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Transcript  
from Iowa  
1/15/76

Sent to  
Shuman





GOVERNOR RAY: OK, if you're all set, good morning. For those of you who are newcomers to Iowa, I'm Bob Ray and to those of you who are the Iowa news corp, I'm sure you recognize the tall gentleman behind me. I want to tell you must a little bit about him. He's Rogers Morton. He served four terms in the United States Congress, he has been the Republican National Committee-chairman, he has been the Secretary of Interior, and he is presently the Secretary of Commerce. He's been in the Cabinet longer than any Cabinet member today and he is presently in the state of Iowa on behalf of President Ford and President Ford's campaign. And to my left is Lieutenant Art Neu and all of our people are very well acquainted with Art. And now I want to ask the Secretary if he would like to make a few remarks, then everybody up here is available for questions. Mr. Secretary.

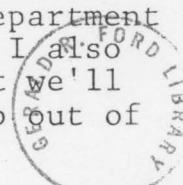
ROGERS MORTON: Thank you, Governor, Lt. Governor Neu. I came out here at the invitation of Mr. McCartney who is chairman of the President Ford Committee of Iowa. As you know and as obviously has attracted members of the national scene as far as the press is concerned this is one of the first tests in the nation on candidates both on the Republican as well as the Democratic side. It has been drawing a lot of interest. I was glad to have the invitation to come and I want to meet with the President Ford Committee people here. This trip is obviously being paid for by the President Ford Committee and not by any other funds. I know you probably have a lot of questions so I'll limit my statement to that, and we'll try to answer your questions.

PRESS: Secretary Butz was also here yesterday on behalf of President Ford. Is the sudden attention on Iowa an indication that the President may feel he is in trouble here?

ROGERS MORTON: No, I don't think so. I think it's more the beginning of a delegate selection process and since it's where it is on the calendar, I think this is the thing that naturally attracts people. I am sure that we're going to have a good hard, clean primary on the Republican side across the board and obviously we don't want to leave any stones unturned.

PRESS: What day will you assume your job?

MORTON: I'm not sure what day. I've got two or three things that I'm firmly committed to do as Secretary of Commerce that I want to get done. There are two or three decisions, internal decisions, in the department and I want to try to get them done. And then I also want to confer with Elliott Richardson so that we'll have a minimum of time between the time I step out of



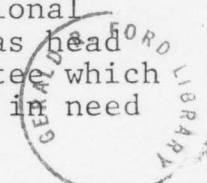
the job and he steps in. I would think it would be a few days before the end of the month.

PRESS: Would you define, Mr. Secretary, in some detail, just what is it President Ford would like you to do at the White House. Particularly, what he decides in relation with the President Ford Committee and Mr. Callaway.

MORTON: The President would like me to advise with him on a great spectrum of issues. I have served on the Energy Resources Council virtually since its inception and have chaired it for a couple of years. It has been a coordinating council to coordinate the work of the Federal Energy Administration with other energy interested agencies. And we have a long way to go to perfect an energy policy that will lead toward energy independence. And I think the President will rely heavily on me in counselling with him on energy issues. I've also served on the Executive Committee of the Economic Policy Board since I became Secretary of Commerce last spring and the President is anxious for me to continue on that Board because that Board is not only originates legislative initiatives and policy initiatives but also acts as a screening group taking initiative proposals from various departments, various individuals and verily massaging them, putting them in an option form before they go to the President for final decision. The President likes to talk with individual members of that group before he makes a decision so that he fully understands the options and also is fully aware of all of the ramifications of the particular proposal.

I think that Don Rumsfeld did a great deal of this kind of counselling with the President before he left. Don had known the President well over the years as I have, and I think the President feels that he would like to have somebody to discuss these matters with him with whom he has been associated for a long time, and makes sure that he has a candid viewpoint.

The relationship between the national committee and the political institutions in his campaign committee has been fairly dispersed communications patterns within the White House. Bob Hartmann has handled part of it, Dick Cheney has handled part of it, some of Dick Cheney's subordinates have handled part of it, the press office has handled part of it. It's scattered around. The President, in addition to all the other things, would like me to bring it all together so that he has one conduit through which he can relate to the national committee which is part of his responsibility as head of the Party and relate to his campaign committee which is a very active and almost on an hourly basis in need



of communications with its principal, and I hope to be able to do that and I hope to be able to take away some of the burden that this has put on his office and his immediate staff.

PRESS: If you are to be in contact with the campaign committee on an hourly basis, how do you have time to do anything non-politically.

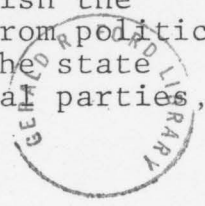
MORTON: Well, I think I can, knowing those two institutions, I don't think it's going to absorb that much time. I've been sort of a, just as a matter of pure interest, Roger, have been working with Mary Louise Smith and Ab Herman and people up there ever since I left and I don't think this is going to be a big problem. The other thing is that the campaign committee got off to, as you know, to somewhat of a difficult start. The whole fund raising effort under the new rules started slowly, there were funding problems, these things are straightening out and I think it is going to be, and I think that Bo Callaway is getting a very good hand on it and profited by mistakes in the past as we all do, and I believe that campaign is going to proceed smoothly and effectively, and the money is now beginning to come in. Bob Mosbacher is over there and I think there is going to be less to do. Actually, what I think my job is going to do, is to relieve the White House of a lot of political responsibility that various staff members had been assigned as a supplemental assignment. So I don't think it's going to be all that tough. There might be more time. I think that the primary thing is the political advise. I think a President, as he has a natural resource adviser, as he has an economic adviser, as he has a domestic council with a whole array of technical expertise, I think a President who is the product of our political system needs somebody to give him political advise. He's comfortable with me and I will have the opportunity to do that.

PRESS: Mr. Morton, why should the American tax payer contribute at all to his getting political advise.

MORTON: Well, let's start with Harry Hopkins.

PRESS: Just, start with the new law.

MORTON: If the President of the United States is the product of a political system, I don't believe that after he is elected President you can sterilize, vanish the presidency from and completely isolate it from politics. From the relationship, relationships with the state governments, relationships with the political parties,





the political relationships with the electorate. That's the way of the American institution. Now if you are going to elect, if you're going to amend the Constitution, I'm not arguing about that, and you take the President and you isolate him from the time he elected President that he no longer the titular head of the Party, that he no longer is either a Democrat or a Republican in that sense, then I think you've got a argument. But I think he is in just as much entitled to political advice as he is in natural resource advice because I think that good politics is in the interest of the Nation.

PRESS: What do you think of people who receive political salaries who are being paid by political parties or political committees rather than people who are paid....

MORTON: This is an argument that you can certainly make. This afternoon the chairman of the Commission, Tommy Curtis, is going to sit down with Phil Buchen, the President's Counselor and discuss this from a legal point of view. From the point of view that you raise. And I have a very, very squeamish feeling though about anybody working for the President in the White House that is paid by external funds. I think that could run into, particularly external funds the source of which you really don't know.

PRESS: Do you think your salary is an imposition to be declared as a campaign expense by the Federal Election Commission.

MORTON: Well, I haven't an opinion on that because I believe it is a legal opinion. I think that has to be decided. But, I hope it would be decided within that framework and I would think if we're going to do that then we are going to have to look when a Congressman goes from district A, his own district, or from Washington and goes to speak for a fellow Congressman and he is on the federal payroll, I think that ought to be just as closely examined.

PRESS: What do you mean you don't have an opinion, You have a political opinion.

MORTON: I don't, I have a legal opinion.

PRESS: What about the political or moral issues, now?

MORTON: I don't think there is any, I don't feel any immorality in being paid by the federal government for the jobs that I'm going to do as I see it. And on the other hand, if the lawyers decide and if the commission decides that this is in violation of the law, then obviously I would feel very uncomfortable in receiving



this salary from the federal government. And they are proceeding now to make that determination as fast as they can.

PRESS: At whose request was the meeting this afternoon scheduled.

MORTON: I don't know. I talked with Mr. Buchen and you will have to ask him. I don't know whether Tommy Curtis called Phil or Phil called Tommy Curtis, but my understanding is that there is a meeting this afternoon to go into this matter.

PRESS: You projected a minute ago that if you were paid by political funds that these funds would be somewhat secret

MORTON: No, not secret, I didn't say they were secret. I said you don't know, you wouldn't have time yourself to know to fully understand what the source of all the funds was. I say that I would be uncomfortable in an advisory role in the White House being paid by external funds. And I think that would be a very bad precedent to set.

PRESS: If the Federal government...

MORTON: The next thing you'd do, you'd have a lobbyist. There is no reason why the steel people couldn't be in there or the electrical people or anybody else. And I think this would be a very, very dangerous and bad thing.

