

FOR IMMEDIATE RELEASE

APRIL 21, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

INTERVIEW WITH THE PRESIDENT

BY

WALTER CRONKITE

ERIC SEVAREID

AND

BOB SCHIEFFER

LIVE TELEVISION AND RADIO

THE BLUE ROOM

10:01 P.M. EDT

MR. CRONKITE: Good evening, Mr. President.

THE PRESIDENT: Good evening, Walter.

MR. CRONKITE: Thank you for this opportunity to talk to you this evening here in the Rose Room in the White House.

THE PRESIDENT: I am looking forward to it.

MR. CRONKITE: Mr. President, just this moment as we came on the air, I was surprised over this little machine here that the Associated Press and the United Press International are reporting from Honolulu that a large number of battle-equipped Marines, 800 or so, have left Hawaii by air, on chartered aircraft.

Can you tell us what their destination is and what is up?

THE PRESIDENT: That is part of a movement to strengthen, or to bring up to strength, the Marine detachment in that area of the Pacific. It is not an unusual military movement. On the other hand, we felt under the circumstances, that it was wise to bring that Marine group in that area of the world -- the South Pacific -- up to strength.

MR. CRONKITE: Can you tell us where they are going, sir?

THE PRESIDENT: I don't think I should be any more definitive than that.

MR. CRONKITE: They are not going directly to Saigon?

THE PRESIDENT: No, they are not.

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MR. CRONKITE: Now that President Thieu has resigned, which was the big news this morning, of course, are we involved in, or are we acting as an intermediary in any negotiations for a peaceful settlement out there?

THE PRESIDENT: We are exploring with a number of governments negotiating opportunities, but in this very rapid change, with President Thieu stepping down, there really hasn't been an opportunity for us to make contact with a new government. And the net result is we are planning to explore with them, and with other governments in that area or connected with that area, so that we don't miss any opportunity to try and get a cease-fire.

MR. SEVAREID: Mr. President, what is your own estimate of the situation now? Do you think that the Hanoi people want to negotiate the turnover of the city, a peaceful turnover, or just drive ahead?

THE PRESIDENT: Eric, I wish I knew. I don't think anybody can be absolutely certain, except the North Vietnamese themselves.

You get the impression that in the last few days they were anxious to move in very quickly for a quick take-over. On the other hand, within the last 12, 24 hours, there seems to be a slowdown. It is not certain from what we see, just what their tactic will be. We naturally hope that there is a period when the fighting will cease or the military activity will become less intense so that negotiations might be undertaken or even a cease-fire achieved.

But it is so fluid right now, I don't think anybody can be certain what the North Vietnamese are going to do.

MR. SEVAREID: Are they communicating with our Government through third parties or otherwise?

THE PRESIDENT: We have communications with other governments. I can't tell you whether the North Vietnamese are communicating with them or not. I don't know.

MR. SEVAREID: President Thieu, when he stepped down, said one of the reasons was American pressure. What was our role in his resignation?

THE PRESIDENT: Our Government made no direct request that President Thieu step down. There was no pressure by me or anyone in Washington in that regard.

There may have been some on the scene in Saigon who may have talked to President Thieu, but there was no pressure from here to force President Thieu to step down and he made, I am sure, the final decision all on his own.

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MR. SEVAREID: Surely our representatives there would not speak without your authority on this matter?

THE PRESIDENT: It is a question of how you phrase it. We never asked anybody to ask him to step down. There were discussions as to whether or not he should or shouldn't, but there was no direct request from me for him to relinquish his role as the head of state.

After all, he was an elected President. He was the head of that government, properly chosen, so his decision, as far as we know, was made totally on his own.

MR. SCHIEFFER: Mr. President, on the evacuation, you have expressed hope that something could be arranged so tens of thousands of loyal South Vietnamese could be brought out of the country.

Do you think it is possible to have something like that if the North Vietnamese oppose it or if the Viet Cong are not willing to go along with it? Are any kinds of negotiations underway right now to try to set up some sort of an arrangement like that?

THE PRESIDENT: I would agree with you that if the North Vietnamese make a military effort, it would be virtually impossible to do so unless we moved in substantial U.S. military personnel to protect the evacuation.

On the other hand, if the South Vietnamese should make it difficult in their disappointment that our support hadn't been as much as they thought it should be, their involvement would make it virtually impossible again, without a sizeable U.S. military commitment. That is one reason why we want a cease-fire. That is why we want the military operation stopped so that we can certainly get all the Americans out without any trouble, and hopefully, those South Vietnamese that we feel a special obligation to.

But at the moment, it does not appear that that is possible. We intend to keep working on it because we feel it is the humane and proper thing to do.

