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THE WHITE HOUSE
WASHINGTON

*Revised
later*

THE PRESIDENT'S BRIEFING BOOK

TIME INC. EDITORS

THE WHITE HOUSE

JANUARY 12, 1976



THE WHITE HOUSE

WASHINGTON

January 10, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEETING WITH TIME EDITORS

Monday, January 12, 1976

11:30 a.m. (30 to 60 minutes)

The Blue Room or The Cabinet Room

From Jim Shuman

I. PURPOSE

Boldly stated, the purpose of this interview is to make any ally of TIME Magazine, by convincing the editors attending that you are 1) competent to run the United States, 2) that you have the experience to run the country, 3) that you have the historical vision to see where the United States is at this point in history, 4) that you have the vision to set positive directions for future development, 5) that you are the man America needs at this point in its history.

For the TIME editors, it will be a chance to evaluate you, to judge you both as a President and as a man with the personal qualities required to be President.

II. BACKGROUND

This meeting was requested by the editors of TIME. Every four years they gather all the senior editorial people of TIME, Inc. who will be dealing with the presidential campaigns and election. They meet either in New York or Washington and spend two days planning the year's coverage. Part of the event is listening to the leading candidates, and to party chairmen, leading senators, pollsters and others who can help the editors set the direction and mood of the year's coverage.



GROUND RULES

This interview is off-the-record. It will not appear in TIME or any other TIME, Inc. publication.

Because the interview comes so closely before your State of the Union Address, your hands are somewhat tied in discussing specifics of your State of the Union but you can discuss your philosophy of government and your vision of the future.

AREA OF QUESTIONING

The editors have said they will restrict major areas of questioning to:

- Campaign Strategy and Objectives
- Political Organization
- The Issues
- Your Qualifications

OPENING REMARKS

To cast the interview in a positive manner, it is suggested that you open with a short statement in which you would review what you have tried to accomplish as President. It would follow the pattern suggested for your year-end interviews (a copy of that suggested approach is attached) and would indicate that your administration has not been one of random attack on problems but of planned strategy, aiming first at healing the nation and, now that that is well underway, at setting a new direction for the nation.

PARTICIPANTS

A list of the participants follows.



OPENING STATEMENT
(REVIEW)



I think all Americans realize that we are living in difficult times. The problems we face are not only enormous in size but very complex in character. The values we have held dear for many years and most of our leading institutions -- the government, our churches, private enterprise -- have all been called into question. Understandably, many people are troubled and uncertain about the future.

Looking back, I think it is clear that many of the problems of the past crowded over into 1975, making it another very tough year for the country -- another year of great testing.

But 1975 was also a year of encouragement because we met most of the tests extremely well. Personally, I've been very much encouraged as we enter our third century as a nation. I'm certainly not satisfied with conditions as they are today, and I know that many tough days lie ahead; but all of us have growing reason to be hopeful and confident about the future.

Let's look first at where we were when 1975 began.

On the economy:

-- We were still experiencing the worst inflation in our peacetime history;

-- And we were also sliding headlong into the worst recession in a generation.

On the international front:

-- Both our friends and adversaries were asking: Has America lost its nerve? Now that an era is ending in Indochina, will the United States remain a strong partner in the search for peace and economic security?

And here in this office:


-- The crisis in leadership that had already affected so many of our other institutions finally embraced the Presidency itself. A great deal of public faith and trust in the highest office in the land had been eroded.

It's very instructive to look now at where we stand today, at the end of the year.

On the economic front:

-- The rate of inflation has been cut almost in half since the beginning of the year; and,

-- The economy is pulling out of the recession at a steady, healthy pace.



On the international front:

-- Through our insistence upon a strong defense budget, through our efforts at peacemaking in the Middle East, through our diplomatic and economic summit conferences with most of the world's major powers, and through our very forthcoming proposals regarding the developing nations, the United States during 1975 has made it very clear that we will continue to be the single strongest force for peace in the world.

And here in this office:

-- I think that during the year we have seen a good deal of trust and credibility restored to the Presidency.

So in these three areas -- the economic, the international, and in shoring up public confidence -- I think we have had encouraging progress. In many fundamental ways, 1975 has been a year of healing.

I recognize, of course, that millions of Americans have not felt the impact of this progress in their personal lives. They still see prices rising in the supermarket and the fear of unemployment continues to be widespread. In fact, the mood of the country remains darker than actual conditions suggest.



But the important point is that we have come through this period of testing in much better shape than many people anticipated. For all of its flaws, our economy is still the strongest and most dynamic in the world. Our farmers are the most productive in the world, our educational system is the finest in the world, the level of health care available here is unsurpassed, our standard of living is still the envy of people everywhere. And most importantly, we retain our basic commitment to freedom and to the democratic process, a beacon that can light the way into a much happier future.

So we have come through this period of testing -- a period of transition -- with many of our basic strengths intact. Now we must look to the future. As we do and as we continue to make progress against the many difficult problems that still confront us, I am confident that the spirits of the country will lift and we will achieve even greater progress in our third century as a nation than over our first two centuries.



POLITICAL (NEW Q & A's)



CAMPAIGN ORGANIZATION

Q. Why hasn't your campaign organization demonstrated more vigor, signing up supporters earlier, stopping the challenge by Ronald Reagan, and so forth?

A. (This answer could apply to most campaign questions.)

I will concede that my campaign organization, like any new campaign organization, had some early problems. And these problems seem magnified if one is an incumbent President.

But this past few months was a new period in which the old rules of campaigning could no longer be applied. There was, for example, the major problem of trying to define the new campaign law on spending. My organization was the first to confront that problem for an incumbent President and we had to re-evaluate the whole method of operating a campaign. There also were, for the first time in American history, 31 states holding primary elections, and we had to determine how best to respond to that opportunity.

We made some mistakes, but we have learned by them and we know what we are doing. We have the support now of 11 out of 13 Republican Governors. We have the support of scores of Congressmen, Senators, State legislators, Mayors and others and we have the support of a majority of county chairmen - people with the best feel for what is happening at the precinct level.

As I look at the date, I am amused by the mentality of our critics who say that we are doing poorly when the data shows that we are doing very well.

I think that the critics who carp at my organization should also realize that there is nothing that we have or would have wanted to do to stop any other candidate from putting himself before the public. The Democratic process requires a choice. I now have an opponent who has wanted to be President for a long time, who is a brilliant speaker and a brilliant actor and who has gotten a lot of favorable



publicity because many people did not know what he really stood for. He has been able to generate support among small minorities while I have had to spend most of my time on national issues, solving problems that effect all Americans, during one of the most difficult periods of our history. I also have been devoting my own personal time, not to my own candidacy, but to trying to rebuild the two-party system.

Now that the campaign has begun, I am sure the American people will see that my record has best reflected the common good and that I will win the nomination and the election.

JBS/1-9-76



CAMPAIGN STRATEGY: MOVE TO RIGHT?

- Q. You have described yourself as a centrist, but your strategy seems to have been to move to the right to head off ex-Governor Reagan. This did not work. Why?
- A. I deny the premise that I've moved anywhere. As we've tackled each of the tough issues that confronted us during my Administration, we have always considered what is best for all of the American people, not just those on the right or on the left. I have a twenty-seven year record in national affairs and my positions, I am confident, are among the most consistent in American public life. Furthermore, I believe that my positions are consistent with the views and the mood of most Americans today.

JBS/1-9-76



PRESIDENTIAL RECORD

Q. Why do you believe that your record as President will convince voters to nominate and elect you when your popularity has dropped so drastically in the months you have been President?

A. (This answer could serve as a general answer for all questions about polls.)

I do not believe at this point that polls are a reliable indicator of very much. They are, at this stage of the campaign, subject to big swings with large numbers of undecided voters. But let's review my record as President.

I took office during one of the most disturbing and paralyzing crises in American history. Many of the hard decisions which should have been made two years before had been deferred. These decisions required basic trade-offs, not only among special interest groups, but among the attitudes and values many Americans have long held. I realize that when you deal with hard decisions your public ratings are subject to great fluctuations.

But I made those decisions, on such issues as the role of government in our lives as it is reflected in the Federal Budget, on Energy, on New York City and on the Common Situs Picketing bill. I realized at the time that special interest groups would generate campaigns to build support for their position and I realized that those campaigns would hurt me.

I think that, in the long run, the American people will perceive that what I have done is best for all of us, not just special interest groups. And I'm confident that my record will be seen as a good one, and that I will be nominated and elected.



HOW SELECT VICE PRESIDENT

Q. How will you select your Vice President?

A. (This could be a general answer to all questions about Vice President.)

I have already begun looking for someone who would be qualified, not just to be Vice President, but to be President. I have not excluded any conceivable candidate. But I think that it would be premature, at this time, to say that I have chosen any candidate. I am looking for the best man possible, and I will leave the final selection up to the Republican Convention in August.

