OUT MY FOREIGN AND DOMESTIC ██████████ POLICIES. I HAVE FAITH THAT THE AMERICAN PEOPLE ██████████ RECOGNIZE THE LONG-TERM CORRECTNESS OF THE COURSE I HAVE CHARTED AND WILL GIVE ME THAT MANDATE.

NIXON QUESTIONS

Q. MR. PRESIDENT, WILL YOUR ELECTION CHANCES BE HURT BY THE MOVIE "ALL THE PRESIDENT'S MEN" OR THE BOOK "THE FINAL DAYS?"

OR

Q. MR. PRESIDENT, DO YOU THINK YOU WILL BE HURT IN THE ELECTION BECAUSE YOU PARDONED RICHARD NIXON?

OR

Q. MR. PRESIDENT, WON'T THE DEMOCRATS USE "WATERGATE" AND THE CHARGE THAT YOU ARE THE HAND-PICKED SUCCESSOR OF RICHARD NIXON TO DEFEAT YOU IN THE ELECTION.

A. I DON'T SEE HOW THAT COULD HURT ME AT ALL. I HAD NOTHING TO DO WITH WATERGATE.

(THAT SHOULD BE THE FULL EXTENT OF THE ANSWER. ANY FURTHER ELABORATION, OR DEFENSIVENESS ABOUT BEING "CLEARED" BY CONGRESS, WILL SIMPLY PROVIDE FRESH NEW QUOTES FOR REPORTERS TO WRITE NEW STORIES.)





STATEMENT BY THE PRESIDENT

I am pleased by OPEC's decision not to increase the international price of oil at this time.

Obviously, this is good news, but it should not lead us to less ~~than~~ our drive toward energy independence, nor should it encourage a relaxation of this nation's need to conserve gasoline and all forms of energy.

At the same time, I want to make it clear that I expect the ~~Petroleum~~ <sup>the</sup> industry to demonstrate reasonable restraint with respect to prices, particularly during ~~this~~ <sup>the Summer driving</sup> ~~holiday~~ season.



CAMPAIGN ISSUE

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

*That's simple: who will make the best*

A. ~~The ability of the candidates to be President of the United States~~ *experience of nearly two years in the oval office and* <sup>(X)</sup>

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.

~~I~~ ~~was~~ *I* ~~was~~ *was* a mandate from the country for a full four years in the White House to carry forward my program.



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, *AND HAS NOT MADE HIS STAND ON THE ISSUES CLEAR.*  
But I am confident I can beat any Democrat.

JBS/6-1-76

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~ POLLS

*and other recent polls*

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

*They're up one week and down the next, very volatile.*

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.

~~TOP SECRET~~

INEPT STAFF

Q. Your staff has been called one of the most inexperienced and inept in history. ~~As this criticism bores~~ 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. ~~These stories crop up occasionally, and they are meaningless. Whoever says such things has NOT seen my staff perform.~~ I have an excellent staff. ~~I have an excellent staff. They have served me well in the face of~~ ~~that no other candidate has had to face~~ ~~the problems in all these areas that held~~ ~~economic troubles, Foreign policy challenges and a public lack of confidence in govern-~~ ~~ment.~~ I have no plans to change anyone on my staff.

I'm proud of them and lucky to have them.  
My staff should share the credit for the successes I have scored in all these areas.

~~TOP SECRET~~

REAGAN SUPPORT

Q. Ronald Reagan indicated recently that he would likely withhold "immediate" support for you, if you ~~win~~ 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 <sup>or</sup> the accept~~ance~~ ~~of the~~ ~~platform~~ ~~planks~~ ~~bolstering~~ ~~U.S.~~ ~~defenses~~ ~~abroad~~ ~~and~~ ~~against~~ ~~school~~ ~~busing~~ - would you ~~accept~~ ~~on~~ ~~Panama~~, etc. - would you ~~accept~~ to win Reagan's support.~~

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

And when I do, I expect all Republicans to ~~unite in~~ <sup>unite in</sup> support of me. ~~The ideological differences in our party are <sup>despite some unfortunate campaign rhetoric</sup> relatively minor with our differences with the Democrats. <sup>I believe, shares my basic philosophy:</sup>~~

I stand for peace, through responsible relations with other nations and through a strong military defense. <sup>expanded</sup> I stand for ~~the~~ rights of the individual. <sup>For</sup> I stand for economic prosperity without inflation. ~~I~~ stand for making government more responsive to the needs of all Americans and less intrusive in the lives of everyone. <sup>(I'm sure Gov. Reagan will exist as a loyal supporter in my campaign to win the November election because he wants my Republican philosophy to prevail.)</sup>

~~With these beliefs and with the support from all segments of the party, we should easily beat the Democrats in November.~~

Q - Suppose he wins the nomination. Will you support him?

A - I don't think that will happen. I expect to win the nomination on the first ballot, and the ~~election~~ election in November.

BUSING

Q. ARN'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 THE COURTS HAVE GONE MUCH TOO FAR, IN MANY CASES, IN ORDERING FORCED BUSING FOR THE PURPOSE OF ACHIEVING RACIAL  BALANCE IN THE SCHOOLS. THAT KIND OF MASSIVE BUSING SIMPLY DOES NOT ACCOMPLISH IT'S 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 MASSIVE  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 LEGISLATION WHICH WOULD  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 ACCOUNCE THEM, AFTER I HAVE WEIGHED THEM CAREFULLY AND CONSIDERED THE VIEWS OF OTHERS, SUCH AS MEMBERS OF CONGRESS, CIVIL RIGHTS LEADERS,  CONSTITUTIONAL EXPERTS AND STATES AND LOCAL OFFICIALS.