MR. SCHIEFFER: What if it is not possible? Then what do you do? Do you ask the Congress to let you send those troops in there, American troops to protect the withdrawal? Do you send them in without Congressional approval? What do you do next?

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THE PRESIDENT: As you know, I have asked the Congress to clarify my authority as President to send American troops in to bring about the evacuation of friendly South Vietnamese or South Vietnamese that we have an obligation to, or at least I think we do.

There is no problem in sending U.S. military personnel in to South Vietnam to evacuate Americans. That is permitted under the War Powers Act, providing we give adequate prenotification to the Congress.

That is what we did in the case of Phnom Penh in our personnel there. But if we are going to have a sizeable evacuation of South Vietnamese, I would think the Congress ought to clarify the law and give me specific authority.

Whether they will or not, I can't tell you at this point.

MR. SCHIEFFER: If you do send them in and if Congress gives you the authority, they will have to have air power. It will have to be a sizeable commitment. They will almost have to have an open-ended authority in order to protect themselves. That is what you are asking for, isn't it?

THE PRESIDENT: Unless the North Vietnamese and the South Vietnamese have a cease-fire, and then the evacuation of those South Vietnamese could be done very easily.

Now, if there is a military conflict still going on, or if either one side or the other shows displeasure about this, and if we decided to do it -- there are a number of "ifs" in that -- yes, there would have to be some fairly sizeable U.S. -- on a short term -- very precise, military involvement, not on a broad scale, of course.

MR. CRONKITE: Mr. President, when did you last talk to President Thieu?

THE PRESIDENT: I have not personally talked to President Thieu since I became President. I have had a number of exchanges of correspondence with him, but the last time I talked to him was when he was in the United States and I was minority leader. That was roughly two years ago, as I recollect.

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MR. CRONKITE: Gracious, we have this hot line with the potential great power adversary, the Soviet Union, and yet, with an ally who is in dire straits at this moment there is no communication between the Presidents. It seems strange.

THE PRESIDENT: Well, there is very good communication between myself, our Secretary of State, and our Ambassador there. So, there is no lack of communication, in and through proper channels. I don't think it is essential in this situation that there be a direct communication between myself and former President Thieu.

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MR. CRONKITE: Might it help to solve some of the misunderstandings if you talked directly to him?

THE PRESIDENT: I don't think so. We have had communications back and forth, both by message and as well as by correspondence. I think we understand one another. I think some of his comments were more directed at our Government as a whole than directed at me personally.

MR. SEVAREID: Mr. President, one of his comments was that the United States had led the South Vietnamese people to their deaths. Do you have any specific reply to that one?

THE PRESIDENT: There were some public and corresponding private commitments made in 1972-1973 where I think that the President of South Vietnam could have come to the conclusion, as he did, that the United States Government would do two things: One, replace military hardware, on a one-for-one basis, keep his military strength sufficiently high so that he could meet any of the challenges of the North, and in addition there was a commitment that we, as a Nation, would try to enforce the agreements that were signed in Paris in January of 1973.

Now, unfortunately, the Congress in August of 1973 removed the latter, took away from the President the power to move in a military way to enforce the agreements that were signed in Paris.

So, we were left then only with the other commitment and, unfortunately, the replacement of military hardware was not lived up to. I, therefore, can understand President Thieu's disappointment in the rather traumatic times that he went through in the last week. I can understand his observations.

MR. SEVAREID: What is the relative weight that you assign to, first, this question of how much aid we sent or didn't send, and his use of it, especially in this pullback? Where is the greater mistake, because historically this is terribly important.

THE PRESIDENT: It is my judgment -- and history will be probably more precise -- but it is my judgment at the moment that the failure of the Congress to appropriate the military aid requested -- the previous Administration asked for \$1 billion 400 million for this fiscal year. Congress authorized \$1 billion. Congress appropriated \$700 million, and the failure to make the commitment for this fiscal year of something close to what was asked for certainly raised doubts in the mind of President Thieu and his military that we would be supplying sufficient military hardware for them to adequately defend their various positions in South Vietnam.

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Now, the lack of support certainly had an impact on the decision that President Thieu made to withdraw precipitously. I don't think he would have withdrawn if the support had been there. It wasn't there, so he decided to withdraw.

Unfortunately, the withdrawal was hastily done, inadequately prepared and consequently was a chaotic withdrawal of the forces from Military Regions I, II and III.

How you place the blame, what percentages, our failure to supply the arms, what percentage related to a hastily and inadequately prepared withdrawal, the experts, after they study the records, probably can give you a better assessment, but the initial kick-off came for the withdrawal from the failure of our Government to adequately support the military request for help.