PRESS: If the Federal Election Commission decides that your duties, as they conceive them, are illegal or against the new law, what are you going to do.

MORTON: I'm going to let the President make a determination. And if the President, I served the pleasure of the President of the United States and if President of the United States is advised by his lawyer that this is illegal I am sure that other arrangements of some sort will be made. I want to make sure we are complying with the law. I think we're trying right here to judge something before there is even a legal opinion or before the Commission has had a chance to act upon it.

PRESS: Mr. Secretary, what do you think of Ronald Reagan's \$90 billion plan to move on the spending program?



MORTON: Oh, I think it would be a travesty which won't work. That's what I think. (Laughter)

PRESS: Why do you say that?

MORTON: Well, how are you going to tell leftist people that let's you and I sit down now and transfer \$90 billion of federal obligation to the state. Where do you want to start. Maine, Vermont. Iowa. I'm afraid he got himself into a semantic trap on that and I don't understand. When you are talking about \$90 billion, you are talking about a fourth of the whole federal budget being transferred back which would mean a whole taxing system would have to be superimposed upon the states and a whole reorganization of our federal relationships. So I

PRESS: Do you think it would increase state and local taxes?

MORTON: Does a dog have a tail? How do you put \$90 billion of programs into other institutions without having to change our revenue structure?

PRESS: Governor Ray, what you think about the \$90 billion thing and how do you think its affecting the Reagan/Ford race here?

RAY: Well, I think the Secretary did a pretty good job answering the question. Ninety billion dollars is a lot of money, it's almost beyond comprehension. Iowa is 25th in size and population so we set pretty much right in the middle. And if we were to absorb our share of that which would be roughly 2%, but say 1% of it, if we would have to absorb \$1 billion that would be about the same amount as our total state budget in the state of Iowa. Now, if it went on the local level, it would go on property taxes, if it went on state taxes, that would mean that you would increase income tax or sales tax and so I think the program would require an awful lot of explanation which I haven't heard and I understand Governor Reagan has tried to explain it is not exactly what everyone thinks it is. Perhaps he will clarify it a little bit more. I don't know how it would work.

PRESS: To use the vernacular, some people say that the two Republican candidates are such turkeys in Iowa, that a lot of Iowa Republicans Monday would like to go to you. How does that strike you.





RAY: I don't think that either one is a turkey.

PRESS: I know you wouldn't say that here, but

RAY: Roger, I wouldn't even say that anywhere else.

PRESS: How would you view that, if a substantial number of Iowa Republicans decided to elect Bob Ray on Monday.

RAY: Well, I frankly feel that we have a President. I feel that we have a President who is trying very hard to do the right things for the people of this country. I would much prefer our people support that President and I am not looking to be a favorite son at all. And if you are asking my opinion, I would much prefer to have the delegates for the President.

PRESS: What is your opinion of a Ford/Ray ticket?

RAY: Oh, I wouldn't speculate as to that. I think what's important is that we get the right presidential nominee. And that whoever the candidate is that runs with him for vice president is a person that is compatible with the President. And that the President has a voice in that.

PRESS: Would you like to be counted as available as a candidate

RAY: I think that any of us would probably in this room would be available. (Laughter) Even Mudd. (Laughter) The nice thing about having Rogers Morton here is that there is not one in this room who doesn't look up to him.

PRESS: If Ford gets beat badly here, do you expect that will be the end of him as a presidential candidate.

RAY: First of all, I don't expect that to happen. And when you say beaten badly, are you talking about what - caucuses, conventions or state convention.

PRESS: The caucuses.

RAY: I don't think you will get a real good determination on that in our caucuses. Our caucuses will not have committed delegations like the Democrats will. But even if he were not to get the majority here, I don't think that would prevent him from going on and being nominated.



RAY: I think that question was directed at more than just me. Rogers

MORTON: (in background) He answered it well.  
The Governor, I think he answered it well.

RAY: Tell them too will you. You're really kind of feisty this morning. (Laughter) It's that fresh and invigorating air.

BACKGROUND: It's that big salary raise he got this morning.  
(Laughter)

PRESS: There's a real live Republican out here.

RAY: Well, that really raises the question, would you know one if you saw one.

PRESS: Is Iowa becoming a Democratic state.

RAY: Well, we have said for a long time that we can't contend that Iowa was a Republican state. So I don't think this is new at all. At the same time, we think that the people basically believe in a Republican philosophy and we do have a Republican governor, and Republican state officials, but we lost control of the two Houses, lost control of the delegation in Congress, and those give us good targets, and we're going to concentrate on those this time. We've got an active party organization now and good leadership in the party and we certainly expect to make some gains in returning.

Any other questions. Gee, it's nice to come to a news conference and have everybody ask the questions to somebody else. Thank you very much..

PRESS: Will you greet Reagan when he is here Saturday.

RAY: I don't know that I will be. I have no plans to be. It isn't that I would mind seeing Governor Reagan for I've seen him a number of times before. As you know, he knows that I am supporting the President and I have no desire to make it awkward for him or anyone else. Thank you very much.





(Reagan)

### Winchester Shopping Center

I Thank you from the bottom of my heart for coming out-you do me a very great honor and I am most grateful. I think you know why I am here and I would like to have your support because I believe there are things going on in Washington that need to be changed. And I also believe that perhaps it is going to take someone who is not a part of the Washington establishment to dismantle that bureacracy and do the things that have to be done. And I would like an opportunity to do that.

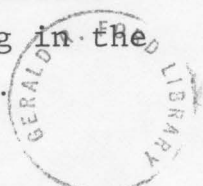
We had that experience in California . I was just telling the people inside that our next stop it will be the location that you know at the oldest post office in the U.S. Many of us here, not you young people, remember growing up when you could send a letter for two cents. It now is 13¢ but when it only cost 2¢ we got mail delivery twice a day , not once a day, and it was to the right address but I think the bureaucracy in Washington must be dismantled and the people of this country must be allowed to keep more of their earnings to spend as they want to spend instead of the people in Washington spending it.

That sign -----telling the people I'm a candidate for big business. That really is not true and they are not with me but we have gotten very well acquainted because they follow me everywhere I go and I'm hoping that on this trip before I get through there will be a chance to sit down in a room with them- because they really are nice young people, They just happen to know a lot of things that are not true and I hope we can sit down ,maybe I could give them a little lesson in economics that might straighten out their thinking a bit. In the meantime I am happy to have them along but I would not want you to think that their sign is true- that I am the candidate of big business. I would like to think that I am the candidate for a lot of people who get up in the morning and go to work-send the kids to school pay their taxes, support their church and who have not been represented in government for a very long time.

(much screaming)

People calling out-what would you do etc. etc. "The schedule has caught up with me and I have to go. There will be a meeting in the jr. high school at 8 o'clock where I will answer your questions.

Town Hall



-2 Hinsdale Town Hall

inaudible

repeating 2¢ letter.-----burden of people on social security etc. trying to pay their bills- and now 13¢ for a stamp to do so. Just an example of gov't trying to do too many things -to be all things Time for us to realize Washington is not the solution. Time we turned the course of gov't back to where there is more authority- and responsibility in our local and state governments and certainly more individual freedom, more right to spend some of our own money the way we want to spend it rather than the fellows in Washington want to spend it. because right now government federal, state and local- take 44¢ out of every dollar we earn and if that is not enough for the federal government, they are going deeper into debt 1½ billion dollars every week.

But I am not going to go on with this monologue as I know we do not have very much time but you know that I am here.-I am seeking the nomination of the Republican Party for Presidency. You therefore have the right to ask me whatever you would like to ask me. About how I feel and what I think <sup>or anything else</sup> so tonight we will be having a town hall meeting at the <sup>Kearney</sup> Jr. High there at 8 o'clock and for an hour I will be answering questions. Some of you won't be there and it would not be possible to answer all the questions there but if some of you have some questions now- fire away.

When they show your old pictures on TV- do they have to give other candidates equal time- I love them- funny answer

Have I got a suggestion as to how social security can pay its own way- I know what you are asking about- here is something the bureaucracy shows no intention of facing up to. Social Security on the basis of all the people presently paying in and those entitled to receive it is 2¼ trillion dollars out of balance and a great many inequities in it. What I have said is there must be a program now -there must be reform- even though it is not an immediate catastrophe we are going to reach it unless we do something. We should not wait for the catastrophe- we should do it now. But the first priority in any reform must be ironclad guarantees that those dependent on social security and those expecting to be dependent on it by virtue of their input should be guaranteed that they are going to receive it.



