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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

KEY QUESTIONS

THE BOSTON GLOBE INTERVIEW

THE OVAL OFFICE

FEBRUARY 21, 1976

BRIEFING PAPER

THE WHITE HOUSE
WASHINGTON

February 21, 1976

MEMORANDUM FOR RON NESSEN

FROM: JIM SHUMAN
SUBJ: THE BOSTON GLOBE INTERVIEW

As the New Hampshire primary draws to a close, these are points the President may want to emphasize in his interview this morning with the Boston Globe.

1. THE PRESIDENT-RONALD REAGAN DIFFERENCES - This point, judging from news reports, may still be unclear in the minds of many voters. The basic point of agreement is that they both are Republicans and thus stand for the Republican philosophy of limited government, fiscal responsibility, and strong national defense. The differences are that the President is a realist, not an ideologue. He knows what can be done and how to do it. He is a moderate who will get everyone in the country working together, not split again into divisive factions. He has stated where he differs on such specific issues as social security, the \$90 billion proposal. It is hard for him to point out many other areas of disagreement, because former Governor Reagan has not said where he stands on many issues (the economy and unemployment, for example).

The major difference, if we want to sum it up in a phrase, may be that President Ford believes the American people have the intelligence to vote with their heads. He will not force them to vote with their feet.

2. COMPETENCE - This is a major, slightly submerged issue in this campaign. In the Globe interview, the President should continue to display the sense of command and depth of knowledge of government that he has displayed in his recent interviews. One bit of evidence of his competence is the fact that he took a country torn by internal dissention and restored it to harmony. He also has followed policies which are bringing us out of the worse recession since the 1930's, and so forth. He could well bring these points out quietly and effectively.

3. VISION - This is a point we have not emphasized much, but it is one that we should and one in which the President's

dream for America (to borrow a phrase from LBJ) is the dream of most Americans. Boiled down, it is a society in which everyone has the right to Life, Liberty and the Pursuit of Happiness and which is realistic enough to know that the role of government is to provide the climate in which everyone can follow that pursuit. (That's a bit vague, but we want to stay away from "two chickens in every pot, two cars in every garage" or anything particularly specific, at this point).

4. SPECIFIC ISSUES LIKELY TO COME UP

A. The major story today is the Reagan statement that the President offered him two cabinet posts. Our statement of last night seems a bit brief for the President to use in an interview. He might want to add something to the effect that he wanted Gov. Reagan in his cabinet because he believes that a President should have men of varying views advising him. But that there is a great difference between being a cabinet officer in the administration of a moderate president, and being President.

B. Richard Nixon's trip to China also will likely be the subject of questioning, particularly the President's reaction to it and his view of how it will affect the New Hampshire (and other) primaries. I believe he is well briefed on this.

5. THE MORNING PAPERS - UNION LEADER; GLOBE

A. Manchester Union Leader - The PFC in Concord reports no significant new stories in the only state-wide New Hampshire newspaper. The front page contains Reagan's announcement of the cabinet offer. The back page contains an article on Reagan beginning his wind-up drive. There is an editorial denouncing the President for using taxpayers' money to bring in officials such as the new SBA Administrator to campaign for him. It is based on a statement from former governor Gregg.

B. The Boston Globe used the cabinet offer story on page one, along with a report of the President's question and answer session in Dover, leading with his statement that the country was registering broad economic gains. An AP story on the food stamp proposals was run on the last page.

6. URBAN PROBLEMS - The Globe has been long interested in problems of older American cities. There may be questions on the subject this morning.

THE WHITE HOUSE

WASHINGTON

INTERVIEW WITH BOSTON GLOBE

Saturday, February 21, 1976

11:00 a.m. (60 minutes)

The Oval Office

From: Ron Nessen

I. PURPOSE

To be interviewed by the Boston Globe on national issues and issues of interest in Massachusetts and New Hampshire, to be published before the primaries there.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

- A. Background: The Boston Globe requested this interview some time ago. It has been endorsed by Congressman Silvio O. Conte who believes The Globe "will give the President an objective, fair treatment that is certain to help us nationally and in the early New England primaries." The White House staff agrees.

The Globe, with a combined morning and evening circulation of 486,361, is Boston's largest newspaper and has a considerable readership in New Hampshire. Information on recent editorial positions by The Globe is included in the briefing book for this interview.