MR. SCHIEFFER: Mr. President, what I don't understand is, if they are saying we have got to leave because the United States is not going to give us some more equipment, why did they leave all the equipment up there that they had? Why did they abandon so much of that equipment?

THE PRESIDENT: As I was saying, the withdrawal was very poorly planned and hastily determined. I am not an Army man. I was in the Navy, but I have talked to a good many Army and Marine Corps experts, and they tell me that a withdrawal, military withdrawal, is the most difficult maneuver to execute, and this decision by President Thieu was hastily done without adequate preparation, and it in effect became a rout.

When you are in a panic state of mind, inevitably you are going to leave a lot of military hardware. It is tragic. There is no excuse for that kind of a military operation, but even though that happened, if they had been given military aid, that General Weyand recommended during the last month, I am convinced that with that additional military hardware on time, there could have been a stabilization of the situation, which in my judgment would have led more quickly to a cease-fire.

MR. CRONKITE: Mr. President, you have said you were not advised of this withdrawal of President Thieu's. Are you certain, however, that none of the American military or diplomatic advisers out in Saigon did not agree with him that a limited withdrawal might be effective in bringing pressure on Congress to vote these funds and that, therefore, there was an American participation in that decision?

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THE PRESIDENT: As far as I know, Walter, there was no prenotification to any, certainly high-ranking, U.S. military or civilian official of the withdrawal decision.

MR. SEVAREID: This whole affair is going to be argued over. There will be vast books on it for years and years and years. Wouldn't it be wisest to publish the correspondence between former President Nixon and President Thieu, which is disputed now, the 1973 correspondence after the Paris accords?

THE PRESIDENT: In the first place, I have personally read the correspondence. The personal correspondence between President Nixon and President Thieu corresponds with the public record. I have personally verified that. I don't think in this atmosphere it would be wise to establish the precedent of publishing the personal correspondence between heads of state.

Maybe historically, after a period of time, it might be possible, in this instance, but if we establish a precedent for the publication of correspondence between heads of state, I don't think that that correspondence or that kind of correspondence will be effective because heads of state -- I have learned firsthand -- have to be very frank in their exchanges with one another, and to establish a precedent that such correspondence would be public, I think will downgrade what heads of state try to do in order to solve problems.

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MR. SEVAREID: Of course, there is no way to keep President Thieu from publishing it?

THE PRESIDENT: No.

MR. SEVAREID: Things like this have been judiciously leaked when it served the purpose of the President or the Secretary of State. You have no such plans for that?

THE PRESIDENT: No, I have no such plans, and to be very frank about it, it seems to me that the American people today are yearning for a new start. As I said in my State of the World address to the Congress, let's start afresh.

Now, unless I am pressed, I don't say the Congress did this or did that. I have to be frank if I am asked the categorical question.

I think we ought to turn back the past and take a long look at how we can solve these problems affirmatively in the future. Vietnam has been a trauma for this country for 15 years or more. A lot of blame can be shared by a good many people -- Democrats as well as Republicans, Congress as well as Presidents.

We have some big jobs to do in other parts of the world. We have treaty commitments to keep. We have relations with adversaries or potential adversaries that we should be concerned about. It is my judgment, under these circumstances, we should look ahead and not concentrate on the problems of the past where a good bit of blame can be shared by many.

MR. CRONKITE: Mr. President, Vice President Rockefeller suggested he thinks this would be an issue in the 1976 campaign. Will you make it an issue in 1976 or will you try to keep it out of the campaign?

THE PRESIDENT: I will not make it an issue in 1976.

MR. SCHIEFFER: Will Mr. Rockefeller? I didn't quite understand what he was driving at in that recent interview when he said, you know, if 2,000 or 3,000 Americans die in this evacuation, that raises some issues.

THE PRESIDENT: Well, of course, the record -- whatever a man in public office says -- can be, in and of itself, a campaign issue. But I can speak only for myself, and I do not intend to go out and point the finger or make a speech concerning those who have differed with me who I might privately think contributed to the problem.

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By 1976, I would hope we could look forward with some progress in the field of foreign policy. I think we have got some potential successes that will be very much possible as we look ahead.

So, rather than to replay the past with all the division and divisive feelings between good people in this country, I just hope we can admit we made some mistakes--not try to assess the blame--but decide how we can solve the problems that are on our doorstep.

And we have a few, but they are solvable if we stick together, if we have a high degree of American unity.

MR. CRONKITE: There is not much trouble -- leaving the Vietnam issue that the Nation has had, and leaving Vietnam here tonight, but I would like to ask just one more.

Have you talked to former President Nixon about any aspects of this Vietnam thing in the last few weeks?