JBS/1-9-76



CAN YOU INSPIRE?

- Q. A recent Harris Poll says that most Americans feel a quality needed by the President in 1976 is the ability to inspire the country to greatness. Do you feel that you have this quality? How would you provide that inspiration?
- A. I believe the United States is a great country, that we have achieved more than any other nation in the world, and that we can achieve even more in the future. I intend, in my State of the Union Address, to point new directions for the nation and to outline ways in which we can reach our goals.

JBS/1-9-76



WHY NO ENTHUSIASM

Q. To what do you attribute the lack of public enthusiasm about all of the candidates?

A. The major reason is probably that there is no single major issue. There is no war, for example, so we lack the enthusiasm on both sides that marked earlier primaries. But I also think that the American people today are more balanced in their evaluations of the candidates. They realize that the issues confronting us today are not simple and that their complexity means that they cannot be solved by emotionalism. I think interest in the candidates and enthusiasm for them will pick up as the campaign progresses.



ENTERING NEW ERA

- Q. Do you agree with the view, expressed by Scotty Reston among others, that we are entering a new period of American politics that requires a new type of leader - younger and more attuned to changing conditions?
- A. I agree that we are entering a new era in American life. The years ahead will be far different from anything that we have experienced in the past three or four decades.

I will deal in the State of the Union Address, with what we must now do, for I believe America's third century should be devoted to expanding individual freedom in the United States, and I believe that we are ready to do that.

But I do not believe that we need a young gunslinger to do that. As in any treacherous time of transition, we need someone who has experience, judgment, balance, and wisdom, someone who can evaluate the new ideas and inject the sound ones into the political mainstream, without casting aside the ideas under which we have been operating which are still valid and workable.

I think that it's interesting that only twice in this century, with Theodore Roosevelt and John Kennedy, have we had Presidents under 50. The responsibilities of this office are so great that one needs the qualities of maturity to deal effectively with problems both domestic and international.



WAFFLING

- Q. Why have you seemed to waffle on issues, such as New York City? At first you seem to take a rigid rhetorical stand, then you finally seem to cave-in to the wishes of your opponents.
- A. I can't think of a single instance where I've "caved-in."

Let me explain something about leadership. It takes many forms. At this point in American history I do not believe that our problems can be solved by a man on a white horse charging around stirring up issues, taking a hard, uncompromising stand that prevents solution of serious national problems.

I have had very specific policies, based on a philosophy of encouraging individual initiative and responsibility. But I have had to work with Congress, dominated by members of the party, which in many cases holds another view.

Sometimes strong rhetoric is necessary because it lets you get your view across and clarifies the issues. I believe that New York City, for example, would not have taken the tough steps necessary to resolve its own financial problems if I had not been rigid in my opposition to a federal bail-out. But when it became apparent that the city would help itself, then I was willing to compromise. Not on my basic philosophy, but on some of the mechanical details so that the city could solve its own problems.

This was the best solution. It was not waffling.



- Q. Do you question the effectiveness of thirty-one state primaries to help choose a Presidential nominee. Doesn't campaigning to such an extent wear the candidate too thin and somehow lose voter interest by the length of the campaign and its confusion?
- A. No. The increase in state primaries is part of our democratic system. It was not planned but it has evolved in a healthy way. I believe that campaigning is the best way for the American people to judge the candidates for President, and to winnow out those without the qualifications or with impractical ideas and programs.

JBS/1-9-76



DIFFERENCE BETWEEN PRESIDENT AND REAGAN

Q. What is the difference between you and Ronald Reagan?

A. I see little point in picking apart differences. My record is known and I'll leave it to those who want to challenge me, to spell out the differences. Instead, let me tell you what I am for.

Budget - I am for a sensible budget which allows the federal government to provide the services it should provide, but which does not waste or spend unnecessarily the money its citizens pay to purchase those services. I believe that budget should be tied to taxes so that we, 1) do not continue the enormous deficits we have recently been forced to run, and 2) so that the American people have more of their own money to spend as they see fit, not as Congress, bowing to special interest groups, see fit.

Detente' - I am for a realistic approach to easing tension with Russia. I realize that we must be careful to see that Detente' continues to be a two-way street, but I believe we also must end the atmosphere of the Cold War so that there are no wars anywhere in the world.

Concept of Federal and State Cooperation - I am for revenue sharing and block grants to states and local communities so that they have the money to operate programs for their own improvement, making their own decisions.

Energy - I am for a sound energy policy which will put us on the road to energy independence. The bill I recently signed was not all that I had hoped Congress would approve. But it is an important first step, holding costs down, while at the same time encouraging less consumption of precious imported fuels.

JBS/1-9-76



ISSUES

Q. What do you believe will be the issues in the General Election Campaign?

- A.
1. The Economy -- How to have a growing economy without inflation and without high unemployment.
 2. The role of government -- What is the proper role of the federal government in solving national problems.
 3. Foreign Relations -- How can the United States best fulfill its role as world leader in keeping world peace
 4. Leadership -- Who is the best person to guide the count for the next four years along the path the voters will choose in November.

JBS/11-24-75



PLANS FOR PRESIDENCY

Q. What would you do if elected to a full term as President?

A. Let me try to set forth what I believe can be accomplished.

As I see it, our country seventeen months ago began an experience that was unique in the history of our democracy: we transferred the reins of the highest office in the land to a man chosen for that office under the 25th Amendment to the Constitution.

The country was facing one of its sternest tests. Bitterness, rancor and distrust festered in the body politic. The longest, most divisive war in our history was winding toward an unhappy conclusion, and many feared that the end of an external war would mean the beginning of an internal war of recriminations. And finally, our economy was afflicted with the disease of inflation -- inflation so serious that it would ultimately drive us into the worst recession in a generation. Clearly, these were great challenges both for me and for the Nation.

I have tried during these months to give my very best to the American people and to the causes which we hold dear as a Nation. I lay no claim to perfection; much remains to be done. But the hemorrhaging has been stopped, and the process of healing has begun. Our spiritual and economic health is returning.

The moment has now come, I believe, when we can begin to look ahead once again -- to envision the America we would like to see during our third century as a Nation and to formulate concrete programs that will make our dreams come true. Our Bicentennial should be more than a year of brass bands and birthday banners; it should be a year when we choose a fresh, positive course for ourselves and for our children.



As President, I want to build upon the progress of the past by chartering and guiding the Nation toward a brighter future. I am pledged first and foremost to a renaissance of the individual in our society. I want to reverse the flow of power to centralized government and to give people more power over their own lives. I am convinced that personal satisfaction and happiness can only be achieved in America when individual citizens have the freedom and the ability to determine their own destinies. I am also pledged to strengthening the spiritual and moral values in our country. We have to restore a greater sense of meaning to our lives. Finally, I am pledged to keeping America strong in the world -- strong in its economy, strong in its military power, strong in its commitment to liberty. Freedom is endangered across the globe; now, even more than in Lincoln's day, America is truly "the last, best hope of earth".

During coming weeks and months, I will be setting forth concrete proposals to begin us down this road. I will ask that we cut both taxes and Federal spending. I will press once again for stronger legislation to promote energy independence. I will advocate reductions in governmental regulation. I will seek to create new jobs and reduce inflation through a variety of steps, including greater capital formation. These and other proposals will be included in my forthcoming addresses and messages to the Congress.

This will be a positive, constructive agenda, but let us always recognize this singular truth: policy pronouncements can only be translated into reality when they have the active support of the American people. That is why I am turning to you for help -- financial help that is needed to make my campaign a success and to set the country on a better course for the future. I hope that you will join me.

I believe in America and I believe that when Americans work together, there is almost nothing we cannot accomplish. Let this be the year when we rekindle the Spirit of '76 and let us work together to make the Bicentennial a fitting celebration for America.



WHY SUPPORT THE PRESIDENT

Q. Why should people support you for a full term in the Presidency?

A. Over the past seventeen months, I believe that I have established a proven track record, both as President and as leader of our party. This has not been an easy period. When I came into office, the country was traumatized by recent events, the economy was afflicted with such virulent inflation that we were heading toward a deep recession, and the world was asking whether America had lost its nerve over Vietnam. Certainly, we have not fully overcome these difficulties, but we have made very appreciable headway -- more headway, in fact, than most observers first thought possible. The divisions within the country are healing, the economy has pulled out of recession while the rate of inflation is also slowing, and both our friends and adversaries abroad know that the United States remains the strongest force for peace anywhere in the world. Furthermore, these past seventeen months have helped to foster a new mood in the country: a sense that the Federal Government should no longer be considered the answer to many of our problems but one of their most important causes. All of these are positive accomplishments not only for this Administration but for all Republicans.