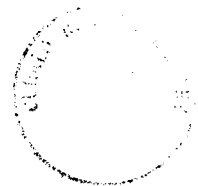
B. Participants:

The President
Robert L. Healy, Executive Editor and Political Editor
Matthew V. Storin, National Editor
Martin Nolan, Washington Bureau Chief
David Nyhan, White House Correspondent
William Beecher, Diplomatic Correspondent
Ron Nessen
Margita White

- C. Press Plan: The Globe representatives will file stories on the interview immediately. The transcript will be made available later to the White House Press Corps. White House photographs will be taken and sent to the newsmen, autographed by the President, as a memento of the interview.

III. TALKING POINTS

A question and answer briefing book has been prepared for you.



EDITORIAL PROFILE

THE BOSTON GLOBE
EDITORIAL EVALUATION

Oil Bill - For Deregulation, With Careful Administration

"President Ford should sign the bill gradually decontrolling oil prices but care must be taken in its administration to minimize flaws that have resulted from compromises inevitable in such legislation." 12/15/76

Nixon Trip to China - Opposed

"President Ford or Secretary of State Kissinger should gently but firmly inform Richard M. Nixon that it would not be advisable to visit the People's Republic of China at this time." The editorial says the trip would undoubtedly "soothe the chafed ego of the discredited former President" but that there must be "less mischievous ways to restore Mr. Nixon's spirits." It mentions that Mr. Nixon was driven from office by offenses which struck at the "roots of democratic legitimacy. . . Should he now travel to China. . . Mr. Nixon would make a further travesty of our governmental system and indirectly weaken the legitimacy of President Ford's succession." The paper continues that Mr. Nixon is a citizen free to travel wherever he wants. "But if there is any patriotism left in the man, he should voluntarily avoid still another affront to his country." 2/7/76

Palestinian Issue - Move To Negotiate

"There is now a general if grudging acceptance that the Palestinians should be granted territory. . . The issue of establishing a Palestinian territory is now in center stage as the key to a Middle East settlement. . . The resolution which the United States vetoed was not entirely negative. It did provide in general terms that all existing states in the Middle East would be guaranteed their sovereignty and political independence. The guarantee, of course, would have included Israel. That provision, which did not appear in earlier resolutions, inspires hope. . . The gravest danger right now is that there might be a long stalemate which one side or the other might be tempted to break with violence. The Israeli position is that we should move very cautiously into new negotiations. That is sound advice. However, we must move. To hold back now might be disastrous." 11/29/76



Resignation of Secretary Dunlop - Disappointed

"For the second time in little more than two months President Ford has driven from his cabinet a strong and resourceful member. . . In the meanwhile, the President faces a difficult political year in which labor unrest can scarcely have been reduced by his veto. And he will have to face it without the help of the best man available to him for the difficult job of handling labor policy. A pity." 1/15/76

Railroad Reform - Support Bill

The Globe is in favor of the federal reform and rehabilitation of the American railroad system. The paper does point out, however, that it is a costly proposition. "Congress and the Administration should push ahead with the rescue of America's railroads. But the public should keep its eyes open to the fact that it may continue to be necessary to support those railroads with public funds, just as we support our road system with such money." 1/28/75

Grain in International Politics - Should Not Be Used As A Weapon

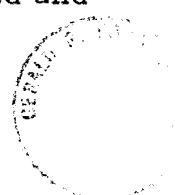
"Some Americans have suggested that the U.S. cut off grain shipments to the Soviet Union as a way of forcing her to abandon her activities in Angola. "President Ford has wisely renounced such proposals. . . Avoiding embargo does not mean the President has closed the door on discussions with the Soviet Union that might involve trade as part of the general process of detente. But he has sensibly refused to act precipitately and in the process has done a service for improving all world trade." 1/7/76

Nomination of Justice Stevens - Praise

"By quickly nominating such a well qualified person for the Court vacancy, Mr. Ford demonstrated highest regard for the importance of the Court's role in this country." 12/2/75

Angola - Opposed to Involvement

The Globe is decidedly against any involvement in Angola. They recognize that "the threat of Soviet expansion to world order and stability is real. But there are limits to what the United States alone can do to counter this threat. These limits must be recognized and Congress must concur in them." 12/26/75



"Sentiment in Congress and in the country is clearly opposed to continued US involvement in the Angolan war. President Ford should read the handwriting on the wall and resist further efforts to influence with military support the outcome of the Angolan affair, covertly or openly."
12/18/75

"The covert manner in which the Administration sought and delivered aid to Angola became the primary issue after disclosure of the secret assistance forced a public debate. The merits of American objectives became secondary and the principal of governmental cooperation was obscured." 2/2/76

The Globe feels that detente has already been damaged by the situation in Angola. "For one thing is clear, detente will not survive without evidence here that it will provide a non-military way out of Soviet-American confrontations of the Angolan kind." 1/7/76