THE PRESIDENT: After my State of the World speech April 10th, he called me, congratulated me on it. We discussed what I had said. It was a rather short, but a very friendly chat on the telephone.

MR. CRONKITE: Any talk about secret agreements?

THE PRESIDENT: AS I recall the conversation, he reiterated what I have said, that the public record corresponds with the private correspondence in reference to the commitments, moral or legal, or otherwise.

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MR. CRONKITE: Speaking of your state of the World address, there was speculation around just before that address that you were going to use it to put your own stamp on foreign policy. I think the phrase was to get out from under the shadow of Secretary Henry Kissinger.

Do you feel you did that with that speech, or was that ever your intention?

THE PRESIDENT: It wasn't done to show any particular purpose, other than the problems we had. Vietnam, of course, was number one of the agenda. We did want to indicate that -- and I must say we--it means the Administration -- that we were strengthening NATO. We had to solve the problem of the dispute between Greece and Turkey over Cyprus.

It was sort of a world look, and I don't think it was necessary for me to put my own imprint. I think it is more important to deal with reality rather than to try and go off on my own.

The problems have to be solved, and I don't care who has the label for it.

MR. SEVAREID: Mr. President, we all get the impression, and have since you have been in office, that you get your foreign policy advice exclusively from Henry Kissinger. If that isn't so, who else do you listen to?

THE PRESIDENT: That is a good question, and I would like to answer it quite frankly. The National Security Council meets on the major decisions that I have to make -- SALT, MBFR, et cetera.

I get the recommendations from the National Security Council. It includes Secretary Kissinger, Secretary Schlesinger, the head of the CIA, the Chairman of the Joint Chiefs of Staff. The major decisions come to me in option papers from the National Security Council.

I meet daily with Secretary Kissinger for about an hour because I think it is important for me to be brought up day by day on what the circumstances are in the various areas where we have potential decision-making on the agenda. But, the actual information that is involved in a major decision comes through the National Security Council.

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MR. SEVAREID: Suppose there is a position paper or policy recommendation from somebody in the National Security Council to which the Secretary is opposed? Could it get to you? Could it get past him to you?

THE PRESIDENT: Oh, yes. Sure, no question about that. As a matter of fact, in our discussions in the National Security Council, particularly when we were preparing for SALT II negotiations, there were some options proposed by one individual or others.

There wasn't unanimity at the outset, but by having, as I recall, three or four NSC meetings, we resolved those differences. At the outset there were differences, but when we got through, there was unanimity on what we decided.

MR. SEVAREID: One more short question on this. It was the complaint of many people that worked with President Johnson on the Vietnam war that he never had time to read any of the books about Indochina, the French experience, the Vietnam movement and so on. Have you ever had time to read the books about that part of the world?

THE PRESIDENT: I, over the years, have read four or five books, but I have had the experience of sitting on a committee on appropriations that had involvement going back as early as 1953, with economic-military aid to South Vietnam, and those hearings on appropriations for economic and military aid would go into the problems of South Vietnam, Laos, Cambodia, South Vietnam, in great depth.

So, this outside reading, plus the testimony, plus the opportunity to visit South Vietnam I think has given me a fairly good background on the history, as well as the current circumstances.

MR. SEVAREID: Do you get time to read any books now?

THE PRESIDENT: I read, Eric, about one a month.

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MR. SCHIEFFER: Mr. President, I had planned to ask you this later, but perhaps it follows Eric's question, sort of related to this subject, and that is covering you.

You are a very active President. You travel a lot. You take part in a lot of public activities. You have said that you want to take the Presidency to the people. But do you really have time to give serious thought to questions? When do you reserve time to just think about things?

I suppose the question is, do you feel sometimes that you devote too much time to secondary things?

THE PRESIDENT: Not at all. I am a very well organized person. When I am in the office, I have a very set routine that gives me the opportunity to read position papers, recommendations, outside material.

And if you spend, as I do, on the average of 14 to 15 hours a day on the job in one way or another, I think I do have an opportunity to get not only the input from Government people, but an input from people on the outside.

Now, it is true I will travel some, but I happen to think it is wholesome and healthy for a President to get out of Washington, to go to New Hampshire, to go to Boston, to go to New Orleans, to go to other places.

You get a little different perspective of not only the problems, but the attitude of people and it is helpful to get that input from other sources.

MR. CRONKITE: John Hersey, in that excellent New York Times magazine piece yesterday, said that you are quite impatient with palace feuds --

THE PRESIDENT: That is an understatement.

MR. CRONKITE: -- yet, reports have gone around quite continually here in Washington that there are members of your most intimate White House staff who would like to see Dr. Kissinger go. Are you aware of that?

