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September 19, 1975

SUBJECT: HONORARY DEGREES

The President has received the following Honorary Doctor of Laws degrees since becoming President:

Ohio State University  
Notre Dame  
University of Pennsylvania  
Chicago State  
S.M.U.  
Pepperdine (September 20)

JGC

RE ALLEGATIONS MADE LAST NIGHT ON WNEW AND WTTG:

The President has never knowingly accepted any illegal contributions; any honoraria he received as a Congressman were reported on the tax returns which were submitted and audited during his confirmation on the Hill. The available records on campaign contributions were turned over to the Senate Rules and House Judiciary Committees. We will be looking further into the specific allegations raised by the TV report last night.

1. Between 1968 and 1973 the AFL Maritime Trade sponsored Wednesday afternoon cocktail luncheons at which various congressmen spoke. Was Gerald Ford one of them? How many times did he speak? How much money did he receive for each speech? Did he list these fees on his IRS report? Did he write his own speeches on each occasion or were they written by the Union?

2. Did the President receive contributions from an illegal fund set up by Seafarers International Union in 1962? According to a Justice Department indictment against the Union and its officials which was delivered in 1970 certain congressmen received a total of \$750,000 from that fund between 1964 and 1968. Was Gerald Ford one of them?

3. In 1970 President Ford was named as one of those who received illegal contributions from American President Lines and Pacific Far East Lines. Can you confirm that the President did in fact receive such contributions? Did the President have those contributions delivered to him in the form of checks in person? Was he aware that the contributions were illegal?

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The News 10:00 p. m.  
Metromedia  
WNEW-TV - New York  
WTTG-TV - Washington

Stanley Pinsley 212-535-1197 or 212-535-1000 x426  
Mark Monsky

1:10 p. m.

gross

Q: Why is the President's/income for 1975 not simply \$250,000 which he makes in salary and expense account?

A: The extra money is accounted for by a combination of dividends, interest on bank accounts, and net rental income from his rental properties.

Q: Is it proper to include the \$50,000 expense account as gross income?

A: It is required by law that it be treated as income, and therefore it is taxable unless accounted for as a business expense item.

Q: Please account for the differences between the President's gross income and his taxable income:

A: There are three basic items which account for the differences:

One is personal exemptions. The President has claimed five exemptions; for himself, Mrs. Ford, and three children, @ \$750 each, totalling \$3750. Secondly, the deductions, as shown on the chart; and third, business expenses accounted for specifically in the President's return.

Q: Which of the President's children did he not claim?

A: It is our understanding that he did not claim Steve Ford because he was not living at home and he is not a fulltime student.

Q: What kind of business expenses could the President have and claim?

A: One good example of the type of business expenses the President incurs is the cost associated with purchasing and mailing out the more than 35,000 Christmas cards this past year.

(More)

Q: What are the charitable contributions the President made and claimed on his return?

A: We feel that the President's charitable contributions are a private matter. As I told you earlier, most of this was in small contributions to such organizations as the Boy Scouts, American Red Cross, etc.

Q: Where does the President pay his State taxes?

A: Michigan

Q: What other taxes does the President pay beside state taxes to Michigan?

A: He pays property taxes on his rental properties and sales taxes, which are deducted from the standard tax tables.

Q: Private accountants will say that according to the tax tables, he should pay more than the \$94,000 on a \$204,000 taxable income. Why the difference?

A: That kind of a problem is associated with the use of a standard tax table. Under the tax laws, a maximum of 50% tax is the rate on earned income that is salaried income and a maximum 70% on unearned income, such as dividends and bond interest. Almost all of the President's income was salaried income; therefore the limitation of 50% marginal tax rate applied. His tax rate would be higher if he had had more unearned income for dividends, interest, etc. The X,Y,Z tables and Schedule 4726 were used in computing his tax.

Q: What interest payments does the President have?

A: The President has a few small outstanding bank account loans; for example, one loan was to enlarge his Alexandria, Virginia, home when he closed in the garage, after becoming Vice President, to use as a room for the Secret Service.

As you can see, the interest in 1975 was less than half of the interest in 1974. This indicates that the President used some of his 1975 income to reduce his loans.

Q: Why didn't you update his financial statement which you put out before

A: That was a statement of the President as of December 31, 1975. It has not changed since then, and net worth statements are traditionally put out at the end of the calendar years.

QUESTIONS ON PRESIDENTIAL POWER

Q: Do you think the Presidency has lost power or authority to Congress in the aftermath of Watergate and Vietnam?

A: No, I don't think the President has lost his basic powers.

The powers of the President are established by the Constitution and by law and there have been no fundamental changes in these grants of authority.

What has happened recently is that the Congress, which has a better than two-to-one majority of members of the Democratic party, has asserted a demand to play a larger role in certain aspects of Government, partly for partisan political reasons.

In order to understand the situation today, we must look back at our history. The three branches of our government -- the Executive, the Legislative, and the Judicial -- share power under a system of checks and balances written into our Constitution. Over the 200-year history of our country there have been periods when the proper balance got out of line, when the Executive or the Congress...and, on rare occasions, even the courts...took on more power than the Founding Fathers intended.

Whenever this has happened, the system has corrected itself. The pendulum has swung back the other way. Sometimes, in fact, it has swung back too far and there has been the need for another correction.



Frankly, I believe that Congress recently has gone too far in trying to take over powers that rightfully belong to the President and the Executive Branch.

This probably is a natural reaction to the steady growth of Executive Branch power over the past 40 years. I'm sure it also is a reaction to Watergate and Vietnam. And the fact that I came to this office through a Constitutional process, and not by election, also may have something to do with the current efforts by the Democratic Congress to take away some powers of the President.

As a Member of Congress for 25 years I clearly understand the powers and obligations of the Senate and House under our Constitution. But as President for 18 months I also understand that Congress is trying to go too far in some areas.

The Constitution does give Congress an important role in foreign policy.

But, in an era of intercontinental missiles and instant communications, only the President can manage day-to-day relations with more than 100 foreign nations.

We already have seen clearly the disruptive effect when Congress tries to involve itself in the daily conduct of foreign affairs. I'm thinking of Angola, aid to Turkey, Soviet emmigration and trade, and the damaging disruptions of our legitimate foreign intelligence activities.

My successful and constructive use of the veto is proof that the Presidency has not lost its power to stand up for the best interests of the nation against a large Congressional majority of the opposition party. I have used my veto -- as the Constitution intended it to be used -- to remind Congress that on certain issues, when I disagree with the judgement of Congress, more than an ordinary majority is required to resolve the issue. My vetoes have forced Congress to re-think their first decision on issues, and, in many cases, to come up with a far better answer. This process has saved the taxpayers billions of dollars and has been, I believe, an important use of Presidential power.

As for the future, I am confident that after January 1977, when I am elected by the voters, when more Republicans are elected to Congress, when the economy has improved even more and when the historic pendulum has swung back, as it always does, then some of the concern expressed now about the supposed loss of Presidential authority will diminish.

JUNE 4, 1976

SUBJECT:

THE BANDAGE ON THE PRESIDENT'S WRIST

RESPONSE (IF ASKED):

Reporters have inquired about the bandage on the President's wrist. In response to the inquiries, the President's physician, Dr. William Lukash, reports the President's right arm apparently came in contact with some poison ivy while the President was playing golf Saturday. This resulted in a small area of rash on the President's right wrist. The bandage helps prevent irritation during the healing process. Dr. Lukash says the rash area is just about healed now.