The paper also takes the position that the UN should play a role in resolving the Angolan situation: "Meanwhile the UN has a responsibility to speak out against imperialism and expose the USSR and Cuba to world censure. By failing to act on such adventurism. . . the UN is seriously devaluing its currency as a responsible world organization for peace." 12/15/75

Tax Bill - Applause Compromise

"The last minute agreement between President Ford and the Congress over extension of the tax cut must first of all be applauded. . . The key element was the discovery by the President that, after having adamantly demanded a spending reduction to match the tax cut, he could live with a non-binding expression of principle by the Congress that it would act on spending next year. . . The President's flexibility on this score was welcome, if a bit tardy. . . But if all sides keep in mind the recognition last Friday by both Congress and the President that the economy is still in urgent need of help, they may pull through."
12/23/75

Social Security - Your Proposals Wrong

"There is growing concern that the Social Security System will be driven into deficit, given existing trends in income and outlays. But the Administration's proposal for handling this problem by raising the base rate is a move in the wrong direction. On its face the proposal does not seem startling. . . But is it the trend of the rate increase rather than the actual amount that is at issue? . . . The Social Security system is fundamentally sound and can be made sounder with sensible adjustments. But it would be a serious mistake to use its real problems as an excuse for further dilution of the progressive character of the basic Federal tax structure. Avoiding that pitfall should be the first priority for Congress." 1/28/76

State of the Union - General Comment

"Whatever the general tenor and thrust of President Ford's State of the Union message, the fact is that he did propose specific measures in important areas. Some were weak, some mildly innovative, some practical, some illusory, but Congress will have to deal one way or another with each. . . He (the President) continues to insist that the tax cuts be matched by spending reduction -- thereby utterly removing the stimulative effect of the tax cut on the economy while it is, even by his standards, still operating well below par . . . The state of the union is better but not good enough, the President told the country. He might with equal force have applied the phrase to the economic content of his message. It will do little to accelerate the slow climb back toward general prosperity." 1/21/76

Budget - Suggests Legislative Stalemate

"Beyond the question of whether the budget is adequate to keep the fragile recovery going, its content offers some clues to problem areas for specific parts of society. Three features stand out. First is a \$9 billion increase for the Defense Department. Second is another increase of \$9 billion for Social Security beneficiaries. And third is a \$6 billion increase in interest payments on the national debt. This total of \$24 billion would exceed the \$20.7 billion increase in the budget overall -- meaning that other programs will have to give way." . . . The President has already targeted the Food Stamp program for cuts on the grounds of abuse by users. But the reductions in the balance of the programs are predicated on the simple desire to reduce Federal expenditures even though they produce actual benefits for the individuals involved and for society as a whole. . . This budget is the product of the recession from which we are just beginning to emerge. It may also be a budget that will stymie that emergence and give us another recession next year. That would mean hard work for

whoever occupies the White House starting next January. "The President's message strongly suggests a disruptive series of vetoes and override attempts this spring and summer. . . "

Concorde - Decision "Eminently Sensible"

Although the Globe was originally against giving permission to the Concorde to land in America, they pointed out that Secretary Coleman's decision was "eminently sensible." After sixteen months, when all the statistics are completed, the plane can then be judged on facts rather than on "speculative judgement that has marked argument about it up to this date." The paper is in favor of the Concorde being judged on its own merit, but goes on to say: "But in the long run, money will probably tell the story. The British and French are apt to ground the plane not because it is noisy but because, from a money point of view, it is a white elephant." 2/6/76

Moynihan - More Will Be Heard

Although recognizing that the policy of firmness against anti-Americanism in the Third World will presumably remain in effect no matter who is named to succeed Moynihan, . . . "it clearly will not be pursued with the same gusto." The paper also points out: "Everyone is quite certain that the last has not been seen of Pat Moynihan the public man." 2/6/76

Federal Elections Commission - Should Be Reconstituted

The American public would consider it inexcusable for the Congress not to reconstitute the Federal Election Commission within the 30-day deadline set by the Supreme Court. "Less than 18 months after the most corrupt campaign practices of the century forced a President to resign, recalcitrant members of the Senate and especially the House are proposing to kill the only mechanism for monitoring campaigns. The country needs a regulatory body with legal standing to make regulations, invalidate improper practices, and force disclosures." 2/3/76