THE PRESIDENT: If they believe it, they have never said it to me. I happen to think Henry Kissinger is an outstanding Secretary of State. I have thought it since I have known him, and he has been in the job.

Fortunately, my personal acquaintanceship with Secretary Kissinger goes back ten or 15 years, so I have known him over a period of time, and it is my strong feeling that he has made a tremendous contribution to world peace.

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He has been the most effective Secretary of State, certainly in my period of service in the Congress, or in the Vice Presidency, or the White House. I have never heard anybody on my staff ever make a recommendation to me that Secretary Kissinger should leave.

MR. CRONKITE: What about suggestions --

THE PRESIDENT: I would strongly disagree with them and let them know it quite forthrightly.

MR. CRONKITE: What about suggestions that perhaps someone else should be the National Security adviser, that he should give up one of those hats? How do you feel about that?

THE PRESIDENT: If you were to draw a chart, I think you might make a good argument that that job ought to be divided.

On the other hand, sometimes in Government you get unique individuals who can very successfully handle a combination of jobs like Secretary Kissinger is doing today as head of the National Security Council and Secretary of State.

If you get that kind of a person, you ought to take advantage of that capability. And therefore, under the current circumstances, I would not recommend, nor would I want a division of those two responsibilities.

MR. CRONKITE: Is there any talk of his resigning?

THE PRESIDENT: I have talked to Secretary of State Kissinger. I have asked him to stay and he is committed to stay through the end of this Administration, January 20, 1977.

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MR. CRONKITE: Mr. President, you said last fall -- changing the subject -- regarding the CIA, that you were ordering a study on how better to keep Congress informed of CIA activities. Can you tell us how that study is coming and can we expect any report on that in the near future?

THE PRESIDENT: I appointed the Rockefeller Commission, an excellent group, and they are now in the process of taking testimony from people within the Government and people outside of the Government. It is a very thorough investigation. They have an outstanding staff.

I would expect within the next 60 to 90 days I would have from that Commission its recommendations for any structural changes or any other changes that might be made, but I haven't gotten that report yet.

MR. CRONKITE: That is the only study. There is not a study on just Congressional liaison with the CIA?

THE PRESIDENT: No. That, to some extent, is a separate issue. The Congress, in recent years, has broadened the number of people who are filled in by the CIA.

When I was on the Committee on Appropriations, I don't think there were more than ten or 12 people in the Congress, House and Senate who were kept abreast of the budget of the CIA, the activities of the CIA, but today, I would guess that it is close to 50 to 75.

Now, when the number of people being told reaches that magnitude, inevitably there can and will be leaks about some of the jobs or activities being undertaken by the CIA.

Of course, the CIA under those circumstances can't possibly operate effectively, either covertly or overtly, so I think we have got to find a better way of adequately keeping the Congress informed, but not enlarging the number who have to be informed.

MR. SEVAREID: Mr. President, wouldn't the whole thing be safer and clearer and cleaner if it was simply the law that the CIA gather intelligence only and engage in no covert political operations abroad?

THE PRESIDENT: If we lived in a different world --

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MR. SEVAREID: It might help to make the world different.

THE PRESIDENT: Well, I can't imagine the United States saying we would not undertake any covert activities, and knowing at the same time that friends, as well as foes, are undertaking covert activity, not only in the United States, but elsewhere.

That would be like tying a President's hand behind his back in the planning and execution of foreign policy. I believe that we have to have an outstanding intelligence gathering group, such as the CIA, or in the other intelligence collection organizations in our Government. But, I also think we have to have some operational activity.

Now, we cannot compete in this very real world if you are just going to tie the United States with one hand behind its back and everybody else has got two good hands to carry out their operations.

MR. CRONKITE: Do you people mean by covert activities -- I want to get clear on this -- does this mean the use of the dirty tricks department to support friendly governments and try to bring down unfriendly ones?

THE PRESIDENT: It covers a wide range of activities, Walter. I wouldn't want to get in and try to pinpoint or define them, but it covers a wide range of activities. I just happen to believe, as President -- but I believed it when I was in the Congress--that our Government must carry out certain covert activities.

MR. SCHIEFFER: Mr. President, what do we get for that, for these covert activities? We hear about this business of destabilizing the Government in Chile. We didn't seem to help ourselves very much in that, the Phoenix program in Vietnam, the secret war in Laos. Is it that we just never hear of the successful ones?

THE PRESIDENT: A good intelligence covert activity, you don't go around talking about.

MR. SCHIEFFER: Have there ever been any good ones?

THE PRESIDENT: There have been some most successful ones, and I don't think it is wise for us today to talk about the good ones or even the bad ones in the past.