Now I do know that a number of economists in the country- ~~many of them~~ are aware of this and are working on plans and proposals that could be made that would put this on an actuary and sound basis. I am not going to refer to any of these specifically- I did that once and found out very shortly that it was said that was my plan and I was just using it as an illustration. But I know that it can be resolved- no question that it can be resolved, if we will undertake it. If we don't ~~it~~ the only answer that the people in social security have is that in the next ten years you will have to double the s.s. tax and even that will not maintain even -you will still be in a deficit position. A much smaller example- the one we have in California -we resolved- concerning the Teacher's retirement fund. When I came in as Governor it was a 4 billion dollar unfunded liability - and today 8 years later it is actuarially sound on a fully funded basis no longer a liability threatening the home owners of the state. So it can be done, if we will face up to it. One of the things I think should be a high priority.

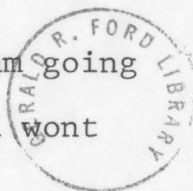
Question - - - about nursing home care and cost

Answer- We have a number of programs in California including routine shopping help , field programs, visitors- people who come by on the basis x number of clients to see . On the other hand, I must say that for those that require round the clock care, there is just no way ~~that~~ that I think it can be done in the home- it must be institutional care.

Question ---- ~~xxxx~~

~~Answer:~~----- How do you feel about welfare spending and welfare reform ?

Oh bless you, for asking that question- As a matter of fact I am going to have a few things to say about that tonight. -in detail so I won't go in too much detail here.





I can just tell you this. No one in the U.S. knows how many people are on welfare. They only know how many checks they have to send out. and it is their own fault. By their own regulations they will not permit the kind of checking that should be made to insure that people are eligible and in California we were faced with this- this is probably the biggest single cause in all of government spending and inflation. This is the one run-away cause that is growing beyond our ability to pay. and in California for four years we tried at the State level and everything we tried failed. and we could see all the economies we were making and all the savings we were making going down the drain with this one program. Finally we appointed a citizens task force -they studied for seven months and they came back to us with the most comprehensive program of welfare reform that has ever been attempted in this country. and we had to take our case to the people . The Democratic legislature was opposed and did not want to do anything about it. They were for welfare reform -- not money welfare reform. They did not have any idea of their own when I asked them what their way was- they did not have any. . Finally we got the welfare reforms and within three year period the results were astounding. In this three year period we reduced the number of people from the welfare roles by almost 400,000 but at the same time this made it possible for us to improve the help to those who truly needed it. and we raised the grants to the deserving needy by an average of 43% and at the same time we saved the tax payer two billion dollars over those three years.

We found such things going on in welfare -not the illegal deeds- they were bad of course- but we found legal cheating. When you find a man making \$16,500 a year and the welfare workers found him legally entitled to draw welfare at the same time, you figure something was wrong. and as I will tell tonight we found that we were sending hundreds of welfare checks to people in other countries- that they had moved out of the US

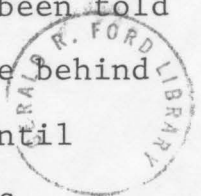
one family was living in Russia. These were the kind of things we corrected. Now when I say we reduced the roles no one went hungry in the streets- there were no pitiful cases as they said there would be. People said where will those 400,000 people go. They really did not even exist and when we had the ability to check on them they had to go away- they had to disappear because they were either working or Classic example of all just turned up in Chicago. 80 names-30 addresses- 15 telephone numbers- 12 social security cards. She is collecting veterans benefits on four non-existing deceased husbands. She is collecting social security on the cards- on medicaid and getting food stamps and she is collecting welfare so that her tax free cash income is \$150,000. Now I suggest that a welfare program which can even just one case like that needs reforming and this is one of the reasons why I would like to go to Washington and have your support to get there because I believe it can be corrected in the ~~next~~ national level.

thank you

~~XXXXX~~ Keane

What do you think our policy should be on Angola?

I think our situation is that we can't answer that question until the government tells us what it should tell us. Right now we know the Soviet Union is pouring aid into Angola more actively than they probably have in any other hot spot in the world. Our administration is suggesting that we should be matching them in doing this in opposition and the Congress is opposed to this but the American people have not been told is Angola of any strategic importance to us- what is the purpose behind what Russia is doing- does it threaten our national security. Until the people are told none of us can have an answer. If Angola is



important to our national security then I am sure that the people would propose that we do something to insure our own security. If it is not of strategic importance and it doesn't threaten our national security then of course we can say let them settle their problems themselves. I think in the meantime what we should do if Russia wants to sit down and negotiate things like the salt agreement with us I think our govt should be saying to Russia-if you really believe in Detente if you really believe in our sitting down and talking together- then you get out of there and let the Angolas settle their own affairs.

Do you think we should increase defense spending?

I think defense spending is not a matter of opinion. I think we have to spend what is necessary to see that there is no country in the world that is stronger than we are- maintaining our quality of strength- I felt that former Secy of Defense Schlesinger in his opposition to the cut in the defense budget made a good case. if this was essential that we were to stay even with the Soviet Union ~~and then~~ To reduce this considerably I would review this with concern. because I have confidence in the Sec'y ~~xxxx~~. There is one thing and that is that we cannot become second best

Views on gun control

Well the kind of gun control they are talking about in Washington as well as any other place is borne out of hysteria. As I view it they are talking about making it difficult or impossible for a law abiding citizen to have a gun and I don't see anything in their proposal that would keep the criminal from getting a gun if he wants one. I think there is an answer if gun control does not involve taking it away from the legitimate citizens. in California we have done it. We passed a law there that said if someone is convicted of a crime and had in his possession a gun while he was committing that crime whether he used it



or not net 5 to 15 years of a sentence. I think this is the way  
In other words make it. Make it hard for the criminal to carry or use  
a gun.

question - - -

I think the U.S. is pledged to preserve the state of Israel. I  
hope what you are saying about another attack- that is farther removed  
now from the possibility that it was once, by a policy started by  
former President- in that we have replaced the influence of the Soviet  
Union in a number of the Arab states so that we are in a position now  
to persuade them to sit down at the table with us present- as a friend  
of both sides and hopefully settle the problem. The trouble with  
the whole Arab-Israel question is that there is so much right on both  
sides . It is a very complex question and I think we have been on  
the right track in our negotiations. I know that we have some Arab  
states that have thrown out the Soviet influence and accepted ours.  
I dont believe there is an instance where manpower would be needed by us  
if this is what you are talking about. I think that our providing  
Israel with the arms they need to defend themselves is something we  
will have to continue.

questio n- your personal opinion about abortion

I have never given that subject much thought until I became Governor.  
As Gov. I found myself faced with legislation- bitterly contested-  
state divided between the pros and the cons and the Senator who was  
proposing almost abortion on demand sent word down that he would amend  
his bill to anything that I felt like I could sign. and that set me on  
a course of study and more soul searching than I have ever done in  
my life. And I have come to the belief that the interrupting of a pregnancy  
can only be justified is on the same basis that it was justified in  
our prevailing Christian tradition. but yes a mother does have a right  
to defend her own life against ..unborn child.

Just to have an abortion on a whim or a child may be an inconvenience-  
no.

Question ---

In case any of you are thinking that that campaign sign out there saying I am for big business is mine and a part of my campaign no-that xhis there opinion. They think that is what I am for and they always ask me these questions- I would guarantee that if time would permit- I could buy you a hamburg ~~and~~ in twenty minutes and it wont be from ... and I would be happy to do it if you would stop asking that question

These are nice young people outside and I have told them and I hope that before this is over there will be a spot in the schedule where we can sit down in a room together and talk about our differences/ I think they are well intentioned- but that young people have been tragically informed- it is not that they dont know anything but its that they know so many things that are not true. I think we could all profit by a conversation of that kind.

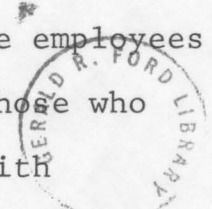
Question has to do about my proposal that there are about half a dozen programs at the federal level that are being mismanaged-extremely high in cost because the Federal govt is not equipped to handle them and those programs should be administered state and locally but with them should come the resources that are presently paying those costs. That is you are paying for all of them-the state share- the local share- the federal share- but you here in New Hampshire are sending \$1.32 to Wash. for every dollar you get back and under my proposal keep that money here in the first place and you would not have to send that extra amount there which they take off the top for administering- but it has nothing to do with 90 billion dollars- that figure I was <sup>ith</sup> simply illustrating when I proposed this last Sept. -that those programs that I was talking about in the present budget, if those programs were already



in the state hands- that is how much smaller the federal budget would be. That is how much those programs cost. It would cost a lot less and there would be a tax reduction I think for everybody if these programs are turned back to the local and state ~~golevels~~ for their own management. You could run your affairs in New Hampshire ~~im~~ better than they are running them but the point is that you are paying now for all of those programs but you are paying excessively for a gigantic and administrative overhead- there are 103,000 employees in HW that are laid on top of the state and local govt you are administratin locally now and so it is in every state but you do it with the 103,000 people in Washington asking thousands and thousands of regulations and telling you every i that must be dotted -how to run the programs- and every day they are changing the regulations on you as your people in your own local offices will tell you and I say you could run the program better without them but dollar for dollar they have to turn back from the federal level the sources of revenue that are presently being used. Now if that tax is utilized here at the local level you have control over whether you are taxed too much for it, that you can economize and save money you could reduce the tax but you cant do that at he federal level.