An Elected President - Country Needs One

"Despite the sincere efforts of Gerald Ford and Nelson Rockefeller, despite the genuine goodwill and impulse toward reconciliation throughout America, the nation has not had a sense of propriety and permanency

about its unelected government. We have been waiting for the restoration of an elected Presidency in 1976. . . The caution and skepticism were inevitable. Mr. Ford compounded them with mistakes in judgment, contradictory stands on policy, and disastrous public relations. But he has learned in office, and he has a chance to recoup public respect this year. Gerald Ford may, like his one-embattled model, Harry Truman, recover enough to succeed himself in office... Choosing a President is one of our oldest and most revered rituals. But more than that is an irreplaceable means of focusing national discussion and achieving eventual consent. Electing a President, whoever he is, is what we need most to get this country moving again." 1/1/76

EDITORIAL PROFILE: THE BOSTON GLOBE

(Circulation: Daily 284,660; Sunday - 591,423)

Busing: 7/23/75 (HEW's Mathews) May hold impressive credentials but his busing statement was either careless or cynical: busing is a closed question; integration is the law of the land.

Cities: 8/7/75 Gerald Ford's remarks about New York should not be taken too seriously but at the same time they seem to reinforce the idea that his Administration is insensitive to the problems of the cities: to ignore the cities is to court disaster of various sorts.

Gerald Ford Support: 8/13/75 Although we think changing times have made some conservative policies unworkable, Ford has good reason to believe much of the public is with him.

SALT: 8/23/75 Before Ford can make good on his threat against the Soviet Union, he must persuade Congress that the additional outlay is justified, including the possibility that he might have to couple such a request with reduction of spending in other areas.

Busing: 8/23/75 While Ford's opinions on the subject of busing are certainly shared by a good many Americans and by experts who have been searching for such a way in vain, his timing for expressing those views at the Peoria conference was unfortunate.

Oil Bill: 8/28/75 Ford should sign the oil bill, against his misgivings and then work with Congress to find a reasonable way out of a controls system that will have to expire ultimately.

COLUMNISTS

Abortion: 2/7/76 David B. Wilson - At best, Ford's handling of the question was clumsy. He satisfied just about nobody. The best that can be said for it is that he didn't duck -- perhaps he should have.



Kissinger: 2/6/76 Crocker Snow, Jr. - The fact remains that in the very academic center where he made his reputation, Kissinger's name is about as muddy today as Dean Rusk's was a decade ago.

Rockefeller: 2/6/76 - Bob Healy - If Ford should be defeated in New Hampshire and Florida and possibly in Illinois there is a strong mood among the Ford supporters that Reagan should not and will not get the nomination. Rockefeller just might be the beneficiary and perhaps that explains why Rockefeller says he expects Ford to win the primaries and nomination but at the same time is not stating flatly that he is out of it.

Intelligence: 2/13/76 - David Nyhan - Ford's offer to help the House trace the person who leaked secret report on the CIA is part of the Administration's campaign to defend national security secrets by arousing the public against those who leak such material to the press. Apparent that Ford upstaged Democratic leadership with his offer to help Congress. Ford Administration has had some success in turning the CIA controversy into a question of: "Can Congress be trusted with secrets?" Ford's offer to Speaker Albert puts congressional leaders and Democrats on the defensive on this issue.

CAMPAIGN

2/11/76 - Bob Healy - Boston Globe Poll seems to point to a certain kind of commitment to Reagan although the President is the President and there are those who are committed to Reagan who says he would be a better President and who still think that President Ford will win.

Poll: Two most pressing problems: Inflation and Unemployment

On unemployment issues - 42% said they felt Reagan could be dealt with
- 32% said Ford felt Reagan could be dealt with

Among those who considered unemployment most pressing:

- 41% Reagan
- 27% Ford

Inflation: 46% Reagan could best deal; 30% Ford; those who felt inflation was most pressing:

- 48% Reagan
- 32% Ford

2/7/75 NEW HAMPSHIRE PRIMARY (Dick Stewart) - In such a neck-and-neck race, the outcome is likely to rest heavily on the efficiency and planning of the campaign organization. No television time has been purchased as yet by Ford campaign in either New Hampshire or Boston. No direct mailing since November from Ford Headquarters. A later visit by the President which would be estimated to cost New Hampshire Ford operation about \$20,000 might not be as important as buying more campaign buttons or additional radio and TV time as February 24 draws closer, said a Ford lieutenant.

Political experts believe they have detected one weakness in the Ford campaign in New Hampshire. -- Shifting away from plan to do door-to-door canvasses in favor of telephone surveys. 75 telephones have been spread across the state in 10 locations, operating 12 hrs. daily and manned in shifts by volunteers. Ford aides said they have between 1000 and 1500 volunteers. John Michel, 31-year old Director of New Hampshire Ford effort said they expect to phone every Republican household in the state by February 22. Regan's organization has been operating a five-phone bank, manned by professional, paid operators skilled in voter contact. Radio commercials for Ford began on 2/4 on 27 radio stations around the state which has only a single commercial TV station.