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It is a very risky business, but it is a very important part of our national security, and I don't think we should discuss--certainly I shouldn't discuss-- specifics.

I shouldn't indicate we have done this or done that. But I can assure you that, if we are to compete with foes on the one hand, or even be equal in the execution of foreign policy with our friends, we have to have covert activities carried out.

MR. CRONKITE: How in a democracy can the people have an input into what governments overseas they are going to knock off or what ones they are going to support? It seems to be antithetical to the whole principle of democracy.

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THE PRESIDENT: Every four years, Walter, the American people elect a President and they elect a Congress every two years, or most of the Congress every two years.

The American people, I think, have to make a judgment that the people they elect are going to carry out, of course, domestic policy, but equally important, foreign policy.

And the implementation of foreign policy inevitably means that you are going to have intelligence gathering as well as operational activities by your intelligence organization.

MR. CRONKITE: Can we move on to the Middle East now? Are you reconciled to a Geneva meeting now or would you still like to see some more direct diplomacy in the step-by-step Kissinger pattern?

THE PRESIDENT: I think, following the very serious disappointment of the last negotiations between Israel and Egypt, we are committed, at least in principle, to going to Geneva.

Now, in the meantime, we are going through this process of reassessment of our whole Middle Eastern policy which, prior to the suspension of the negotiations between Egypt and Israel, had been a very successful one.

Now, there really are three options. You could resume the suspended negotiations without making a commitment to go to Geneva. You could go to Geneva and try to get an overall settlement -- which is a very complicated matter. Many people advocate it, however.

But while you were going through this negotiation for an overall settlement, as a third option you might have an interim negotiated settlement between two of the parties, such as Israel and Egypt.

Now, those are basically the three options. We have not made any decision yet. We have had our Ambassadors from the Middle East come back and report to me. We have undertaken a study under the leadership of Joe Sisco to bring together the best thinking and all of the options.

We have brought in, or Secretary Kissinger has brought in, some outside experts in the Middle East. Last week, I had a meeting with a former State Department official, Gene Rostow, who is an expert in this area. But right at the moment, we have made no firm decision as to what our next particular step will be in the Middle East.

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MR. SEVAREID: Mr. President, can you foresee any possible circumstances in which you would feel it right to send American armed forces into the Middle East on land, or in the air? In other words, military intervention?

THE PRESIDENT: I can't foresee any, Eric, but -- and I see no reason to do so. So, I think the answer is pretty categorically no.

MR. SEVAREID: What about a wholly different level, if there were agreement for a Russian and American peace patrol and the alternative to that was another Mideast war, would you go that far?

THE PRESIDENT: You put it on about the most extreme alternatives. We want peace in the Middle East and I think the Soviet Union does, too.

I would hope that there wouldn't be a need for either the United States or the Soviet Union having any peace-keeping responsibilities with their own forces in the Middle East.

MR. SCHIEFFER: Mr. President, does the reassessment now going on of the Middle East policy also include a reassessment of the U.S. position toward the Palestinians?

THE PRESIDENT: If you take the path of an overall settlement and going to Geneva, I think you have to have an analysis of what is going to happen there because the Palestinians are going to demand recognition.

But I don't mean to infer that we have made any decision. But the Palestinians have to be examined as a part of the overall Middle East situation.

I am not making any commitment one way or another but it has to be part of the problem that we are analyzing.

MR. SCHIEFFER: Let me ask you this just as a follow-up. Could the Palestinians be included if they refuse to deal with the Israelis?

THE PRESIDENT: I don't see how because the Israelis, in the first place, don't recognize the Palestinians as a proper party and the PLO doesn't recognize the existence of Israel. So, I think that is an impasse right there and it will be one of the most difficult things that will have to be worked out if it is worked out at Geneva.

MR. SCHIEFFER: Do you have any feel for when there will be a date for the Geneva conference reconvening?

THE PRESIDENT: I have seen a lot of speculation early this summer, but no set time has been determined.

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MR. CRONKITE: Mr. President, the Israeli Foreign Minister Allon is in Washington now, and there are reports out of Jerusalem today that he is going to suggest a summit meeting between you and President Rabin. Do you expect to have such a meeting?

THE PRESIDENT: I wouldn't expect that I would make any commitment on that until we are further along in our reassessment. It may be desirable at some point. It may be desirable to meet other parties, or other heads of state, in the Middle East, but I don't want to make any commitment tonight as to anyone or as to more than one.

MR. CRONKITE: Doesn't that sort of imply that we are still being a little bit hardnosed in our disappointment over the Kissinger mission?