Question-can you realistically say that a large percentage of the people who are serving in the double administration of these programs be eliminated. It would not be an easy thing to eliminate 100,000 people

Well, knowing the bureaucracy in govt you would not instantly see 100,000 people out on the street. Let me tell you how we did it in Ca. Govt at the state level was growing by about 5 - 7000 new state employees every year. We put ~~XXXX~~ a freeze on hiring replacements for those who retired ~~nr~~from govt service. We as a result ended our years with virtually the same number of employees that we started with 8 years before

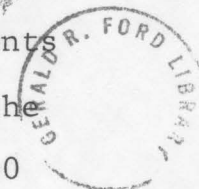


but ours is a fast growing state. which meant that many of our state departments had absorbed as much as 6% work load increase and were handling it with the same number of employees and this is what you would envision at the national level. No one wants to suddenly- you cant- instantly disrupt the economy by creating a situation that you described and this would not be my plan but to do what we did so successfully in California.

Keane-

I would like to speak for a few minutes- I know the purpose is questions and answers but I have a few remarks here that I think might anticipate some questions. I ought to begin by telling you that during those eight years that I was Governor of California I developed an interest in ancient history . I discovered there was an ancient Greek city state They had a custom that if anyone proposed a new program for gov't they did so with a noose around their neck tied to a tree standing on a chair and if they liked the proposal they removed the noose and if they did not they removed the chair, and I have developed a morbid fascination of late in the customs of ancient Greece.

We have seen a development in this country of a fourth branch of gov't in the last four decades . It has been added to the Executive the Judicial, and Legislative branches and it is a permanent structure- a bureaucracy which cant be removed from office by the voters. It invades every facet of our lives , it covers the nation with a multitud of regulations and it robs us of liberty and I think if we dont reverse our course pretty soon we will find we live in a society in which everything that isn't compulsory is prohibited. There are 3500 departments and services in the Federal gov't and they require the filing by the citizens at various times depending on their occupation some 10,000



separate forms for 8000 separate record keeping systems and yet in spite of all of this paper work and this meticulous record keeping the social security can still send a letter to a man in New Jersey telling him he was dead, and when he appeared before them in the flesh very much alive, (they had cut off his payments) they couldn't find a way to reinstate his payments but they did help him out a little- they gave him \$700 to pay for his funeral.

Now to pay for all of this government, the government is taking 44¢ out of every dollar earned in the U.S. Taxes are the biggest item in the family budget. They total more than food, shelter and clothing for the entire family all put together and still the federal gov't is going a billion and a half dollars deeper in debt every week causing unending inflation which is just another form of tax falling on those least able to pay. The inflation has reduced the value of our savings insurance and those on fixed incomes find that they fall further behind in each passing day.

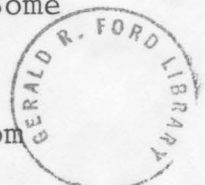
Now last September you might have heard some rumors to the effect that I proposed about a half a dozen functions now being performed by the Federal gov't should be transferred back to the States and local gov'ts for administration and control. I suggested they were not properly the province of the national gov't and they could be more efficiently and economically handled by the levels of gov't closer to the people. In making this proposal I made it very clear that such a transfer would be systematic~~ally~~ and phased in over a period of time possibly in some cases, even years. I also made it plain that with the transfer of authority there would also be a transfer of resources meaning the federal taxes presently used to fund these services. The 1/2 dozen programs include education, housing, community development, manpower training food stamps, revenue sharing and I predicted at the





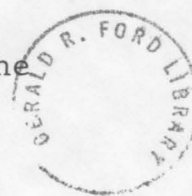
time that I could expect the screams of anguish from the carpeted anti-rooms in the offices in Washington. Bureaucracy is ~~xxxxxxx~~ adept at protecting their nest. It also has a built in instinct for preservation and reproduction of its own kind. A Federal program once started is the nearest thing to eternal life that you will ever see on this earth. Dr. Parkinson wrote that government hires a rat catcher and one day finds out that he has become a rodent control officer.

Now my prediction of course has come true ....workers have created choruses of doom cryers, their voices physically amplified by the political season and predicted every disaster but a plague of locust, if such a plan is adopted. Increased local taxes, the elderly thrown out in the snow plus fiscal disaster - well I have heard it all before. A few years ago in California we were faced by the kind of welfare mess that we are still faced with in Washington. For years we tried to halt the runaway increase in caseload and cost. We were frustrated by federal regulations, by court orders obtained by welfare rights organizations using gov't paid lawyers of OEO and by a liberally oriented majority in our legislature. Finally we appointed a task force made up of some of the members of our own administration and a number of public spirited citizens who gave their time and talent. They studied the congressional acts, the regulations and we found that on all of our previous efforts we had been dependent for information on the welfare professionals and all we learned from them were the things that we could not do. But at the end of seven months this task force handed us the most comprehensive program- common sense plan for welfare reform that has ever been attempted in this country. Some of the proposals were administrative to be implemented immediately but much of the reform depended on legislation and some waivers from HEW in Washington. By this time the caseload in California was increasing



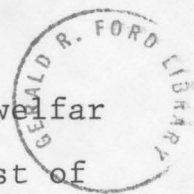
40,000 additional people a month. The legislature was totally opposed to any of the measures that we wanted to adopt although they too said there should be welfare reform . It was just our reform they said would not work . Their chorus of doom complained that it would shift the burden of the welfare to the county general relief -thus property taxes at the local level would have to be raised. That the needy would be turned out in the street and we would wind up with a state deficit of \$750,000. It sounds familiar but we took our case to the people over the heads of the legislature, told them the facts, told them of recipients who were earning above the medium income and who are still legally drawing welfare. In one county we found 194 full time county employees drawing welfare- some of them were welfare caseworkers and serving as caseworkers for each other. Hundres of our checks were being sent to families who had gone abroad to live- One family was receiving their welfare check in Russia. When the people heard the facts, they were outraged and they made their feelings known to the legislature and after almost a half a years delay we finally got the rest of our reforms.

40,000 a month case load increase became an 8,000 a month decrease No one starved in the streets-county general relief went down , not up, and 43 of our 58 counties reduced their property taxes for two years in a row. And oh yes that \$750,000,000 deficit turned out at the end of the year to be a \$850,000,000 surplus and we returned it to the people in the form of a one time tax rebate. One senator who opposed the plan also opposed the rebate. He said giving this money back to the people was an unnecessary expenditure of public funds. Now I feel like I am seeing an hearing a rerun of the late-late show.



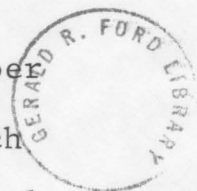
Washington is filled with talk about the welfare and everybody says something should be done about it but the only proposal that the bureaucracy could come up with a couple of years ago was the family assistance program which would have added 12,000,000 people to the roles of welfare instantly at a cost of tens of billions of dollars a year. A liberal senator recently charged that welfare by any standard of measurement is a dismal and utter failure . He described it as a ship at sea without rudder and I swear he took that line from one of my speeches. He says it has no basic goal except to perpetuate itself creating new generations of welfare recipients and welfare bureaucrats. He termed it the root cause of inflation. and so it is. He demanded reform but offered no plan. The truth is that no one in Washington today knows how many people in this country are on welfare. They only know how many checks they are sending out. Just recently in Chicago they discovered a woman who was using 80 names, 30 addresses, 15 telephone numbers 12 social security cards. She was collecting food stamps, s.s. and veterans benefits for non-existent deceased husbands. as well as welfare. Her tax free cash income was \$150,000 per year paid for by people like yourself.