Perhaps more important is that among those who have definitely decided to vote, they were Ford, 34; Reagan, 43.

On the table of qualities Regan outscored Ford in handling the welfare mess. Ford outscored Reagan in keeping the country strong militarily, but only by a point. The obvious contradiction was in those who picked a winner: He will probably win: Ford 46, Reagan, 30.

12/1/75 David B. Wilson: The Russians may well have doubts as to the advisability of committing themselves to any disarmament agreement with U.S. in which the political picture is as clouded as is now the case. And this could deprive Ford of what could be a more precious political asset than Mayaguez -- a reputation as pacemaker.

12/19/75 Bob Healy: The Ford team is going to set the record straight about Reagan's record as Gov. of California. Callaway threw the first brick in Houston.

12/27/75 David Wilson: If Ford's strategy is to run from behind as underdog, Truman-style, his campaign must be going according to plan. The fact is that the President has been giving the electorate a pretty convincing imitation of a man who does not wish to win. Ford

veto of common situs picketing bill, however, justified on its merits his act may have been, amounts to a double negative politically - betrayal of Dunlop and kick in the teeth to construction unions. Why did he let Packard withdraw as chief fund raiser. Why, constructively, dump Rockefeller. Replacement of Schlesinger and Colby - Kissinger under fire from Right and Left, isolated. Why didn't RNC get read out for refusing White House political organization its precious fund raising lists? Why is Laird zinging the President? Increasing criticism of Ford staff, and Constant Armitage leaving her post to campaign for Reagan.

David Wilson: Ford's State of the Union Address was predestrian and uninspiring, delivered with his predictable infelicitous bemusement. Muskie's reply was replete with cliché and cant.

Curtis Wilkie: As the season of Presidential primaries approaches, there is a growing aversion by newspapers and networks to use polls to establish a political point spread ... advance polls might influence the outcome of an election.

INCOME ASSISTANCE

- Q. We would like to have your views on the government's proper role in such public programs as income redistribution.
- A. Income redistribution is a broad term which can refer to a great many federal programs. Those that generally fall into the welfare category are in serious need of improvements. In effect, we must eliminate abuses and administrative complexity and find ways of using our limited resources to assist those -- but only those -- who are truly in need. I believe Americans agree with this concept and will support such programs only as long as they can be sure that their tax dollars are being used to help people in need.

In order to provide such assurances, I have proposed an Income Assistance Simplification Act. This proposal will enable the President to adjust the various income assistance programs to make them consistent, equitable and efficient. All changes proposed under this authority will be subject to review and disapproval by the Congress.

The overall goal would be to identify and implement changes which will allow us to target income assistance programs on those citizens who for reasons beyond their control need help from their fellow citizens.


NEW YORK CITY

- Q. Mayor Beame and Gov. Carey admitted last week that New York City was not living up to the three-year financial plans on which current federal loans are based. They have said they may ask Congress to expand permanent aid. Would you now support such aid? And do you feel that New York City may have misled you into supporting aid for them last Fall?
- A. Neither the Mayor nor the Governor stated that New York City was not living up to its financial promises. What they did say is that New York City's deficit would be \$300 million higher than previously forecast. The plan is not immutable, nor is it tied to a specific deficit level. The only thing fixed about the plan is that, under state law, it must result in a balanced budget by fiscal year 1978.

I was heartened that Mayor Beame recognized this in his press conference last week. He said, "The law says three years and I will obey the law." To my knowledge, the Mayor is committed to carrying out his part of the bargain and has not urged any form of permanent Federal financing. I, of course, would not support such a proposal.

We were not mislead last November. We knew the challenge was enormous. We knew that a maximum effort by all parties would be required to reach a satisfactory solution. And we were willing to participate to the extent that, and only for so long as, the taxpayers' interests were fully protected.

February 20, 1976



BUSING

Q. Boston, more than any other city in the nation, has seen its people divided, its racial tensions increased, its classrooms become centers of conflict, and its streets become battlegrounds because of the forced busing of thousands of its schoolchildren. There is growing agreement among parents, politicians, sociologists and educators that though desegregation of the schools is a desirable end, forced busing is an imperfect and ineffective means to achieve it. You have added your voice to the critics of busing by saying that you oppose it and that there are better alternatives to it. But you have never really spelled out, in specific detail, what these alternatives are and what you propose to do as President to bring them about.

Exactly what do you advocate to bring about integration in the schools and reduce the racial tension in our city--and what actions will you take to achieve those goals?