THE PRESIDENT: No, I think it is wise for us to take a look ourselves at the new options or different options. I certainly wouldn't rule out a meeting with Mr. Rabin, but I don't want to make any commitment to one until we have moved a bit further down in the process of a reassessment.

I reiterate that if we meet with one, we certainly ought to give others an opportunity, other heads of state, to have the same input.

MR. CRONKITE: So, there won't be any favored nation treatment of Israel in the future?

THE PRESIDENT: I think we have to, in this very difficult situation, where the possibility of war is certainly a serious one, if you have a war, you are inevitably going to have an oil embargo -- I think we have to be very cautious in our process of reassessment.

MR. CRONKITE: Mr. President, speaking of an oil embargo and the general state of the economy, which it directly affects, the cities are broke, the States are broke, the Federal Government is broke. In order to try to meet recessionary pressures, we feed inflation; to meet inflation, we feed recessionary pressures.

Is there any end to this thing? What is down the road economically?

MORE

THE PRESIDENT: I happen to be a good bit more optimistic than the picture you paint, Walter. But I think there are a number of facts which give me good reason to be fairly optimistic.

We have gone through the most precipitous inventory liquidation in the last several months in the history of record keeping in the United States. We are almost at the bottom of that, and there are other factors that are appearing that are encouraging.

We have gotten some good news in the area of a lesser rate of inflation. Retail sales have held up pretty good; new orders are doing reasonably well.

I am an optimist about moving the economy forward.

If we do, in the latter half of this calendar year, then some of the financial problems of the Federal Government, State and local units of Government, will be in much better shape. Their revenues will be increased, including ours. So, this acute situation today, that you describe very dramatically, I don't think will be nearly as bad in the months ahead.

MR. SEVAREID: Mr. President, the Federal Reserve Board in this system of ours is virtually a fourth branch of Government. It is not checked or balanced by any other branch of Government. It can turn the money tap on or off. It has the power to virtually negate any economic recovery program that you or the Congress, or the two of you, put forward -- and a lot of people think that is what it has been doing -- would you support any of these proposals for legislation to change the law to make them more amenable to the whole political process?

THE PRESIDENT: My judgment is that the Federal Reserve Board needs a high degree of autonomy. The minute we turn the central banking set-up into a political weapon, then I think our credibility for responsible monetary policy goes down the drain.

MR. SEVAREID: But it is a political weapon now.

THE PRESIDENT: But it is autonomous. I can't call up Arthur Burns and tell him to do this or do that, and the Congress can't unless they change the law.

Now, on the other hand, Arthur Burns does sit in on some of our economic policy meetings. He is very helpful in his observations, and I think the record will show the last two months that they -- they, the Federal Reserve Board under his leadership -- have increased the supply of money very substantially.

MORE

MR. SEVAREID: Yes, but the quarterly average is still pretty low yet.

THE PRESIDENT: The most recent figures -- I think they have been published -- are very encouraging as to the money supply and there has been a very substantial decrease in interest rates over the last three or four months because of responsible action taken by the Federal Reserve Board.

My feeling is that if we politicize the Federal Reserve Board, make it a tool of the Administration, or the tool of the Congress, we will lose a great deal of integrity, which I think is vital in the management of our money supply.

MR. SEVAREID: But if stupidity should happen to go along with that integrity, you can't do anything about it. Ought not the terms of the members be shorter, or the Chairman's term be coterminous with the President's term, something of that kind?

THE PRESIDENT: Something of that kind certainly ought to be explored but to make the Chairman or the members all a part of an Administration I think would lead to partisan problems that would be much, much worse than any of the problems we have today, if we have any.

And I must say, in all honesty, Mr. Burns, or Dr. Burns, has been very understanding. When the record of this last year is written, it seems to me that there has been a close coordination between fiscal and monetary policy which will substantially contribute to the recovery we are talking about the latter part of this year.

MR. CRONKITE: Mr. President, speaking of the Presidential term, I assume nothing has happened in the last few days to change your mind about running in 1976. Will you enter the primaries?

THE PRESIDENT: Walter, I have indicated that I intend to be a candidate. I have not made any categorical legal determination that I will be a candidate. I did say, when I was up in New Hampshire last Friday, that I expected to be up in New Hampshire in March of 1976. I like the country, I like the people and I might have a good reason to be up there.

MR. CRONKITE: Do you think the incumbent President ought to stand in the primaries then as a general principle?

THE PRESIDENT: I like political competition and I think it is wholesome for the electorate to have candidates for whatever office stand up and defend, debate what their views are.

MORE

MR. CRONKITE: Will you debate your opposition in 1976?

THE PRESIDENT: I haven't made that decision because I haven't decided categorically I am going to be a candidate, but we will take that under consideration.