Now in California in our welfare reform we reduced the roles by almost 400,000 in three years -we saved the taxpayers two billion dollars and we raised the grants for the deserving needy by an average of 43%. By making able body welfare recipients work at useful community projects in return for their welfare grants- we funneled 50 000 of them through those projects into private enterprise jobs in the last half of 73 and the first half of 74 at the time when unemployment and the recession were increasing.. There is a little town St. Johns Township in Indiana -they just begun an experiment in what they call their temporary relief program. That is similar to our county general welfare They made the recipients work in return for their grants. The cost of





the program normally was averaged at \$5000 per month. In Sept- the first month of the experiment- the cost dropped to \$1200- in Oct \$900 in Nov. 800- and by Dec. down to \$300. I still propose that welfare be administered at the state and local levels along with the other programs without the benevolent hand of the Washington bureaucracy. laying a finger on them. We have all we can afford of politics as usual. This morning one of the Ford delegates held a press conference during which he charged that my proposal would rob you of federal fund and force a horrendous sales tax on you. He hinted an income tax he thre in an increase in local property tax -he took medicaid away from you citizens- aid to dependent children- Meals on Wheels to the elderly and the school lunch program. He said the press conference was called today so I would have a chance to reply to it. Well I am here. I appreciate that and I am replying. Not one word that he has said applied to the proposal that I made. I find it difficult to believe that he is not aware of that. Our states use a variety of taxes to finance their own programs- alcohol, tobacco taxes, excise taxes. Many states have a sales tax or an income tax-others like New Hampshire do not. Indeed I know of one state which has a constitutional prohibition against an income tax . There is not one thing in this plan which would require such states to have either a sales or an income tax if at the same time it returns control over the program to New Hampshire the Federal Gov't also returns your share of the money which you have already paid to support the programs in the first place-there would be no need for New Hampshire to raise additional monies by any new taxes- sales tax or income- neither of which your state has. Today the federal taxes on liquor and cigarettes are amounting to almost \$8 billion a year . Federal taxes, and a number of other excise taxes, all of which you are presently paying, which could be turned over to you either in part or in full. Approximately



one-third of the federal revenues come from the personal income tax a portion of this tax, presently paid by the citizens of N.H. and everyone else for that matter, could be ear-marked and kept in each state instead of making the round trip to Washington and coming back to you minus a heavy freight charge.

Now this is not a new or an untried idea. Since 1926 part of the federal estate tax has been set aside and is automatically left in the state. The extent that we can systematically transfer the federal programs back to the states and the localities, we can increase the responsiveness of gov't to our needs. We can save the freight charge on the money we send to Washington, make the programs more efficient-thus decentralization would effect both the federal and state revenues only in the effect of a net overall tax reduction. for every individual and family. Frankin Delano Roosevelt was for decentralization- John Kennedy was for decentralization- Pres. Eisenhower actually proposed a plan similar to mine that was killed by a democratic Congress and Pres. Ford has said that he is for decentralization. For 40 years Washington has talked decentralization All I have done is say let's get on with it. They sound to me like that character in Tolstoy fable- I sit on a man's back choking him and making him carry me and assure myself and others that I am very sorry for him and wished they would help him carry his load by all means except by getting off his back.

That's enough of that - you came here to ask questions and I am prepared to try my best to answer them. Appreciate the opportunity





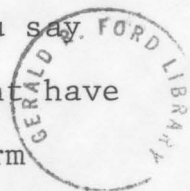
That answers it- thank you

I guess it is to the extent that I am saying that is where I stand and that is what I believe.

Q. We've been, as you know, asking you questions about your position about big business, let me try another tact. You were Gov. of California for eight years. But you were also basically the official representative publically for General Electric for 8 years as well. You toured the world, as far as we understand it, speaking to different employees of GE carrying primarily the same message that you are carrying here tonight. I guess it was called the speech. Now the question I have is that during the time you were working for GE they were indicted along with 17 other heavy electrical companies for price-fixing. Those companies either pled no contest or they pled guilty-resulting damage suits resulted in judgments worth almost \$500,000,000. Now you talk time and time again against the bureaucracy of gov't but we have never heard you say , and we have done a little bit of research, I have not been able to come up with one single instance where you criticized bureaucracies in business that rob us of our purchasing power that fixes prices and drives small businesses out of business.

A.---~~XXXXXXXXXXXXXXXXXXXX~~ Let me know, since you go back to the history where I was doing the GE theatre and television, it is true that as a part of that program, it is true I visited every plant, 139 of them, in 38 states and it took 8 years to do it. Louisville, Ky/ had 46 miles of assembly lines- I walked it twice to meet two shifts meeting each individual worker at his machine. By the time the eight years were over I had met every GE employee. I was also made available to the community relations program by them as a public speaker -to accept

invitations to speak. Now, I think there is one thing you ought to know about this because I was a little surprised at this.. I have been known as mash potato speaker before I went to work for GE. I assumed I was going to have a little trouble with them because I figured somebody was going to come ~~inxxxxxx~~ with a canned speech which I was supposed to make. That never happened. GE never in the 8 years told me what I should or should not say. and one day, when you say that I am dealing more with the bureaucracy in gov't and now with big business maybe its because of instances like this. One day I used a paragraph about a TVA as one of the field the government was getting into where gov't did not belong. I found out that the TVA told Ralph Corden or now deceased, Pres. of GE , that if they did not fire me, they would take \$50,000,000 worth of business away from GE. I was in a matter of days going out to make another speech. I kept waiting to hear something from the company. Finally it dawned on me that the day before I was to leave that I was not going to hear anything so I picked up the phone and called Mr. Corden- that may sound easy - he to me was a very austere figure as you think about the heads of corporations. I was an actor doing a show for him but he came on the phone. I said I understand you have a problem and that it has to do with me and TVA . He said to me I am sorry you found out about it. That is my problem. I have taken it on. I have told them that we have never told an employee what he can or cannot say and we are not going to start now and I said - I am not going to waste your time telling you what I think about them- my feelings about them- but I would hate to think that someday thousands of workers might have to be laid off in a plant because of the cancellation of orders by the TVA. What would you say if I told you that I was going to make that same speech and I don't have to use that paragraph There was a long silence and then a deep warm voice said- it would make my job easier. Now you mentioned the price



fixing. GE had gone into a policy of decentralization. They were giving their individual plant managers the right to run their plants as though it was their own business. They did not believe any longer that you could have a centralized bureaucracy that could run everything from a building in NY and it is true because I happened to be in N.Y., in that office building, in their headquarters the day the news broke. It was a shock to the management of GE that some of their plant managers in one particular division had participated in this with Westinghouse and a couple of other companies. I think you will be interested to know -by the time this case was concluded GE was the only company that discharged every person because it was contrary to every rule that the company had laid down.

Now, I have said to some of you today that I hope there will be a time- if there are not too many of you, before we are through with this and you are travelling around with me- we can sit down and have some exchange of ideas. You see I have criticized big business to its face. I have told them that they have accepted federal regulations that restrict competition, that they have accepted subsidies because they could justify that it kept free enterprise going and that this kind of a policy was feeding the crocodile hoping that he might then .. but that business was going to have to straighten up, making up its mind whether it believed in free enterprise and a competitive market or whether it wanted to continue on down the road toward a planned economy.. Now big business or any kind of business - we have machinery in the Justice Dept and the Federal Trade Commission- I am against monopoly. Wherevethere is a misdeed or misdoing by business, yes they should be treated the same as anybody else. There should be no exceptions made and I dont think there are. I think our government does





deal in any instance where there is a hint of price fixing as witnessed the case you just mentioned, or whether there is a restriction on trade or a monopolistic situation growing up. They are constantly busy with these cases. There has been a great increase in those kind of cases in recent years so I am opposed to that too. If I dwell on the bureaucracy of government today to the extent I do it is because I believe the immediate threat is a government that has grown beyond the consent of the congress and beyond the consent of the people and endangers the freedom and the prosperity of everyone of us and that is why I am dwelling on that, in principal.

Q..My primary interest in foreign policy. I would like to know how your views on foreign policy differ from Pres. Ford especially in line with the news that was printed just this week in U.S. News & World Report that now only one person in twenty -less than 20% is now considered to be a resident of a free nation, by any definition of civil liberties. Seems to be since 1968 the word d'entente has somehow contributed to this decline of freedom. Last year, incidentally, about 1/3 of the world was considered to be a resident of a free nation.

A. . .I am deeply concerned about what I feel are some failings in our foreign policy. I think d'entente which started out as a good idea to find areas of agreement and areas of mutual interests upon which we could agree and hopefully enlarge the area - has become a one way street and the Soviet Union is using it to advance its own aims and I think those aims are directed at us.. I do not agree with the Helsinki agreement and I do not believe the trips should even have been made and that this country has the right to write off the freedom of millions of ..behind the Iron Curtain. I believe one of the things



that has happened to détente is that today we are negotiating from a position of weakness not strength. Former Secy Schlesinger was absolutely right when he said that this country had embarked on a program now to make sure that we would remain or probably would have to restore ourselves to the position of being second to none militarily

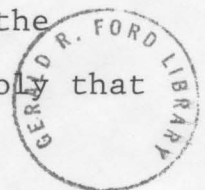
Q. If you stated that you are a favorite candidate of big business and further implied that somehow this is inherently bad, that if anything big business is for we should be against. Certainly there are goals that big business and we should have in common.