-- FINALLY, I WANT TO EXPLAIN THAT I AM OPPOSED TO SEGREGATION AND I 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 DISTURB 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, WHICH DON'T YOU SUPPORT A CONSTITUTIONAL AMENDMENT FORBIDDING BUSING?

A. SUCH A CONSTITUTIONAL AMENDMENT WOULD HAVE TO CLEAR THE SENATE AND HOUSE BY A TWO-THIRDS VOTES, AND, FRANKLY, I DON'T BELIEVE THAT'S A POSSIBILITY. THE SOLUTIONS I  FAVOR, THROUGH LEGISLATION AND COURT REVIEW, CAN BE PUT INTO EFFECT.

*Stephanie*

~~CONFIDENTIAL~~

WAYNE HAYS

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

A. That really is a matter for the House of Representatives, <sup>and the Justice Department.</sup> I should NOT COMMENT while these investigations are going on. ~~I personally deplore such conduct.~~ 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.

~~CONFIDENTIAL~~

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

A. <sup>I understand he had one date with her.</sup> ~~I'm told that he had one date with her. I do not see how that would violate any code of ethics.~~ David is a bachelor. What he does in his own time, as long as it doesn't interfere with his official duties, is his own business.



## 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?~~

A. The First and foremost quality I will look for in a Vice Presidential running mate will be the ability to step in and take over as the President should that need arise, on the basis of intelligence and experience, my running mate must be fully qualified to become president.

Second, I'd be less than frank if I didn't say that I also will consider my running mates assets ~~assets~~ to help me win the November elections.

SUMMIT CONFERENCE

Q: Why are you calling <sup>the Puerto Rican</sup> ~~the~~ summit at this time? Isn't this just a political ploy to enhance your electoral chances?

A: The <sup>important</sup> issues ~~at~~ the world faces do not <sup>go away</sup> ~~go away~~ because the United States is holding elections this year. The leaders of the industrialized democracies face a broad range of challenges in many areas. The Rambouillet Summit, held last fall in France, contributed to economic recovery in many nations, to monetary reform and to maintenance of a more open trading order.

In the past, world leaders have met frequently to deal with crises. Today's complex problems require that leaders meet to avoid them. This requires a continu<sup>ing</sup> ~~ous~~ process of close consultation and cooperation. The United States cannot <sup>sit</sup> ~~be~~ out of this process for 12 months simply because we have elections this year. Rambouillet was an important step. I believe another summit of this type is necessary at this time. The other leaders with whom I have been in contact agree. The issues we will address are too important to the people of the U.S., and <sup>70</sup>our economy is too important to the rest of the world for me not to act. As President, I would not be living up to my responsibilities to the American people and the U.S. would not be living up to its world leadership role if we failed to hold this summit now.

Finally, are you seriously suggesting that the leaders of Britain, France, Germany, Italy, Japan and Canada would come all the way to Puerto Rico to take part in a charade solely for my own political purposes? That's silly, on the face of it.

~~From [unclear] guidance!~~  
~~style changes!~~

~~Jan 2, 1976~~

Troops

SYRIAN ~~troops~~ IN ~~the~~ LEBANON

~~Q: Can you confirm ~~the~~ the presence of Syrian troops in Lebanon?~~

~~A: Yes, we can confirm that there has been some troop movement.~~

~~(State will say, per their guidance yesterday, that there are between 5,000 and 6,000 troops total in Lebanon including new forces. They will not break out the figures comparing new to old troops or any movement of forces.)~~

Q: Do <sup>you think</sup> ~~is~~ <sup>is playing a</sup> ~~the~~ Syrian ~~constructive~~ <sup>role in Lebanon?</sup> What about ~~the~~ <sup>the thousands of Syrian troops</sup> ~~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 comment 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.

(more)

- What is*
- Q: ~~How would you characterize~~ the <sup>proper</sup> United States role ~~in~~ <sup>in</sup> this crisis? *Should we intervene with troops, as Ike did, to stop the suffering of the Lebanese people.*
- A: Our efforts have been <sup>limited to</sup> ~~political~~ and humanitarian <sup>moves</sup> 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.*
- A: Did we give any kind of tacit approval to Syria to intervene? Did we "clear" any of the ~~moves~~ <sup>Syrian</sup> 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.

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 <sup>I</sup> ~~we~~ have been closing the gap there, and I believe ~~we~~ <sup>I can</sup> win on Tuesday.

The ~~reasons~~ <sup>I</sup> ~~we~~ didn't <sup>make another</sup> campaign ~~trip~~ <sup>to</sup> ~~California~~ <sup>was the cost</sup> ~~was~~ <sup>are:</sup>

1. I am simply too busy during this period performing my Presidential responsibilities.

2. My campaign does not have enough money ~~to~~ available to pay for another campaign trip. Mrs Ford is going there, and some other spokesmen for me are going. And my campaign is running some advertisements explaining my policies and record.