Moreover, I think we now have a golden opportunity to build upon the progress of these months -- an opportunity that must be seized before it passes us by. In the next four years, we could literally set a new, fresh course for America:

-- by finally reversing the drift toward centralized government in the United States and restoring greater individual freedom and initiative;

-- by returning the country to fiscal sanity as we further reduce taxes and simultaneously curb the growth of Government spending;



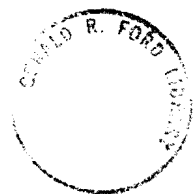
-- by cutting the Gordian knot of Governmental regulation that now threatens to strangle the private enterprise system;

-- by promoting free markets for our vitally important agricultural community;

-- by straightening out the welfare mess and introducing greater rationality to other social programs in fields such as education and health;

-- by strengthening America's position in the world so that we are second to none economically or militarily;

-- and finally, by reclaiming the spiritual and moral heritage that has been the foundation of our greatness as a people.



GENERAL (REVIEW)



GREATEST ACCOMPLISHMENT

Q. What was your greatest accomplishment of 1975?

A. I think the single most important contribution I made to the nation during the year was to steer us out of the recession and the ruinous inflation that we have been experiencing. There was great pressure on me throughout the first half of the year to take a very different course -- a course that I was convinced would have led only to more inflation and more unemployment within a few years time. Instead, we chose balanced, steady economic policies that have brought both inflation and unemployment down at the same time. I recognize that many citizens have not yet felt the forces of recovery in their own lives, but as we continue into 1976 and both the inflation rate and the unemployment rate continue to fall, I think that improvements will become more apparent to people.

* * * * *

There is a second accomplishment that also is very important for me: 1975 was a year in which the issue of Big Government was finally joined in this country. For many years, people have been talking about the perils of overgrown and overzealous government in Washington, but in 1975 -- through the debate over tax cuts linked to spending cuts,



through my vetoes, through our resistance to major, expansionary programs -- I think the whole country became involved in this issue.

The fact that public attention is so clearly focused on the question of what role Government should play in our lives -- how much responsibility it should take and how much we should keep for ourselves -- is very healthy for the country. It means that we are finally facing up to the most critical choice facing the country: whether we will continue down the road toward Big Government that undermines the foundations of our society or whether we can restore a better balance between Government and the individual citizen.



Greatest Disappointment

Q. What was your greatest disappointment of 1975?

A. I would have to say that my greatest disappointment is one shared by millions of other Americans: that there is no "quick fix" to many of the economic difficulties we face today.

There is nothing that I would like more than to immediately wipe out unemployment, eliminate inflation, and restore everyone's personal happiness -- and some politicians will tell you that they know how to do that. But when you come into this office and begin to look down the road, as every President must, then you recognize more clearly that the solutions which are so often proposed -- more spending, a faster expansion of the money supply, and the like -- would only get us into greater trouble within a few years time.

The problems we have today have been building up over many years. We can't expect to pay for the sins of a decade with a single year of penance. It's going to take longer; there will be frustrations and disappointments along the way. But we should also recognize that we're off to a solid, healthy start, and if we can maintain our balance, the recovery that is now underway will eventually restore our prosperity.



Political Assessment

Q. How do you assess the year 1975 politically for you? You began the year strong and in some peoples' opinion, ended it on the defensive and sinking fast. How do you account for that? And what do you plan to do about it?

A. I think the thing we have to realize is that 1975 has been a year which has required some very tough decisions -- decisions to hold down Federal spending, to resist pressures for greater Federal intervention in the economy, to stand firm on aid to New York until they were willing to assume primary responsibility for themselves, and so on. This is not a time when we have the luxury to please everyone in the society. Hard choices have to be made, and as they are, some people are naturally unhappy. But as the dust clears and people realize that what we have been trying to do here serves the long-range best interest of the country, then I think ~~your~~ ^{the} political assessments will change. Personally, I'm very encouraged by the progress we've made on some of these very tough issues.



Stalemate in Washington?

Q. Many have characterized 1975 as a year of stalemate in Washington where neither the President nor the Congress could exercise its will. Some also argue that we need a Congress and a President of the same party in order to get the country moving again. What do you think?

A. It is true that as 1975 opened, we faced an extraordinary situation in Washington: a Congress heavily dominated by one party facing a President of another party and of strongly differing views on many key issues. As you will recall, many thought the Congress was "veto proof" and would run roughshod over the President.

As the year progressed, however, I think that the two branches of government eventually reached a working accommodation, whereby I was able to meet a number of my legislative priorities and was able to avoid enactment of a number of proposals to which I was opposed. So, from my perspective, we achieved far more legislative progress in 1975 than people first anticipated. Let's look through the record:

(1) Holding Down Deficits -- Many predicted that the Congress would push through programs giving us a deficit of \$100 billion or more for FY 1976. But the country rallied against such irresponsible deficits, and we have managed to hold the figure to \$25-30 billion less than what was feared. That's still too high and must be reduced.



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(2) Energy -- Although the pricing provisions of the energy bill leave much to be desired, the compromise package enacted late in the year achieved about one-half of the mid-term energy goals I set out in January and starts us on the road to energy independence. I am hopeful that soon after it returns, the Congress will take the next step down the road by passing a bill to deregulate the price of new natural gas.

(3) Tax Cut/Spending Cut -- Again the bill finally enacted fell short of what we wanted, but it did provide an extension of tax relief and for the first time in our history, the Congress has now made a good faith pledge to tie the size of the budget to the size of future tax cuts. That is a major breakthrough.

(4) New York City Aid -- By standing firm early in this crisis, we provided a catalyst for New York to take primary responsibility for solving its own problems and we were able to devise much, much better Federal legislation. In a very real sense, we reached the best solution to this problem: New York City bailed itself out.

(5) Housing Legislation -- Last summer, I vetoed the proposed Emergency Housing Act of 1975 because it was inflationary and ineffectual. Less than 10 days later, the Congress reconsidered and enacted meaningful and effective housing legislation of the kind I had been proposing.



So, as you look at the record, it is clear that there was no real stalemate in Washington this year. But if you ask me: were you entirely satisfied? Then the answer is no. And if you ask me: Can we do better in Washington? Then the answer is clearly yes; and we will do better as the country awakens to the fact that Big Government is no longer the solution to many of our problems but is in fact very often at their root.



Use of Veto Power

Q. Some have asserted that your extensive use of the veto has given your Presidency an essentially negative character in 1975. How do you respond to that?

A. Let's look at it this way: suppose about 5 or 10 years ago I had been elected Mayor of New York City and I was asked to approve contracts that would raise the salaries of municipal workers far above the City's ability to pay, that would give pension benefits to municipal workers enjoyed in no other city, and that would ensure the city was headed toward bankruptcy.

If, as mayor, I had vetoed those contracts, I am certain that many would have said I was being very negative, that I lacked compassion, etc. But with the hindsight provided by current history, we can see today that those vetoes would have been very positive acts -- acts to preserve the financial integrity of the city and prevent many of the personal hardships that are being experienced in New York City today.

In many ways, what I am trying to do today parallels what really should have been done in New York City several years ago. I want to save the economic integrity of the United States itself. And in retrospect, my vetoes of big spending bills will ultimately be seen as the positive act they represent. I sincerely believe that every veto



of my Presidency can be totally justified on the basis of the best, long-run interests of the country.

Two

~~Three~~ other points can be made about the vetoes:

(1) So far, bills vetoed in the 94th Congress have saved the taxpayers more than \$7.5 billion in outlays and bills vetoed during the 93rd Congress have saved them \$16 billion -- a total of \$100 for every taxpayer in the country.

(2) It is often forgotten that the veto is an Executive tool, mandated by the Constitution, to maintain a system of checks and balances in the Federal government. By its exercise, the President can influence the form and substance of legislation as it moves through the Congress and can frequently produce legislation that meets the national interest better than legislation that would have been passed by the Congress acting alone. We have seen that this year in the housing bill, the tax bill, and elsewhere.



President as Party Leader

Q. Some have speculated that you have lost ground in the polls because of your extensive travels on behalf of the GOP. Do you now think those ~~travels~~ ^{travels} were a mistake?

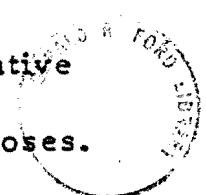
A. First of all, I would take issue with your premise on the polls. It seems to me that there is a good deal of confusion in the polls right now, and by some accounts, the public approval of my Presidency is rising.