A. Of course there are goals we all have in common. I tried many times to explain what this free enterprise economy has meant to us and how government by restricting, overregulating and unwise tax policies- most of them spawned from demagogary, politicians that find it an easy whipping boy- they say oh lets get those big fellows up there-as if they are now on our side making everyone feel like they are working for us- when in effect they are really done is restrict industry and business in America by not being able to provide the jobs that people need. I would like to see a tax program or a tax reform in the area of business taxes that would not only recognize this but I believe that the tax reform, and there are men in Congress today talking this and trying to get it done, would make it more advantageous for business and industry in American to spread ownership of the corporations among their own workers- in other words to respond to socialism by making millions of new capitalists in America. Give the man who works a personal stake in the productivity of his company. Many companies are doing this without waiting for that tax break and those companies have found that there is a 3% increase in productivity. That means something when you stop to think that a one tenth of one percent increase in productivity adds one billion dollars to the gross national product.



I believe that this should be encouraged and as I say I think business itself is aware now of a citizenship responsibility- not all of them of course- there are going to be dog eat dog kind of fellows in business. There are going to be fellows out to clip the other fellows. But I think generally business in American has recognized the stake they have in the society and this is why I say I am interested in those people who needs jobs in this country that we have an economy that can provide it. and I claim also that this free enterprise system of our has provided the highest standard of living for us than anyother nation on earth have ever been able to match or equal. If, as I say, we keep our safeguards, if we keep our anti-monopoly laws that our Justice Dept. has prepared to look into and investigate and ride herd on these that they dont use their size in some ways to act against us. Today earlier, one of the young ladies- I am sorry I did not recognize her ~~xxx~~ asked a question about why you have to go to MacDonalds always to get a hamburger. Well, the answer to that is sure MacDonald is know all over - they advertise on TV- now what is MacDonalds- a fellow had an idea and he came around with a franchise and he went to localbusiness men and individuals and said- you become the manager - you run the business- you will have the advantage of nat'l advertising- you wont have to worry about it - you will have the advantage of gross buying- you can get lower prices on overhead and all of this -its a franchise business and it is not just one big business man thats earning all the money. The truth of the matter is of the total income of the U.S. only 3% is in dividends on corporate stock. Now that is hardly a monopoly situation when 78% of the income of the U.S. is in wages and salaries. I believe that these young people have been sold a bill of goods in something that is not the threat and not the menace. The meance as I say again the monopoly that

we ~~xxxxxxx~~ control ~~xxxxxxx~~ Federal ~~xxxx~~  
xxx





we cant control -what Federal Trade Commission controls the monopoly by government- lets take in political activities. In the 1968 campaign by their own boastfulness not admission, COPE revealed that they had spent \$68,000,000 on Hubert Humphreys campaign and only a small fraction of it even had to be reported as a campaign contribution. The rest of it they could do <sup>and</sup> in keeping with their charter as a political education I know of no business or business organization in the U.S. that could possibly get away with such a thing. So I just think it isn't really the dragon that they think it is- that what they are talking about is under control. But I will tell you this- I will be the first one in line at any time if there is a violation of the rules and regulations .

Q. Recently Daniel Moynihan whose liberal credentials are beyond reproach, described it as the theatre of the absurd. Would you agree or disagree

A. I, having been a democrat for a great many years of my life, and only recently a Republican, but happy on this side, I was delighted to see the liberal Mr. Moynihan begin saying something that I think the Ambassador to the U.N. should have been saying a long time ago. If I get a chance I am going to tell him to come on over the water is great on this side.

Q.-Would you care to comment on your position about the Middle East. situation at present and specifically about the US support for the nation of Israel.

A. Well, I have to believe that the U.S. is pledged to the preservation of Israel as a state. You know the opponents have taken the position that they are simply going to eliminate Israel and drive them into the sea. We have taken the position along with western Europ that that is not going to happen. I am encouraged, I believe in this



particular area- it started with the previous President, that his moves to bring the US influence into the Arab countries, to establish a base of friendship with them so that instead of it being a Soviet backed Arab country, vs an American backed Israel, that it would be the US being able to influence both sides to sit down at the table together and we have had some of this already. We have some division in the Arab countries but that is good too - because we have some of them such as Egypt who are now looking to us for friendship and help and I think this offers us the best chance if we can maintain that position. so here I have to speak with some approval of what we have achieved there. because it is the tinder box It could not only be the cause of Third World War but it is also the scene of Armageddon when that day finally comes according to the prophecies.

I think we have to maintain our position. I do not believe it involve manpower from our side . I think it means for us to make sure that Israel has the armaments- the things they cant manufacture for themselves- ~~xxxxxx~~ things they need to defend themselves. Also we continue to use our influence among the Arab states.

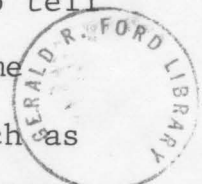
Q. My question deals with some facts I found in your background. In 1971 I found that Ronald Reagan paid zero income tax. How can a person like yourself who pays little or no income tax possibly try to relate to themillions of taxpaying working citizens.

A. It is true- and I would like to set the record straight a little In 1971- it turned out that I owed no state income tax which is a very small percentage of our state taxes, It is also true ~~xxxx~~but unknown, that the year before that I paid a state income tax that was more than double my entire taxed salary as Governor. Its a very difficult thing to explain because I put all of my affairs in the hands of trustees . I had come from an industry in which my income was several



times as large as my salary as Gov. It all changed considerably. It changed everything all at once so some contributions that I was pledged to-charity fields- property taxes were owed on expensive properties- all those things which are deductible from taxes caught in that one year- that is the only time- and I paid a federal income tax- in my working life that I found myself for one year that I paid all the taxes that I owed. That particular year, due to the excesses that I had been talking about in the previous year, I did not owe any. I called the trustees when I found out about that and said that I don't care in the future if it ever happens again I will pay something even if they have to give it back.

Q I don't know if this question is directed at you Gov. Reagan or to the media but I think most of the citizens in New Hampshire are getting pretty tired of lack of imagination and creativity amongst the media. They have pounded away for the last two weeks at your 90 billion dollar proposal and we the citizens of N.H. find it quite tiring. You know they speak about getting on to the other issues we wish they would let you do that Gov. but let me just give them a message- In 1964 I worked for Henry Cabot Lodge. Media treated us here in NJ like we were an illiterate state but let me tell you what we did in 1964. If you remember, Gov. Rockefeller spent quite a bit of money -spent so much money in fact that on election day primary day Mar 12, 1964, we had a blizzard here that day and the only cars on the street that day were Rockefeller vans. He had a massive campaign and Sen. Goldwater also spent a lot of money. Three days before the election I met the NBC correspondent and I decided to tell him that on Tuesdays the citizens of N.H. would write in the name of Henry Cabot Lodge and he would win. They laughed at me, much as we will laugh at them on primary day. Gov. Reagan I would just like

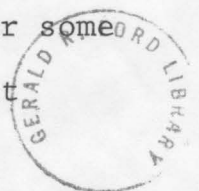


to say this- my mother and father are getting along in years and most of here in this auditorium have mothers and fathers and husbands and wives. In the last two weeks some of them are kind of bothered by the media they are wondering about their social security checks. Would you please Gov. state it very clear for the media over there to hear or the NBC, CBS and ABC to tell the whole US of American what your proposals are concerning the elderly of the US .

A. Yes could I say something about this- because I have had my beefs too -you might be aware that you are directing your criticism to the wrong people. They have been on the trail with me for a long time now- working members of the press and I know what they have seen and I know what they have said . I know what I have said to them on TV and I know also that they do their fair part in fairly covering it. They have no control over what happens with them. Then when I go into my hotel room and turn on my TV and see only a fraction of what I have said-that is not them. They are doing their job and I found for the most part trying to do it fairly and accurately but the news media, like any other business, there are a lot of channels through which they can go- they have no control over who edits the film-no control over who writes the script at the other end of the show.. I myself have been critical of the whole media at the leadership level should have a summit meeting with people in business and labor in this country to get an exchange of views and be reminded that they have a stake in a free economy too We cant have freedom without a free press and they cant have a free press without a free economy.

About ss. the principal villians in that regard to not stating the case- the column type journalists that write in an ivory tower some place and I think he reads the handwriting on the wall to see what he wants to say.