A. The first question we must answer is, "What are we really trying to do by busing?" All of us--white, black, every American, in my opinion--want quality education.

Second, let me strongly emphasize that the Supreme Court, in 1954, decided that separate but equal schools were not constitutional. That is the law of the land. As far as my Administration is concerned, the law of the land will be upheld and we are upholding it.

Subsequently, the Federal Court decided that busing is one way to desegregate schools and perhaps improve education at the same time. But there is always more than one answer,

and I have the responsibility to give what I think is a better answer to the achievement of quality education, which is what we all seek.

I believe that quality education can be enhanced by better school facilities, lower pupil-teacher ratios, the improvement of neighborhoods and possibly by other alternatives.

Accordingly, I directed the Secretary of Health, Education and Welfare, the Attorney General, and members of my staff to develop better methods of achieving quality education within an integrated environment for all children.

The development of these alternatives is going on now.

VICE PRESIDENTIAL POSSIBILITIES

- Q. Since you announced your shakeup in the Cabinet and the CIA to bring your "team" into the Administration, and Vice President Rockefeller bowed out of the 1976 picture, political questions have been raised. In bringing Ambassador Elliott Richardson back to the U.S. to assume the post of Secretary of Commerce, are you readying him for possible consideration as your running-mate?

Senator Edward W. Brooke has also been mentioned as an attractive addition to whatever ticket the convention might endorse. Have you considered Brooke as a possible vice presidential candidate next year?

- A. As I have said on other occasions, one of the blessings of the Republican Party today is that we have so many able men and women who are qualified for the highest offices in the land. I certainly include Elliott Richardson and Ed Brooke among them; both are superb public servants. To go beyond that would, I think, be premature.

HEALTH INSURANCE -

- Q. Even advocates of legislation to set up a national health insurance system concede that, in view of the recession, there is no likelihood it will be adopted soon if ever. But a year ago you proposed a program to insure all Americans against the high costs of catastrophic illnesses. Is the Administration still pushing for enactment of such a program by Congress?
- A. Yes. As outlined in the State of the Union address, I am proposing catastrophic health insurance for everybody covered by Medicare -- and that includes both the elderly and the disabled. Under this proposal, no one who is 65 years or older would have to pay more than \$500 a year for hospital or nursing home care nor more than \$250 a year for doctors' bills. In order to finance this program, it will be necessary to impose slightly higher costs upon beneficiaries for initial medical treatment, but this strikes me as a small price to pay for insurance against catastrophe.



SELECTIVE SERVICE

Q. The draft has been suspended for several years now, and our armed forces apparently have been able to meet their quotas with volunteers. Why do the American taxpayers still need to spend millions of dollars to operate a Selective Service System which no longer has anything to do? Do you support and will you urge Congress to abolish the Selective Service?

A. Recognizing that the all-volunteer force has been a great success, I have recommended that expenditures for the Selective Service System be cut from \$37 million in 1976 to \$6.8 million in fiscal year 1977. At the same time, we are dropping the requirement that all young men be registered.

The success of the all-volunteer force represents, I believe, one of the most significant advances in the last quarter of a century. For a whole generation of young people, it means greater personal freedom -- the ability to plan one's life without fear of conscription. Now our job is to maintain that freedom by maintaining the peace.

HEALTH INSURANCE

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CRIME

- Q. Despite many new programs and a very large increase in government spending to combat crime, the problem continues to grow faster and faster every year. Are you willing to try new and different laws or strategies to curtail it?

Will you, for example, support the legislation which Senator Edward Kennedy recently proposed to mete out mandatory sentences for serious offenses, especially those involving "recidivists" or repeaters?

Would you support federal legislaion, modeled after a statute enacted earlier this year in Massachusetts, requiring mandatory jail terms for persons convicted of carrying guns outside their homes without a license or for using weapons in the commission of a crime?

- A. None of us should be satisfied that we have all the answers to crime until we achieve one fundamental objective: we put the criminals on the run in this country.

To do that, we must be tough and unrelenting.

I have asked the Congress for legislation that will require judges to lock up persons convicted of Federal crimes involving the sale of hard drugs. No one is certain whether hard drugs are a major cause of crime, but we do know that such drugs degrade both the spirit and the bodies of those who use them. And they very likely are related to the high incidence of crime today.

We should also recognize that some judges are reluctant to sentence felons to long sentences because of poor prison conditions. In my new budget, I have asked for money to build four new Federal prisons.

I am also asking for funds to expand the number of Federal prosecutors, to expand the number of Federal judges, put 500 additional Federal agents in the Nation's eleven largest metropolitan areas in order to control illegal trade in handguns, and to provide financial assistance to local and State law enforcement agencies.