Putting that aside, I think the visits I made to some of the GOP events served two essential and very worthwhile purposes:

(1) They helped to preserve the two-party system in this country. Republicans are outnumbered by Democrats in many areas, and the party needs to be active and vibrant in order to offer voters a real alternative. I think my trips helped to strengthen the Republican Party in several key states.

(2) A President is traditionally the head of his party, and as such, I believe he has a duty and an obligation to meet with the people who are the backbone of that party and to talk with them about our common hopes for the future. I think the trips have been very helpful for this purpose as well.

So on balance, while they may have brought some negative press stories, the trips did serve some very worthwhile purposes.



Mood of the Country

Q. How would you characterize the mood of the American people during 1975?

A. Troubled, uncertain, but still hopeful about the future.

The people of this country have been buffeted by some very strong storms in the last few years -- assassinations, urban riots, Vietnam, Watergate, record inflation, and a deep recession. Personal values are in transition, many of our political, social and economic institutions have fallen from favor, and modern technology has transformed the world into a very complicated place to live. It is only natural that the public is troubled and uncertain.

But what is reassuring is how well we have come through these ordeals and how hopeful people remain in their daily lives. I think that is a great tribute to the American spirit and will serve us well during our third century as a people.

I feel the same sense of confidence about the future as William Faulkner when he received the Nobel Prize for Literature and observed that "man will not merely endure; he will prevail ... because he has a soul, a spirit capable of compassion and sacrifice and endurance."



What's Right with America

Q. Why are you so optimistic about the country's future?

A. Because this country still has enormous strengths:

-- Of some 150 nations in the world today, only three dozen or so can still be counted as democracies ~~today~~. Human freedom is shrinking in many parts of the world, but here in the U.S., we remain committed to the democratic process and to the preservation of our basic liberties.

-- We have a sound governmental structure that has stood the test of time and is the underpinning of much of our greatness. I worry a great deal about the threat posed by government to our liberties, but the tide is clearly turning against Big Government in the U.S.

-- For all its flaws, our economy remains the most dynamic and productive in history. With some 6 percent of the world's population and 7 percent of the world's land mass, we produce more than a third of the world's goods and services.

-- Our farmers are also the most productive ever known and are doing more to ward off starvation and hunger in other lands than anyone in the world. An average American farmer now feeds more than 50 other people, here and in other countries around the world.

-- Our abundance and generosity have joined in providing the most extensive program of economic and humanitarian aid to other countries in history -- over \$100 billion since World War II.

-- Life expectancy in the U.S. has been dramatically increased.

-- And today we have more than twice as many students going to college as in the 1950s, and many of the college students I have known have impressed me as being highly thoughtful, and very well intentioned human beings.

So there is much to be optimistic about when it comes to the future of America. Certainly our society has its troubles and its flaws. And we must work to correct them. But in so doing, I hope that we would recognize the many things that are good about America and build upon them.



Goals for our Third Century

Q. What goals would you set for America as it begins its third century?

A. Essentially three:

-- That we become a nation at peace with ourselves and with the rest of the world;

-- That our citizens lead more meaningful lives through the pursuit of excellence, and that such pursuits be equally available to every man and woman, regardless of background;

-- And, of great importance to me, that this become an era of individual freedom. As I read our history, our first century marked the establishment of a free government. Our second century marked the growth of the great American free enterprise system. Now, when big institutions and the mass approach threaten to stifle creativity and the human spirit, I hope that our third century can bring a flowering of personal freedom.

That's my vision of the America I want for my children, and that is the America to which I am dedicating my Presidency.



Long-Term Problems

Q. What are the most important long-term problems facing the country?

- A.
1. Preserving world peace.
 2. Bringing inflation under control.
 3. Assuring adequate employment opportunities for all our citizens by strengthening private enterprise.
 4. Reversing the trend toward Big Government.
 5. Putting the Federal system on a fiscally sound basis.
 6. Developing energy independence.
 7. Attacking the growing crime problem.
 8. Increasing participation in American society by minority groups.
 9. Preserving our environment.
 10. Providing assistance to those of our citizens truly in need.

Q. What do you plan to do about them?

A. We've been working on these problems throughout the year, and will address them further in my State of the Union Message and subsequent special messages.



Quality of White House Staff

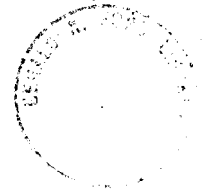
Q. Your Cabinet Officers have generally been described as good or outstanding appointments. However, many people have criticized your staff team -- Nessen, Callaway, and others -- as being weak and incompetent. Is this true? How do you account for this criticism?

A. Well, it is a big kitchen with a lot of heat. Every President has seen his staff criticized, it's really an indirect way of criticizing a President. I am very satisfied with the performance I get from my staff. In my view, I have an excellent Cabinet and White House Staff; I picked them and I will stand with them.

Basic Strategy

Q. Many have criticized your strategy of policy implementation, they say you take excessively tough stands in the beginning and then back off on a compromise later on issue after issue. Why do you do this? Is this strategy helping since it seems to have hurt your credibility?

A. I have taken tough stands because I believe they represent the right policies and the right directions for the nation. The Constitution requires that the President and the Congress work together on solving the nation's problems. My compromises have for the most part attained the basic directions I felt were necessary. I think this has been a healthy process and has helped the nation both by focusing attention on the issues and by producing better legislation. My objective in all my actions is to insure that this country move in a positive, constructive direction.



Condition of the Cities

Q. Many have been concerned about the plight of the cities. Are the cities better off or worse off at the end of this year compared to the beginning of this year? What have you done to help the cities?

A. There is no question that many cities have faced serious problems. This concerns me greatly but I think that many cities are in far better shape than they were a year ago, and I would say that one reason they are is that they have seen, in the New York City experience, what can happen if they mismanage their affairs. As you know the federal government last year provided billions of dollars to aid cities but the best aid we can give them is to restore the nation to economic health.

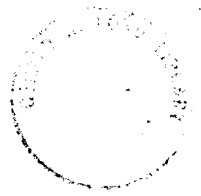
As I have travelled around the country in recent months I've had the opportunity to visit with numerous mayors. One point that they've made time and again is their inability to adequately do their jobs because of the unworkable restrictions tied to the hundreds of categorical programs. I am aware of their problems and will be saying more about it in the weeks and months ahead.



Open Administration

Q. Originally you said you wanted an open Administration. Now some are saying that it is not open. Is it as open as you would like? Is it measuring up to your expectations?

A. I think my Administration has been the most open in my memory. In fact, some feel it may be too open. I have made a determined effort to make this Administration as open as possible, consistent with the effectiveness of the Presidency. I think a lot of the criticism we have been getting may be because people are now aware of the arguments and differing viewpoints which I encourage to get the full range of options before making decisions. I fully intend to keep my Administration as open as possible.



Economic Policy

Q. Does the Ford Administration have an economic policy? If so, what is it?

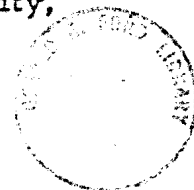
A. Our economic policy is aimed at bringing inflation under control and achieving good, well-paid permanent jobs in the private sector for all who want to work. To achieve this goal we need an economy that has the capacity for sustained growth. Sustained growth of the private sector cannot be accomplished by government edict or fiat, but only by creating an environment in which the private enterprise system can grow and flourish.

Our economic policies are all designed to create the conditions which will foster such growth. To that end our policies include:

(1) Controlling inflationary forces of the type that brought on the recession through holding down the Federal deficit and the creation of excess money.

(2) Creating incentives for capital investment in the private sector through the tax system and reducing the demands of the Federal Government in the financial markets.

(3) Providing fair tax policies which encourage productivity, innovation, and more efficient capital markets.



(4) Reforming the regulatory "drag" caused by slow, inefficient, wasteful, and competition-stifling regulations.

(5) Providing a proper balance between environmental needs and economic costs.

(6) Seeking a long-term reliable energy supply as the foundation of sustained economic growth.

(7) Encouraging the growth of small businesses which can provide new jobs and keep our economy competitive.

(8) Providing assistance to the unemployed in the form of insurance benefits as the most appropriate means of aiding them while they seek permanent, well-paying jobs in the private sector. Taken together, these policies, consistently followed, will achieve our goal of creating the conditions for sustained economic growth without inflation and with maximum freedom and opportunity for the individual.



THE WHITE HOUSE
WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

TIME INC. EDITORS

THE WHITE HOUSE

JANUARY 12, 1976





THE WHITE HOUSE

WASHINGTON

January 10, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEETING WITH TIME EDITORS

Monday, January 12, 1976

11:30 a.m. (30 to 60 minutes)

The Blue Room

From Jim Shuman

I. PURPOSE

Boldly stated, the purpose of this interview is to make an ally of TIME Magazine, by convincing the editors attending that you are 1) competent to run the United States, 2) that you have the experience to run the country, 3) that you have the historical vision to see where the United States is at this point in history, 4) that you have the vision to set positive directions for future development, 5) that you are the man America needs at this point in its history.