SS is in trouble financially. SS out of balance actuarily by



2½ trillion dollars based on the number of people paying in and the number of people receiving . That as a disaster is down the road far enough with enough years that if we will deal with it now, if we will reform the program now as it should be to put it on a sound basis there need be no disaster way down the road. Any reform or any correction of the program however I insist, and I am sure this is the feeling of most people, must have one top priority that whatever is done to put it on a sound basis, there must be an ironclad guarantee that those people dependent on s.s. and those who are expecting to retire on it- should have no interruption in the checks they receive and those checks should be able to help them meet the increased cost of living until we can curb this inflation and get back down to the kind of inflation that we need.

I am angrier at some beareaucrats in govt who would attack me with their statements=and the statements have to be reported and you cant blame the press for them- bureaucrats who to get at people like myself or people they disagree with- will use as victims the people on s.s. and frighten them into believing that someone is trying to take their payments away from them. This is what they did to Goldwater. 12 years ago- and he never had any intention of doing what they said. Those people I resent. I see no reason why ss cannot be put on a sound basis and with that guarantee. If I was in office that is what I would hold out for.





(Friedman)

February 6, 1976  
THIRD DRAFT

PRESIDENTIAL REMARKS: NASHUA CHAMBER OF COMMERCE  
IN NEW HAMPSHIRE, SATURDAY, FEBRUARY 7, 1976

I am honored to address the Greater Nashua Chamber of Commerce  
which has done so much to make the Gate City the gateway to progress.

I wish to congratulate Sam Tamposi as your 1976 "Citizen of  
the Year." Mr. Tamposi has served not only your community but the  
entire Nation by his example of what local initiative can do for develop-  
ment. The distinguished honoree has also done some development in  
another capacity throughout your state but discretion suggests that I  
confine myself to the achievements for which you are now citing him.  
I also greet my old friend Norris Cotton, your 1975 "Citizen of the Year."

In recent years, when too many leaders of communities -- large  
and small -- voiced despair and turned to the Federal Government to  
solve local problems, the Gate City opened its gates to traditional  
Yankee initiative. You built a showcase of industrial growth, new jobs,



new homes, and new hope for thousands of new residents. Your vigorous growth helps to tell the Nashua story. Your community is highly productive and has generated many new jobs. Your story is in the finest American tradition of how local people can solve local problems, of how individuals can respond to possibilities rather than surrender to pessimism, and how this is not only the state of the great stone face but of granite fortitude and granite character.

All Americans can learn from your example of "can do" spirit.

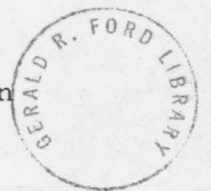
As you join in the celebration of the national Bicentennial we are reminded by the historical archives in Washington that New Hampshire was a "can do" state from the very beginning.



The First New Hampshire Regiment fought from the first repulse of the British on Bunker Hill, through Valley Forge and Trenton, to the surrender at Yorktown. Your regiment had the longest service record of any unit in George Washington's army -- a total of eight years and eight months in action. Your shipyard in Portsmouth built the Ranger, commanded by John Paul Jones. It was the first war ship to fly the American flag. If any state can take pride in the Bicentennial, it is New Hampshire.

And if any community can take pride in the achievements of this Bicentennial year, it is Greater Nashua. I salute your thriving free enterprise and individual initiative as you build for the future.

What I like most about the Nashua story is that you expose the Nation's pessimists as exemplified in the fable about Chicken Little. You may recall how Chicken Little was hit on the head by a single acorn and then ran around telling everyone that the sky was falling. The fact is that America has been hit on the head by some very heavy acorns in





recent years -- recessionary acorns, inflationary acorns, unemployment acorns, energy acorns.

Last year I heard many fearful outcries: that we needed more massive Federal spending programs to save the economy, that a terrible depression was descending upon us, that bread was going to one dollar a loaf, and that the unemployment rate would only get worse.

But I was convinced that we had to take consistent and balanced action -- neither too **much**, nor too little, the right steps and not the wrong steps. I knew that measures taken in panic would be counter-productive. The proper response would prove, as have been established, that our Nation is resilient, resourceful and sound.

Make no mistake.. Things were not good this time last year. 1975 was a year of hard decisions and difficult compromises. But it was also a year of a new realism that taught us something important about



America. It restored common sense and the same kind of discipline that kept the First New Hampshire Regiment in the line through Valley Forge to final victory.

We are today headed not only in a new direction -- but in the right direction. It is the right direction because we follow the 200 year old wisdom that national problem solving requires far more than a central government which promises too much and delivers too little. A free society, according to Jefferson and Adams, depended upon qualities they called "Republican virtues" -- civic virtue, the ethic of honest work, and local control by local people.

During the recent years of rapid change, more and more people looked to Washington to solve local problems. Too much was expected; too much was promised. Some citizens felt automatically entitled to a constantly rising living standard without regard to their own efforts, to

(more)



their individual productivity, or to their personal contribution to the community or to the economy.

Freedom is today misinterpreted by too many to mean the instant equalization of everyone's social and economic situation -- at the public expense -- through the machinery of the Federal government.

I pledge to you today that my Administration will strive to deliver everything we promise. But we will never promise more than we can deliver. The "P.R." we believe in is public responsibility.

The promises and premises of years of social experiments turned the Federal bureaucracy into a monstrosity. Power was drained away from Nashua, from New Hampshire, and from every community and State to an increasingly centralized Federal government -- always bigger, always more powerful -- but not always more efficient nor more responsive nor more protective of our traditional freedoms.





The visionaries who built America understood that poverty is abolished by economic growth -- not by economic redistribution.

-- They knew that only initiative and work could create a society with economic prosperity and political participation at every level.

-- They knew that local problems were better understood and solved by local people rather than the bureaus and agencies of a distant central government.

-- They knew that the pendulum of power must never swing too far away from the people.

If this year's Bicentennial is to be more than an historic festival, we must restore, locally and state-wide, greater say by individuals in how their taxes are spent, how they live, how they work, how they fight crime, and how they go to school. Should the Bicentennial achieve nothing else, this alone would be a triumph for our heritage.



I recognize that too many people who want jobs are unable to find employment. Five out of six American jobs are in private business. I am, therefore, concerned by the difficulties of various industries like the shoe factories. The Trade Act of 1974, which I supported as Vice-President and signed into law as President, provides the mechanism now activated to assure that the footwear industry receives fair treatment. I want such traditional American factories to have access to every remedy provided by law and a full say in their own destiny.

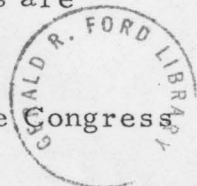
To create more jobs, there must also be greater incentive to invest without the strangulation of Federal taxation and red tape. I am seeking a reduction in the growth of Federal spending accompanied by a reduction of taxes. Accordingly, my job creation tax incentives call for the Congress this year to change tax laws to speed up plant expansion and to facilitate the purchase of new equipment.



We must create the economic climate in America to generate productive, permanent, and private jobs rather than temporary, make-work, inflationary government jobs. This weekend we have 800,000 exhibits of new evidence that we are going in the right direction. I refer to the fact that the latest employment figures show 800,000 more people at work, the unemployment rate down from 8.3 percent to 7.8 percent. We have returned to the previous high of the total gainfully employed -- the level that existed before the recession.

The Nashua Telegram<sup>APR</sup> is correct in saying editorially that I want to create "concrete and lasting jobs in the private sector rather than manufacture styrofoam cutouts which the public sector would have to prop up artificially with public funds." With your participation and help, together, we are succeeding.

To create jobs, we must preserve the vigor of the family-owned small business and the family farm. These enterprises are the bastions of the real American values. I will submit to the Congress





estate tax changes to assure that family businesses and family farms can be handed down from generation to generation without having to be sold to pay Federal taxes.

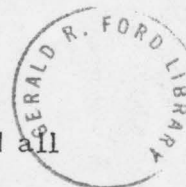
I also advocate tax changes to encourage people to invest in their own future -- and that of America.

This is a plan to give moderate-income families good deductions when they make long term investments in common stock. I want as many people as possible to be partners, however modestly, in the growth of America.

An example of job creation is the brewery opened here in 1970. It represents an initial investment of 40 million dollars and now employs 400 people. But I hope no one will contend that the cure for unemployment is to build government breweries to brew government beer.

I don't think the United States Government could make beer for less than fifty dollars a six pack.

A necessary condition for the success of your brewery and all your other industries is the fostering of the entrepreneur spirit. This



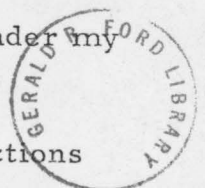
cannot be achieved if the Government is to go on piling regulation upon regulation, and stringing red tape after red tape, and assessing tax after tax to cover new Government spending. Such policies impose an inflationary burden on both business and the consumer -- and I will never lead this Nation down that road to stagnation.

The people are as fed up with the petty tyranny of Federal bureaucrats today as they were when New Englanders defied the tax collectors over 200 years ago and threw the tea into the Boston harbor.