I am not in favor of Federal legislation modeled after the Massachusetts gun control law. As I said in my State of the Union address, "the way to cut down on the criminal use of guns is not to take the guns away from the law-abiding citizen, but to impose mandatory sentences for crimes in which a gun is used, make it harder to obtain cheap guns for criminal purposes, and concentrate gun control enforcement in high crime areas."

Under our Constitution, responsibility for controlling and punishing crime rests primarily with State and local authorities, but with crime posing such a threat to many citizens, the Federal Government cannot -- and will not -- turn its back. We are an active partner with local police officers, and we will keep the pressure on until we succeed.

TAX REFORM

- Q. One of the proposals now before the House Ways and Means Committee, submitted by Rep. James A. Burke of Massachusetts, would change the social security tax law to lessen the payments now made by employers and employees and would raise the income limits so that wage earners with an income of \$25,000 would pay a social security tax on that full amount. Do you support that tax reform?
- A. As I spelled out in my State of the Union address, it is vital that we maintain a sound, reliable Social Security System. I have therefore proposed that the full cost of living increase be paid to all Social Security beneficiaries.

We must also recognize, as Rep. Burke has, that the Social Security Trust Fund -- the foundation of the system -- is running out of money. I have therefore proposed that in order to preserve the integrity of the trust fund and to protect future benefits, we enact a modest increase in Social Security payments, effective January 1, 1977. For employees, this will mean an increase of less than a dollar a week in additional payments.

Rep. Burke's proposal would result in a significant portion of Social Security benefits being financed from general revenues. I oppose this approach for two reasons. First, Social Security was set up as a form

of personal insurance; we ought to maintain it as such, and not turn it into a general welfare program. Secondly, we just don't have general revenues to put into Social Security. As matters now stand, the Federal Government during fiscal year 1976 will be borrowing over \$70 billion to pay its bills. It makes no sense to me to keep living beyond our means and expect the future to take care of itself. Social Security was intended as a means to provide for the future, and we ought to stick to that sound principle.

Q. What else would you suggest to make the Federal tax laws more equitable than they now are?

A. It is clear that the Federal tax law must be reformed in the interests of achieving greater fairness among taxpayers, and I have submitted legislation to that end -- legislation that would require high income taxpayers to pay a reasonable tax, that would restrict the use of artificial accounting losses as tax shelters, and would gradually reduce the double taxation on corporate dividends so that we might encourage greater investment in the country's future. I hope that the Congress will join with me in this effort to make our tax system fairer and more equitable.

WELFARE

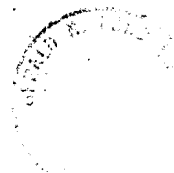
- Q. When Caspar Weinberger resigned a few months ago as your Secretary of Health, Education and Welfare, his parting shot was a call to end the present welfare mess before it bankrupts the country. In place of the present chaotic and costly system, he urged adoption of a new program of case grants which would be tied to a work requirement for everyone in need. His proposal was essentially the same as the Family Assistance Plan advocated by former President Nixon and Daniel Patrick Moynihan.

Do you support that kind of welfare reform? Do you think Congress will go along with a total overhaul of the present system? Wouldn't this be one way to ease the fiscal pressure and avert the danger of bankruptcy in New York and other cities and states where welfare costs have gone out of control?

- A. It is clear to everyone that the current welfare system is in a mess, and one of our prime objectives must be a sweeping overhaul -- hopefully before the end of the decade.

For a number of reasons, however, I do not believe that 1976 is the proper year to enact a major new welfare program. We will be approaching national elections soon, and it would not be fair to turn the futures of millions of disadvantaged Americans into a political football. Moreover, we are still in the early stages of economic recovery, and we must not take a major detour.

Given those considerations, I think that 1976 can nonetheless be a year of substantial progress.



I believe that in 1976 we must concentrate on making improvements in the existing programs. Specifically, I have sent to Congress proposals for reform of the Food Stamp program so that benefits can be concentrated on the truly needy. In addition, I will be sending to Congress a proposal to enable the President with approval of Congress to tighten up rules to make programs of assistance more equitable and efficient.

FOREIGN AID AND TRADE

Q. You recently approved another major purchase of wheat by the Soviet Union, which many consumers fear will add to the price of bread and other commodities sold in America's supermarkets. Wouldn't it have been a better deal if we had swapped our wheat for Russian oil on a quid pro quo basis, which could have lowered the price of petroleum products and made us less dependent on -- and subject to blackmail by -- the Arabs?