It presents you with an opportunity to guide the editors in setting the tone of TIME Inc.'s election-year political and national affairs coverage. You can do this by subtly suggesting they judge the candidates on the basis of experience and that they realize that you, because you are President, are forced to make hard and often unpopular decisions while other candidates can simply suggest ideas without having to make them work or to live with the consequences.

For the TIME editors, the interview will be a chance to evaluate you, to judge you both as a President and as a man with the personal qualities required to be President.

II. BACKGROUND

This meeting was requested by the editors of TIME. Every four years they gather all the senior editorial people of TIME, Inc. who will be dealing with the presidential campaigns and election. They meet either in New York or Washington and spend two days planning the year's coverage. Part of the event is listening to the leading candidates, and to party chairmen, leading senators, pollsters and others who can help the editors set the direction and mood of the year's coverage.



GROUND RULES

This interview is off-the-record. It will not appear in TIME or any other TIME, Inc. publication.

Because the interview comes so closely before your State of the Union Address, your hands are somewhat tied in discussing specifics of your State of the Union but you can discuss your philosophy of government and your vision of the future.

AREA OF QUESTIONING

The editors have said they will restrict major areas of questioning to:

Campaign Strategy and Objectives
Political Organization
The Issues
Your Qualifications

OPENING REMARKS

To cast the interview in a positive manner, it is suggested that you open with a short statement in which you would review what you have tried to accomplish as President. It would follow the pattern suggested for your year-end interviews (a copy of that suggested approach is attached) and would indicate that your administration has not been one of random attack on problems but of planned strategy, aiming first at healing the nation and, now, that that is well underway, at setting a new direction for the nation.

You should display the same sense of confidence and depth of knowledge you displayed in the Broder and Cannon interview.

PARTICIPANTS

A list of the participants follows.



TIME Magazine group to meet with The President January 12:

NAME

James Atwater, 47	Associate Editor, New York
Margaret Boeth, 40	News Desk, New York
George Church, 44	Senior Editor, New York
Hedley Donovan, 61	Editor in Chief, New York
Marta Dorion, 37	Senior Reporter-Researcher, New York
Dorothy Ferenbaugh, 50	Researcher, New York
Henry Grunwald, 53	Managing Editor, New York
Edward Jamieson, 46	Assistant Managing Editor, New York
Ronald Kriss, 41	Senior Editor, New York
Marshall Loeb, 46	Senior Editor, New York
Ed Magnuson, 49	Senior Writer, New York
Jason McManus, 41	Senior Editor, New York
Frank Merrick, 33	Associate Editor, New York
Lance Morrow, 36	Senior Writer, New York
James Reichley, 46	Political Editor, Fortune
Stephen Schlesinger, 33	Staff Writer, New York
Richard Stolley, 47	Managing Editor, People
Edwin Warner, 43	Associate Editor, New York
Ivan Webster, 31	Staff Writer, New York
Hal Wingo, 40	News Editor, People
Robert Ajemian, 50	National Political Correspondent, N.Y.
Bonnie Angelo, 51	Correspondent, Washington, D.C.
John Austin, 35	Correspondent, San Francisco
Laurence Barrett, 40	Correspondent, New York
James Bell, 58	Correspondent, Atlanta
Joseph Boyce, 38	Correspondent, San Francisco
Sandra Burton, 34	Correspondent, Boston
Benjamin Cate, 44	Correspondent, Chicago
Stanley Cloud, 39	Correspondent, Washington, D.C.
Jess Cook, 41	Correspondent, Los Angeles
Richard Duncan, 40	Deputy Chief of Correspondents, N.Y.
Dean Fischer, 39	Correspondent, Washington, D.C.
Murray Gart, 51	Chief of Correspondents, New York
Edward Jackson, 50	International Editor, New York
Neil MacNeil, 53	Correspondent, Washington, D.C.
Edward Reingold, 48	Correspondent, Detroit
Hugh Sidey, 48	Correspondent, Washington, D.C.
John Steele, 58	Senior Correspondent, Washington, D.C.
N. Strobe Talbott, 29	Correspondent, Washington, D.C.



OPENING STATEMENT
(REVIEW)



I think all Americans realize that we are living in difficult times. The problems we face are not only enormous in size but very complex in character. The values we have held dear for many years and most of our leading institutions -- the government, our churches, private enterprise -- have all been called into question. Understandably, many people are troubled and uncertain about the future.

Looking back, I think it is clear that many of the problems of the past crowded over into 1975, making it another very tough year for the country -- another year of great testing.

But 1975 was also a year of encouragement because we met most of the tests extremely well. Personally, I've been very much encouraged as we enter our third century as a nation. I'm certainly not satisfied with conditions as they are today, and I know that many tough days lie ahead; but all of us have growing reason to be hopeful and confident about the future.

Let's look first at where we were when 1975 began.

On the economy:

-- We were still experiencing the worst inflation in our peacetime history;



-- And we were also sliding headlong into the worst recession in a generation.

On the international front:

-- Both our friends and adversaries were asking: Has America lost its nerve? Now that an era is ending in Indochina, will the United States remain a strong partner in the search for peace and economic security?

And here in this office:

-- The crisis in leadership that had already affected so many of our other institutions finally embraced the Presidency itself. A great deal of public faith and trust in the highest office in the land had been eroded.

It's very instructive to look now at where we stand today, at the end of the year.

On the economic front:

-- The rate of inflation has been cut almost in half since the beginning of the year; and,

-- The economy is pulling out of the recession at a steady, healthy pace.



On the international front:

-- Through our insistence upon a strong defense budget, through our efforts at peacemaking in the Middle East, through our diplomatic and economic summit conferences with most of the world's major powers, and through our very forthcoming proposals regarding the developing nations, the United States during 1975 has made it very clear that we will continue to be the single strongest force for peace in the world.

And here in this office:

-- I think that during the year we have seen a good deal of trust and credibility restored to the Presidency.

So in these three areas -- the economic, the international, and in shoring up public confidence -- I think we have had encouraging progress. In many fundamental ways, 1975 has been a year of healing.

I recognize, of course, that millions of Americans have not felt the impact of this progress in their personal lives. They still see prices rising in the supermarket and the fear of unemployment continues to be widespread. In fact, the mood of the country remains darker than actual conditions suggest.



But the important point is that we have come through this period of testing in much better shape than many people anticipated. For all of its flaws, our economy is still the strongest and most dynamic in the world. Our farmers are the most productive in the world, our educational system is the finest in the world, the level of health care available here is unsurpassed, our standard of living is still the envy of people everywhere. And most importantly, we retain our basic commitment to freedom and to the democratic process, a beacon that can light the way into a much happier future.

So we have come through this period of testing -- a period of transition -- with many of our basic strengths intact. Now we must look to the future. As we do and as we continue to make progress against the many difficult problems that still confront us, I am confident that the spirits of the country will lift and we will achieve even greater progress in our third century as a nation than over our first two centuries.



POLITICAL (NEW Q&A's)



CAMPAIGN ORGANIZATION

Q. Why hasn't your campaign organization demonstrated more vigor, signing up supporters earlier, stopping the challenge by Ronald Reagan, and so forth?

A. (This answer could apply to most campaign questions.)

I will concede that my campaign organization, like any new campaign organization, had some early problems. And these problems seem magnified if one is an incumbent President.

But this past few months was a new period in which the old rules of campaigning could no longer be applied. There was, for example, the major problem of trying to define the new campaign law on spending. My organization was the first to confront that problem for an incumbent President and we had to re-evaluate the whole method of operating a campaign. There also were, for the first time in American history, 31 states holding primary elections, and we had to determine how best to respond to that opportunity.

We made some mistakes, but we have learned by them and we know what we are doing. We have the support now of 11 out of 13 Republican Governors. We have the support of scores of Congressmen, Senators, State legislators, Mayors and others and we have the support of a majority of county chairmen - people with the best feel for what is happening at the precinct level.

X As I look at the date, I am amused by the mentality of our critics who say that we are doing poorly when the data shows that we are doing very well.

X
X I think that the critics who carp at my organization should also realize that there is nothing that we have or would have wanted to do to stop any other candidate from putting himself before the public. The Democratic process requires a choice. I now have an opponent who has wanted to be President for a long time, who is a brilliant speaker and a brilliant actor and who has gotten a lot of favorable



X publicity because many people did not know what he really stood for. He has been able to generate support among small minorities while I have had to spend most of my time on national issues, solving problems that effect all Americans, during one of the most difficult periods of our history. I also have been devoting my own personal time, not to my own candidacy, but to trying to rebuild the two-party system.

was
poorly

Now that the campaign has begun, I am sure the American people will see that my record has best reflected the common good and that I will win the nomination and the election.