MR. SEVAREID: Assuming you are a candidate, Mr. President, if Mr. Nixon, the last President, offered his campaign help to you, would you accept it?

THE PRESIDENT: I like to run on my own and I think when I make the decision to be a candidate, I will stand on my own record. I won't solicit others to come in and help me.

MR. SCHIEFFER: Mr. President. it seems to me you are giving us a little softer answer than I had the impression you had been giving us. I have been listening to you give these speeches around the country recently.

THE PRESIDENT: Bob, you haven't heard me say categorically I was going to be a candidate and for a good reason. Let me tell you the reason that basically keeps me from making an all-out decision.

As President I inherited a number of difficult problems, the economy -- which included inflation and unemployment -- the problems of Vietnam, and the Middle East. I am not blaming anybody but, all of a sudden, they were thrust on my shoulders. I had to make some hard decisions, some unpopular ones, and if I had been an active candidate in the process of making some of those decisions, individuals or newspapers, or others, could say, well, he did it for political reasons.

I will make those decisions as best I can without having the handicap of being a candidate for re-election. At some point I will make that decision.

But, in the meantime, it is better for me not to be open to the charge that I am making a decision for one political reason or another.

MR. SCHIEFFER: But you are saying to us that you may not be a candidate?

THE PRESIDENT: I didn't mean to leave that impression.

MR. SCHIEFFER: Let me ask you another question.

THE PRESIDENT: I certainly didn't mean to give you that point of view.

MORE

MR. SCHIEFFER: All right, let me ask you another question, Mr. President, along that line. If you are a candidate, are you locked into Nelson Rockefeller as your Vice President? There are some people, as you know very well, in the right wing of your party, that just can't seem to tolerate Mr. Rockefeller.

Would you give any thought to another running mate if indeed you are a candidate?

THE PRESIDENT: I picked Nelson Rockefeller for Vice President because I thought he would do a fine job. He has done a fine job. A person who performs well, I think ought to continue on in a position of responsibility.

I see no reason whatsoever, at this point anyhow, and I can't foresee any, where there should be any change.

MR. CRONKITE: If it were a matter of keeping the conservatives behind your ticket in 1976, you would not dump Nelson Rockefeller?

THE PRESIDENT: In the first place, Walter, I think the public has a wrong perception of Nelson Rockefeller. He is not the wild liberal that some people allege.

MR. CRONKITE: It is not the public, it is the conservatives in your own party.

THE PRESIDENT: I happen to think he is a very responsible public official, responsible about fiscal affairs, he is responsible about strong national defense, he is an excellent administrator. I really think some of the charges made against him are unfair and unfounded.

MR. CRONKITE: And you will persuade the conservatives of that?

THE PRESIDENT: I think we can persuade the ones that will look at the facts. I think a lot of them will because they know of his fine record.

MR. CRONKITE: Do you see a role for John Connally in 1976 in the Republican Party?

THE PRESIDENT: I think so. I think John Connally -- he was acquitted, all charges have been dismissed. He has a clean slate, and he has the record in the courts to prove it.

So, I think there could be a role for John Connally in the Republican Party in 1976.

MORE

MR. CRONKITE: What about bringing him back into your government? Is that a possibility?

THE PRESIDENT: We hadn't gotten to that point, but if we find a spot where he would fit and he was willing, I think he would make a fine addition to any administration.

I thought he was an excellent Secretary of the Treasury.

MR. CRONKITE: Mr. President --I think we have got time for a final question, gentlemen -- and I am all wound up with one.

Two hundred years ago, this new Nation gave promise to the world of new concepts of freedom, of independence, of the dignity of the individual. Today, we find ourselves as a great power, as a gendarme to the world and as an arms supplier to the world.

Last week, to the Daughters of the American Revolution you said, like it or not, we are a great power and our real choice is whether we succeed or fail in a role we cannot shirk. What is that role?

THE PRESIDENT: The role is one of leadership to the free world and leadership really in trying to make a better world not only for those in the United States, those aligned with us, but hopefully, those in countries where we don't have alliances or friendly relations.

I think the United States has the potential, has the responsibility on the broadest basis I know to make this a better place in which to live.

And I think, as long as I am President, I am going to make a maximum effort in that way, diplomatically, economically, in every way that I can conceive.

I think that is my job as President and I think it is the responsibility of the American people. There is no reason why we shouldn't. We have the potential. We have the people. We have everything to do it with and I just hope we will move ahead.

MR. CRONKITE: Thank you very much, Mr. President, and good night.

MR. SEVAREID: Thank you, Mr. President.

MR. SCHIEFFER: Thank you, Mr. President.

END

(AT 10:59 P.M. EDT)