A. The United States is extremely fortunate to have the most productive farmers in the world. They not only put food on our tables at prices that are generally more reasonable than food prices elsewhere in the world, but they also sell so much abroad that they keep our balance of trade in the black. Indeed, because of our bumper crop, the price of bread was not adversely affected by grain sales to the Soviets last year.

The problem we have had with the Soviets with regard to wheat is that in the past they entered our markets unexpectedly and with massive unpredictable orders. In 1973, for instance, prices were disruptively forced up for American buyers. I believe the answer to such disruptions is not to shut the Soviets out of the market but to convert them into more regular customers, so that our farmers can plan ahead. That was the purpose of our efforts to negotiate a grain agreement with the Soviets --

an agreement that was successfully concluded in October of 1975. Under this accord, U.S. farmers during the next five years will have a substantial market for their crops, the U.S. consumer need no longer fear disruptive Soviet orders, and our international financial position will be strengthened.

Oil imports from the Soviet Union at a favorable price would make us marginally less dependent on OPEC. Last year we negotiated a letter of intent with the Soviets which may lead to U.S. purchases. Negotiations on this matter resumed late in January.

Q. Last week you proposed nearly doubling the cost of the U.S. foreign aid program next year. Can we really afford to be so generous abroad when there are so many domestic needs going unmet today and crying out for funds?

A. Our resources are indeed limited, and we must husband them carefully. The needs of the American public must always be given great weight when considering the competing needs of other nations. At the same time, it is in our own best interest -- and it fulfills our own humanitarian impulses as a people -- to continue our assistance and support for others who will help themselves.

In actual dollar terms, the 1975 budget called for an authorization of \$5.0 billion for foreign aid, the 1976 budget called for \$6.6 billion, and the 1977 budget reduces the proposed amount to \$5.8 billion.

As you can see, there was a fairly sizeable increase in the 1976 figure. This was in large measure attributable to additional security assistance for Israel and Egypt -- an investment in peace that was worth every penny. The other major portions of aid were either for economic or humanitarian assistance -- assistance that I regard as a vital contribution by the United States to a more stable and more hopeful world.

STRIKES BY PUBLIC WORKERS

Q. In recent months there has been a rash of strikes by teachers, firemen, policemen and other government-employees. Do you think the time has come for federal legislation to prohibit such work stoppages? If so, would such a law require compulsory arbitration, or are there other alternatives?

A. No. I think it would be better for the employers and employees at the State and local levels to work these problems out for themselves. A number of States have experimented with approaches to this problem -- some of them with a high degree of success -- and others can draw upon that experience.

ENERGY

- Q. Periodic shortages and chronic high costs for heating oil, gasoline and electricity have hit the average consumer harder in New England than anywhere else. How much longer must we wait for the administration and Congress to develop a comprehensive -- and equitable -- energy policy that will begin to meet the long and short-term needs of all Americans?
- A. Washington's debates over energy during 1975 were long and frustrating for many Americans, but in December the Congress passed and I signed a bill that enacts a part of my comprehensive energy program.

While the bill is not perfect, it will over time give us a means of encouraging greater domestic oil production and help end our vulnerability to foreign producers' control over the supply and prices of energy. Moreover, it gave me formal authority to begin setting up a strategic reserve of oil as well as other authorities we need to help meet our near-term energy goals.

As consumers in New England have found, the Nation can ill afford prolonged delays and debates over energy. Our people cannot be at the mercy of foreign producers, nor can our foreign policy. It is therefore urgent that in 1976 we build upon the foundations of the 1975 act.

Specifically, I hope that the Congress will act quickly to permit the deregulation of new natural gas, to authorize production in the Naval Petroleum Reserves, to

stimulate effective conservation; and to amend the Clean Air Act, to permit the commercialization of synthetic fuels, to permit greater use of nuclear energy, to set up an Energy Independence Authority, and to accelerate the development of advanced energy technology. All of these are essential steps in obtaining our energy independence.

Q. Is there anything you can do to speed up the development of off-shore oil or the building of refineries in the Northeast?

A. It is clear that if we are to achieve energy independence, one of the resources we must tap is the oil on the outer continental shelf. The Interior Department is now moving ahead with an aggressive program to ensure that such development takes place in an environmentally safe manner. Under its schedule, there should be a decision this summer on a lease sale in the Georges Bank area off New England.

The principal problem relating to refineries is to decide upon suitable locations. Local, state, regional and national interests are all involved. While the Federal Government is not the final arbiter on such decisions, it can and should help to smooth the decision-making process and to ensure that all interests are taken into account. Accordingly, I have submitted legislation to the Congress to improve the process for making decisions about the location of major energy facilities, including refineries. I hope that the Congress will act favorably on this legislation in 1976.