JBS/1-9-76



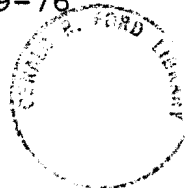
CAMPAIGN STRATEGY: MOVE TO RIGHT?

Q. You have described yourself as a centrist, but your strategy seems to have been to move to the right to head off ex-Governor Reagan. This did not work. Why?

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up
tore*

A. I deny the premise that I've moved anywhere. As we've tackled each of the tough issues that confronted us during my Administration, we have always considered what is best for all of the American people, not just those on the right or on the left. I have a twenty-seven year record in national affairs and my positions, I am confident, are among the most consistent in American public life. Furthermore, I believe that my positions are consistent with the views and the mood of most Americans today.

JBS/1-9-76



PRESIDENTIAL RECORD

- Q. Why do you believe that your record as President will convince voters to nominate and elect you when your popularity has dropped so drastically in the months you have been President?
- A. (This answer could serve as a general answer for all questions about polls.)

I do not believe at this point that polls are a reliable indicator of very much. They are, at this stage of the campaign, subject to big swings with large numbers of undecided voters. But let's review my record as President.

I took office during one of the most disturbing and paralyzing crises in American history. Many of the hard decisions which should have been made two years before had been deferred. These decisions required basic trade-offs, not only among special interest groups, but among the attitudes and values many Americans have long held. I realize that when you deal with hard decisions your public ratings are subject to great fluctuations.

But I made those decisions, on such issues as the role of government in our lives as it is reflected in the Federal Budget, on Energy, on New York City and on the Common Situs Picketing bill. I realized at the time that special interest groups would generate campaigns to build support for their position and I realized that those campaigns would hurt me.

I think that, in the long run, the American people will perceive that what I have done is best for all of us, not just special interest groups. And I'm confident that my record will be seen as a good one, and that I will be nominated and elected.



HOW SELECT VICE PRESIDENT

Q. How will you select your Vice President?

A. (This could be a general answer to all questions about Vice President.)

X I have already begun looking for someone who would be qualified, not just to be Vice President, but to be President. I have not excluded any conceivable candidate. But I think that it would be premature, at this time, to say that I have chosen any candidate. I am looking for the best man possible, and I will leave the final selection up to the Republican Convention in August.

JBS/1-9-76



CAN YOU INSPIRE?

Q. A recent Harris Poll says that most Americans feel a quality needed by the President in 1976 is the ability to inspire the country to greatness. Do you feel that you have this quality? How would you provide that inspiration?

Wend
A. I believe the United States is a great country, that we have achieved more than any other nation in the world, and that we can achieve even more in the future. I intend, in my State of the Union Address, to point new directions for the nation and to outline ways in which we can reach our goals.

JBS/1-9-76



WHY NO ENTHUSIASM

Q. To what do you attribute the lack of public enthusiasm about all of the candidates?

NO
A. The major reason is probably that there is no single major issue. There is no war, for example, so we lack the enthusiasm on both sides that marked earlier primaries. But I also think that the American people today are more balanced in their evaluations of the candidates. They realize that the issues confronting us today are not simple and that their complexity means that they cannot be solved by emotionalism. I think interest in the candidates and enthusiasm for them will pick up as the campaign progresses.



ENTERING NEW ERA

- Q. Do you agree with the view, expressed by Scotty Reston among others, that we are entering a new period of American politics that requires a new type of leader - younger and more attuned to changing conditions?
- A. I agree that we are entering a new era in American life. The years ahead will be far different from anything that we have experienced in the past three or four decades.

I will deal in the State of the Union Address, with what we must now do, for I believe America's third century should be devoted to expanding individual freedom in the United States, and I believe that we are ready to do that.

~~But I do not believe that we need a young gunslinger to do that.~~ As in any treacherous time of transition, we need someone who has experience, judgment, balance, and wisdom, someone who can evaluate the new ideas and inject the sound ones into the political mainstream, without casting aside the ideas under which we have been operating which are still valid and workable.

I think that it's interesting that only twice in this century, with Theodore Roosevelt and John Kennedy, have we had Presidents under 50. The responsibilities of this office are so great that one needs the qualities of maturity to deal effectively with problems both domestic and international.



JBS/1-9-76

WAFFLING

- Q. Why have you seemed to waffle on issues, such as New York City? At first you seem to take a rigid rhetorical stand, then you finally seem to cave-in to the wishes of your opponents.
- A. I can't think of a single instance where I've "caved-in."

Let me explain something about leadership. It takes many forms. At this point in American history I do not believe that our problems can be solved by a man on a white horse charging around stirring up issues, taking a hard, uncompromising stand that prevents solution of serious national problems.

I have had very specific policies, based on a philosophy of encouraging individual initiative and responsibility. But I have had to work with Congress, dominated by members of the party, which in many cases holds another view.

Sometimes strong rhetoric is necessary because it lets you get your view across and clarifies the issues. I believe that New York City, for example, would not have taken the tough steps necessary to resolve its own financial problems if I had not been rigid in my opposition to a federal bail-out. But when it became apparent that the city would help itself, then I was willing to compromise. Not on my basic philosophy, but on some of the mechanical details so that the city could solve its own problems.

This was the best solution. It was not waffling.



- Q. Do you question the effectiveness of thirty-one state primaries to help choose a Presidential nominee. Doesn't campaigning to such an extent wear the candidate too thin and somehow lose voter interest by the length of the campaign and its confusion?
- A. No. The increase in state primaries is part of our democratic system. It was not planned but it has evolved in a healthy way. I believe that campaigning is the best way for the American people to judge the candidates for President, and to winnow out those without the qualifications or with impractical ideas and programs.

JBS/1-9-76



DIFFERENCE BETWEEN PRESIDENT AND REAGAN

Q. What is the difference between you and Ronald Reagan?

A. I see little point in picking apart differences. My record is known and I'll leave it to those who want to challenge me, to spell out the differences. Instead, let me tell you what I am for.

Budget - I am for a sensible budget which allows the federal government to provide the services it should provide, but which does not waste or spend unnecessarily the money its citizens pay to purchase those services. I believe that budget should be tied to taxes so that we, 1) do not continue the enormous deficits we have recently been forced to run, and 2) so that the American people have more of their own money to spend as they see fit, not as Congress, bowing to special interest groups, see fit.

Detente' - I am for a realistic approach to easing tension with Russia. I realize that we must be careful to see that Detente' continues to be a two-way street, but I believe we also must end the atmosphere of the Cold War so that there are no wars anywhere in the world.

Concept of Federal and State Cooperation - I am for revenue sharing and block grants to states and local communities so that they have the money to operate programs for their own improvement, making their own decisions.

Energy - I am for a sound energy policy which will put us on the road to energy independence. The bill I recently signed was not all that I had hoped Congress would approve. But it is an important first step, holding costs down, while at the same time encouraging less consumption of precious imported fuels.

JBS/1-9-76



ISSUES

Q. What do you believe will be the issues in the General Election Campaign?

- A.
1. The Economy -- How to have a growing economy without inflation and without high unemployment.
 2. The role of government -- What is the proper role of the federal government in solving national problems.
 3. Foreign Relations -- How can the United States best fulfill its role as world leader in keeping world peace
 4. Leadership -- Who is the best person to guide the count for the next four years along the path the voters will choose in November.

JBS/11-24-75



PLANS FOR PRESIDENCY

Q. What would you do if elected to a full term as President?

A. Let me try to set forth what I believe can be accomplished.

As I see it, our country seventeen months ago began an experience that was unique in the history of our democracy: we transferred the reins of the highest office in the land to a man chosen for that office under the 25th Amendment to the Constitution.

The country was facing one of its sternest tests. Bitterness, rancor and distrust festered in the body politic. The longest, most divisive war in our history was winding toward an unhappy conclusion, and many feared that the end of an external war would mean the beginning of an internal war of recriminations. And finally, our economy was afflicted with the disease of inflation -- inflation so serious that it would ultimately drive us into the worst recession in a generation. Clearly, these were great challenges both for me and for the Nation.

I have tried during these months to give my very best to the American people and to the causes which we hold dear as a Nation. I lay no claim to perfection; much remains to be done. But the hemorrhaging has been stopped, and the process of healing has begun. Our spiritual and economic health is returning.

The moment has now come, I believe, when we can begin to look ahead once again -- to envision the America we would like to see during our third century as a Nation and to formulate concrete programs that will make our dreams come true. Our Bicentennial should be more than a year of brass bands and birthday banners; it should be a year when we choose a fresh, positive course for ourselves and for our children.



As President, I want to build upon the progress of the past by chartering and guiding the Nation toward a brighter future. I am pledged first and foremost to a renaissance of the individual in our society. I want to reverse the flow of power to centralized government and to give people more power over their own lives. I am convinced that personal satisfaction and happiness can only be achieved in America when individual citizens have the freedom and the ability to determine their own destinies. I am also pledged to strengthening the spiritual and moral values in our country. We have to restore a greater sense of meaning to our lives. Finally, I am pledged to keeping America strong in the world -- strong in its economy, strong in its military power, strong in its commitment to liberty. Freedom is endangered across the globe; now, even more than in Lincoln's day, America is truly "the last, best hope of earth".

During coming weeks and months, I will be setting forth concrete proposals to begin us down this road. I will ask that we cut both taxes and Federal spending. I will press once again for stronger legislation to promote energy independence. I will advocate reductions in governmental regulation. I will seek to create new jobs and reduce inflation through a variety of steps, including greater capital formation. These and other proposals will be included in my forthcoming addresses and messages to the Congress.

This will be a positive, constructive agenda, but let us always recognize this singular truth: policy pronouncements can only be translated into reality when they have the active support of the American people. That is why I am turning to you for help -- financial help that is needed to make my campaign a success and to set the country on a better course for the future. I hope that you will join me.

I believe in America and I believe that when Americans work together, there is almost nothing we cannot accomplish. Let this be the year when we rekindle the Spirit of '76 and let us work together to make the Bicentennial a fitting celebration for America.



WHY SUPPORT THE PRESIDENT

Q. Why should people support you for a full term in the Presidency?

A. Over the past seventeen months, I believe that I have established a proven track record, both as President and as leader of our party. This has not been an easy period. When I came into office, the country was traumatized by recent events, the economy was afflicted with such virulent inflation that we were heading toward a deep recession, and the world was asking whether America had lost its nerve over Vietnam. Certainly, we have not fully overcome these difficulties, but we have made very appreciable headway -- more headway, in fact, than most observers first thought possible. The divisions within the country are healing, the economy has pulled out of recession while the rate of inflation is also slowing, and both our friends and adversaries abroad know that the United States remains the strongest force for peace anywhere in the world. Furthermore, these past seventeen months have helped to foster a new mood in the country: a sense that the Federal Government should no longer be considered the answer to many of our problems but one of their most important causes. All of these are positive accomplishments not only for this Administration but for all Republicans.

Moreover, I think we now have a golden opportunity to build upon the progress of these months -- an opportunity that must be seized before it passes us by. In the next four years, we could literally set a new, fresh course for America:

-- by finally reversing the drift toward centralized government in the United States and restoring greater individual freedom and initiative;

-- by returning the country to fiscal sanity as we further reduce taxes and simultaneously curb the growth of Government spending;



-- by cutting the Gordian knot of Governmental regulation that now threatens to strangle the private enterprise system;

-- by promoting free markets for our vitally important agricultural community;

-- by straightening out the welfare mess and introducing greater rationality to other social programs in fields such as education and health;

-- by strengthening America's position in the world so that we are second to none economically or militarily;

-- and finally, by reclaiming the spiritual and moral heritage that has been the foundation of our greatness as a people.

GENERAL (REVIEW)



GREATEST ACCOMPLISHMENT

Q. What was your greatest accomplishment of 1975?

A. I think the single most important contribution I made to the nation during the year was to steer us out of the recession and the ruinous inflation that we have been experiencing. There was great pressure on me throughout the first half of the year to take a very different course -- a course that I was convinced would have led only to more inflation and more unemployment within a few years time. Instead, we chose balanced, steady economic policies that have brought both inflation and unemployment down at the same time.

recognize that many citizens have not yet felt the forces of recovery in their own lives, but as we continue into 1976 and both the inflation rate and the unemployment rate continue to fall, I think that improvements will become more apparent to people.

* * * * *

There is a second accomplishment that also is very important for me: 1975 was a year in which the issue of Big Government was finally joined in this country. For many years, people have been talking about the perils of overgrown and overzealous government in Washington, but in 1975 -- through the debate over tax cuts linked to spending cuts,



through my vetoes, through our resistance to major, expansionary programs -- I think the whole country became involved in this issue.

The fact that public attention is so clearly focused on the question of what role Government should play in our lives -- how much

responsibility it should take and how much we should keep for

ourselves -- is very healthy for the country. It means that we are

finally facing up to the most critical choice facing the country:

whether we will continue down the road toward Big Government that

undermines the foundations of our society or whether we can restore

better balance between Government and the individual citizen.



Greatest Disappointment

Q. What was your greatest disappointment of 1975?

A. I would have to say that my greatest disappointment is one shared by millions of other Americans: that there is no "quick fix" to many of the economic difficulties we face today.

There is nothing that I would like more than to immediately wipe out unemployment, eliminate inflation, and restore everyone's personal happiness -- and some politicians will tell you that they know how to do that. But when you come into this office and begin to look down the road, as every President must, then you recognize more clearly that the solutions which are so often proposed -- more spending, a faster expansion of the money supply, and the like -- would only get us into greater trouble within a few years time.

The problems we have today have been building up over many years. We can't expect to pay for the sins of a decade with a single year of penance. It's going to take longer; there will be frustrations and disappointments along the way. But we should also recognize that we're off to a solid, healthy start, and if we can maintain our balance, the recovery that is now underway will eventually restore our prosperity.



Political Assessment

Q. How do you assess the year 1975 politically for you? You began the year strong and in some peoples' opinion, ended it on the defensive and sinking fast. How do you account for that? And what do you plan to do about it?

A. I think the thing we have to realize is that 1975 has been a year which has required some very tough decisions -- decisions to hold down Federal spending, to resist pressures for greater Federal intervention in the economy, to stand firm on aid to New York until they were willing to assume primary responsibility for themselves, and so on. This is not a time when we have the luxury to please everyone in the society. Hard choices have to be made, and as they are, some people are naturally unhappy. But as the dust clears and people realize that what we have been trying to do here serves the long-range best interest of the country, then I think ~~the~~ ^{the} political assessments will change. Personally, I'm very encouraged by the progress we've made on some of these very tough issues.

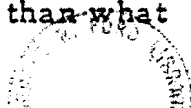
Stalemate in Washington?

Q. Many have characterized 1975 as a year of stalemate in Washington where neither the President nor the Congress could exercise its will. Some also argue that we need a Congress and a President of the same party in order to get the country moving again. What do you think?

A. It is true that as 1975 opened, we faced an extraordinary situation in Washington: a Congress heavily dominated by one party facing a President of another party and of strongly differing views on many key issues. As you will recall, many thought the Congress was "veto proof" and would run roughshod over the President.

As the year progressed, however, I think that the two branches of government eventually reached a working accommodation, whereby I was able to meet a number of my legislative priorities and was able to avoid enactment of a number of proposals to which I was opposed. So, from my perspective, we achieved far more legislative progress in 1975 than people first anticipated. Let's look through the record:

(1) Holding Down Deficits -- Many predicted that the Congress would push through programs giving us a deficit of \$100 billion or more for FY 1976. But the country rallied against such irresponsible deficits, and we have managed to hold the figure to \$25-30 billion less than what was feared. That's still too high and must be reduced.



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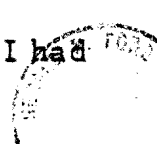


(2) Energy -- Although the pricing provisions of the energy bill leave much to be desired, the compromise package enacted late in the year achieved about one-half of the mid-term energy goals I set out in January and starts us on the road to energy independence. I am hopeful that soon after it returns, the Congress will take the next step down the road by passing a bill to deregulate the price of new natural gas.

(3) Tax Cut/Spending Cut -- Again the bill finally enacted fell short of what we wanted, but it did provide an extension of tax relief and for the first time in our history, the Congress has now made a good faith pledge to tie the size of the budget to the size of future tax cuts. That is a major breakthrough.

(4) New York City Aid -- By standing firm early in this crisis, we provided a catalyst for New York to take primary responsibility for solving its own problems and we were able to devise much, much better Federal legislation. In a very real sense, we reached the best solution to this problem: New York City bailed itself out.

(5) Housing Legislation -- Last summer, I vetoed the proposed Emergency Housing Act of 1975 because it was inflationary and ineffectual. Less than 10 days later, the Congress reconsidered and enacted meaningful and effective housing legislation of the kind I had been proposing.



So, as you look at the record, it is clear that there was no real stalemate in Washington this year. But if you ask me: were you entirely satisfied? Then the answer is no. And if you ask me: Can we do better in Washington? Then the answer is clearly yes; and we will do better as the country awakens to the fact that Big Government is no longer the solution to many of our problems but is in fact very often at their root.


Use of Veto Power

Q. Some have asserted that your extensive use of the veto has given your Presidency an essentially negative character in 1975. How do you respond to that?

A. Let's look at it this way: suppose about 5 or 10 years ago I had been elected Mayor of New York City and I was asked to approve contracts that would raise the salaries of municipal workers far above the City's ability to pay, that would give pension benefits to municipal workers enjoyed in no other city, and that would ensure the city was headed toward bankruptcy.

If, as mayor, I had vetoed those contracts, I am certain that many would have said I was being very negative, that I lacked compassion, etc. But with the hindsight provided by current history, we can see today that those vetoes would have been very positive acts -- acts to preserve the financial integrity of the city and prevent many of the personal hardships that are being experienced in New York City today.

In many ways, what I am trying to do today parallels what really should have been done in New York City several years ago. I want to save the economic integrity of the United States itself. And in retrospect, my vetoes of big spending bills will ultimately be seen as the positive act they represent. I sincerely believe that every veto



of my Presidency can be totally justified on the basis of the best, long-run interests of the country.

Two

~~Three~~ other points can be made about the vetoes:

(1) So far, bills vetoed in the 94th Congress have saved the taxpayers more than \$7.5 billion in outlays and bills vetoed during the 93rd Congress have saved them \$16 billion -- a total of \$100 for every taxpayer in the country.

(2) It is often forgotten that the veto is an Executive tool, mandated by the Constitution, to maintain a system of checks and balances in the Federal government. By its exercise, the President can influence the form and substance of legislation as it moves through the Congress and can frequently produce legislation that meets the national interest better than legislation that would have been passed by the Congress acting alone. We have seen that this year in the housing bill, the tax bill, and elsewhere.



Mood of the Country

Q. How would you characterize the mood of the American people during 1975?

A. Troubled, uncertain, but still hopeful about the future.

The people of this country have been buffeted by some very strong storms in the last few years -- assassinations, urban riots, Vietnam, Watergate, record inflation, and a deep recession. Personal values are in transition, many of our political, social and economic institutions have fallen from favor, and modern technology has transformed the world into a very complicated place to live. It is only natural that the public is troubled and uncertain.

But what is reassuring is how well we have come through these ordeals and how hopeful people remain in their daily lives. I think that is a great tribute to the American spirit and will serve us well during our third century as a people.

I feel the same sense of confidence about the future as William Faulkner when he received the Nobel Prize for Literature and observed that "man will not merely endure; he will prevail ... because he has a soul, a spirit capable of compassion and sacrifice and endurance."



What's Right with America

Q. Why are you so optimistic about the country's future?

A. Because this country still has enormous strengths:

-- Of some 150 nations in the world today, only three dozen or so can still be counted as democracies ~~today~~. Human freedom is shrinking in many parts of the world, but here in the U.S., we remain committed to the democratic process and to the preservation of our basic liberties.

-- We have a sound governmental structure that has stood the test of time and is the underpinning of much of our greatness. I worry a great deal about the threat posed by government to our liberties, but the tide is clearly turning against Big Government in the U.S.

-- For all its flaws, our economy remains the most dynamic and productive in history. With some 6 percent of the world's population and 7 percent of the world's land mass, we produce more than a third of the world's goods and services.

-- Our abundance and generosity have joined in providing the most extensive program of economic and humanitarian aid to other countries in history -- over \$100 billion since World War II.

-- And today we have more than twice as many students going

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Goals for our Third Century

Q. What goals would you set for America as it begins its third century?

A. Essentially three:

-- That we become a nation at peace with ourselves and with the rest of the world;

-- That our citizens lead more meaningful lives through the pursuit of excellence, and that such pursuits be equally available to every man and woman, regardless of background;

-- And, of great importance to me, that this become an era of individual freedom. As I read our history, our first century marked the establishment of a free government. Our second century marked the growth of the great American free enterprise system. Now, when big institutions and the mass approach threaten to stifle creativity and the human spirit, I hope that our third century can bring a flowering of personal freedom.

That's my vision of the America I want for my children, and that is the America to which I am dedicating my Presidency.

Long-Term Problems

Q. What are the most important long-term problems facing the country?

- A.
1. Preserving world peace.
 2. Bringing inflation under control.
 3. Assuring adequate employment opportunities for all our citizens by strengthening private enterprise.
 4. Reversing the trend toward Big Government.
 5. Putting the Federal system on a fiscally sound basis.
 6. Developing energy independence.
 7. Attacking the growing crime problem.
 8. Increasing participation in American society by minority groups.
 9. Preserving our environment.
 10. Providing assistance to those of our citizens truly in need.

Q. What do you plan to do about them?

A. We've been working on these problems throughout the year, and will address them further in my State of the Union Message and subsequent special messages.



Quality of White House Staff

Q. Your Cabinet Officers have generally been described as good or outstanding appointments. However, many people have criticized your staff team -- Nessen, Callaway, and others -- as being weak and incompetent. Is this true? How do you account for this criticism?

A. Well, it is a big kitchen with a lot of heat. Every President has seen his staff criticized, it's really an indirect way of criticizing a President. I am very satisfied with the performance I get from my staff. In my view, I have an excellent Cabinet and White House Staff; I picked them and I will stand with them.

Basic Strategy

Q. Many have criticized your strategy of policy implementation, they say you take excessively tough stands in the beginning and then back off on a compromise later on issue after issue. Why do you do this? Is this strategy helping since it seems to have hurt your credibility?

A. I have taken tough stands because I believe they represent the right policies and the right directions for the nation. The Constitution requires that the President and the Congress work together on solving the nation's problems. My compromises have for the most part attained the basic directions I felt were necessary. I think this has been a healthy process and has helped the nation both by focusing attention on the issues and by producing better legislation. My objective in all my actions is to insure that this country move in a positive, constructive direction.

Condition of the Cities

Q. Many have been concerned about the plight of the cities. Are the cities better off or worse off at the end of this year compared to the beginning of this year? What have you done to help the cities?

A. There is no question that many cities have faced serious problems. This concerns me greatly but I think that many cities are in far better shape than they were a year ago, and I would say that one reason they are is that they have seen, in the New York City experience, what can happen if they mismanage their affairs. As you know the federal government last year provided billions of dollars to aid cities but the best aid we can give them is to restore the nation to economic health.

As I have travelled around the country in recent months I've had the opportunity to visit with numerous mayors. One point that they've made time and again is their inability to adequately do their jobs because of the unworkable restrictions tied to the hundreds of categorical programs. I am aware of their problems and will be saying more about it in the weeks and months ahead.



Open Administration

Q. Originally you said you wanted an open Administration. Now some are saying that it is not open. Is it as open as you would like? Is it measuring up to your expectations?

A. I think my Administration has been the most open in my memory. In fact, some feel it may be too open. I have made a determined effort to make this Administration as open as possible, consistent with the effectiveness of the Presidency. I think a lot of the criticism we have been getting may be because people are now aware of the arguments and differing viewpoints which I encourage to get the full range of options before making decisions. I fully intend to keep my Administration as open as possible.



Economic Policy

Q. Does the Ford Administration have an economic policy? If so, what is it?

A. Our economic policy is aimed at bringing inflation under control and achieving good, well-paid permanent jobs in the private sector for all who want to work. To achieve this goal we need an economy that has the capacity for sustained growth. Sustained growth of the private sector cannot be accomplished by government edict or fiat, but only by creating an environment in which the private enterprise system can grow and flourish.

Our economic policies are all designed to create the conditions which will foster such growth. To that end our policies include:

(1) Controlling inflationary forces of the type that brought on the recession through holding down the Federal deficit and the creation of excess money.

(2) Creating incentives for capital investment in the private sector through the tax system and reducing the demands of the Federal Government in the financial markets.

(3) Providing fair tax policies which encourage productivity, innovation, and more efficient capital markets.



(4) Reforming the regulatory "drag" caused by slow, inefficient, wasteful, and competition-stifling regulations.

(5) Providing a proper balance between environmental needs and economic costs.

(6) Seeking a long-term reliable energy supply as the foundation of sustained economic growth.

(7) Encouraging the growth of small businesses which can provide new jobs and keep our economy competitive.

(8) Providing assistance to the unemployed in the form of insurance benefits as the most appropriate means of aiding them while they seek permanent, well-paying jobs in the private sector. Taken together, these policies, consistently followed, will achieve our goal of creating the conditions for sustained economic growth without inflation and with maximum freedom and opportunity for the individual.