Some of you have experienced serious difficulties, at the not always tender hands of the Occupational Safety and Health Administration. I know that some of you would like to throw OSHA into the ocean.

I have studied some valid complaints against OSHA, and concluded that while everyone is for safe and healthy working conditions, many are troubled by the manner in which this objective is sought.

Congress wrote the law and we must obey it. However, under my authority as President, I have appointed a new director with instructions



to deal with citizens as friends and not enemies. I will not permit the unnecessary and unjustified harrassment of citizens. If this should continue, I want you to let me know.

Another indication that we are moving on the right track is the Railroad Revitalization and Regulatory Reform Act of 1976 which I signed this week. It upgrades railroad facilities in a way that will help keep our recovery rolling. Your state is eligible for \$5.4 million to improve rail service under this act.

I am deeply concerned by an issue which has a particular impact on the older Americans, now retired, who always paid their own way. I refer to medical costs involving the 3 million who suffer unbearable expense because of extended hospital and nursing home care. I am proposing health insurance to cover any catastrophic illness suffered by anyone covered by Medicare.



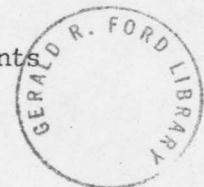


After reaching age 65, no person will have to pay more than \$500 a year for covered hospital or nursing home care, nor more than \$250 for doctor bills in a single year. While we must help those who need it most, we cannot realistically afford Federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans.

The time has come for the Congress to renew General Revenue Sharing for the next five years, as I have proposed. This is the way to bring power back to the people. General Revenue Sharing would allow local governments to decide local priorities rather than leave the affairs of your community in the hands of the Congress.

The best example of responsive Federalism is the General Revenue Sharing program.

--- It provides assistance to state and local governments with a minimum of red tape and administrative expense.

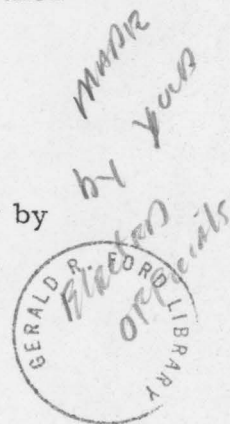


---It returns Federal tax dollars to the source -- with success and impact.

--- It utilizes the experience and accountability that comes from allowing locally elected authorities to set priorities for their own communities and states.

--- And it permits local officials to plan ahead to meet local needs.

From the beginning of this program in 1972 through the projected total for 1976, Nashua will receive between four and a half and five million dollars under my program. The sums expended here as of last year gave you \$1,678,154 for public safety, including police and fire departments, \$1,160,092 for environmental protection, \$209,129 for health, and other sums involving social services for the aged and the poor. Another \$5,183,361 of your tax dollars would be returned to your community by 1982 under the extension of the program.



From the beginning of Revenue Sharing in 1972 through the projected total for 1976, New Hampshire will receive \$96 million.

Under my program, another \$125 million in your tax dollars would come back to New Hampshire between 1977 and 1982.

I am optimistic about the future of Nashua, the future of New Hampshire, all of New England and of the entire Nation.

Let no exaggerations of the residual problems of inflation and unemployment make us lose sight of genuine progress achieved within the last year. Our economy is steadily growing stronger. My policies this year are designed to keep us on a steady course.

My course is set for a new balance in the relationship between the individual and the Government, a balance that favors greater individual freedom and self-reliance.

We must seek a new balance that favors greater responsibility and freedom for our State and local Governments. We must have a new balance between spending on domestic programs and spending on defense,





a balance that insures we will fully meet our obligations to the needy while also protecting our security in a world that is still hostile to freedom.

The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

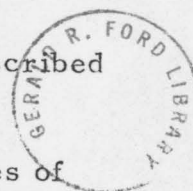
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It took many years of excessive spending, combined with the five-fold international oil prices, to create the economic difficulties of 1974 and 1975. It will take several years of sound policies and reasoned restraint, to restore sustained, non-inflationary growth.

I will not make promises which I know -- and you know -- cannot be kept. We must restore full strength to our economy as quickly as we can. But, in so doing, we must not re-ignite the fires of inflation. Escalating inflation makes steady growth and full employment impossible. It breeds instability and disruption.

I reject the view that the only way to reduce unemployment is to accept chronic inflation or rigid controls. Inflation and unemployment are not opposites but related symptoms. The way to treat the disease that causes these symptoms is by the good old home remedies prescribed by the greater Nashua area and all New Hampshire -- the medicines of



initiative, enterprise, investment, development, growth, and just plain common sense taken together with the therapy of hard work.

We can see the results. Your unemployment rate is lower than many other areas of this Nation. You must be doing many things right.

I believe in the example that you hold forth -- the living demonstration of what people can do to determine their own fate.

I believe in America because I know the same spirit that inspires greater Nashua lives in all 50 states. I believe in America because Americans will reject the pessimists. Their sky will always be falling. They will say we can't do and they won't do. America will follow your example of can do -- and will do.

I believe as we enter our third century, that Americans are as strong and resilient as ever.

America's spirit is alive and vigorous in Nashua and hundreds of other Nashuas.





The faith that motivates us continues to be redemptive. In  
the words of the Holy Bible, I ask divine guidance with which we  
stand fast in the liberty with which God has made us free.

# # #



FEBRUARY 10, 1976

INTERVIEW WITH THE PRESIDENT  
BY THE  
GODFREY SPERLING BREAKFAST GROUP  
THE STATE DINING ROOM

8:00 A.M. EST

THE PRESIDENT: I really think basically you all do a good job. I don't sit around worrying about whether you write good or bad things about me. I notice some inaccuracies from time to time, but we all have a failure occasionally. I really think you do a good job. Every once in a while I think the television people aren't quite as fair and accurate as they should be, but they have a little different problem.

You have more time and space to write than they have on the tube, but other than that, I think I have no objection.

QUESTION: What do you see as the relationship between the press covering the President and the President himself? You hear this talk among some journalists that it should be an adversary role. Is this the way you would see it?

THE PRESIDENT: I don't think an adversary role is necessarily the most constructive role. I think broad, factual, substantive reporting is the way you should, and I think most of you do, carry out your responsibilities. I don't think I should be an adversary to you or vice versa. I don't think that contributes to a full free discussion of what the issues are and I don't find that that exists, at least as far as I can detect.

QUESTION: In this same vein, what are your thoughts about the White House Press Secretary?

MR. NESSEN: I am having a hell of a scare.

QUESTION: In view of Watergate, does anyone sitting in his job become an impossible task?

THE PRESIDENT: I don't think any one of you could do any better or any worse than Ron Nessen. (Laughter)

QUESTION: Mr. President, what does that mean?

THE PRESIDENT: I think it is an impossible job and I don't think any criticism of Ron would be any different than any criticism of you or Rowly Evans if they had the job for a period of time. As I read the transcripts every day, and I do, some of the stuff you ask, well, it could be better.

MORE



QUESTION: Do you read the whole press conference every day?

THE PRESIDENT: I scan, I don't sit and study it.

QUESTION: Do you believe in Ron?

THE PRESIDENT: Yes.

QUESTION: And you probably say, well, I am glad I wasn't there.

THE PRESIDENT: It is something to see how much tougher you are on him than you are on me. It is kind of good practice.

QUESTION: Mr. President, I would like to ask you about Mr. Nixon's trip to China. Did he ask your opinion or Dr. Kissinger's opinion before he accepted that invitation?

THE PRESIDENT: Not at all.

MORE





QUESTION: Were you surprised that he is taking off to China in the sense there is a new leadership over there, and I don't know any American who knows this new man, this acting Prime Minister Hua Kuo-feng, and he is a very significant diplomatic visitor with major political overtones back home, even with your campaign for President?

THE PRESIDENT: I don't think anybody in our Government knew that he was going. I know that neither Henry nor I did. The Chinese, for reasons best known to themselves, invited him. He made his decision to go without any consultation previously with us. I don't at the moment see any serious ramifications of his going, as far as my campaign is concerned, but only time will tell.

QUESTION: You don't see an implicit criticism of detente to the Soviets in his agreement or acceptance of that invitation?

THE PRESIDENT: I can't assess what the Russians' reaction will be. Again, they don't relate their reactions to us. They are undoubtedly assessing the situation but I am sure they were as surprised as we that he was invited.

QUESTION: Will you ask him to report back to you when he returns from China? Do you think you will in view of the fact he will be the first one to visit the new Communist Prime Minister?

THE PRESIDENT: At the time it was announced there was no notice of this new appointment of Hua Kuo-feng as acting Prime Minister. In the course of my conversations, in effect I asked him to let me know any communications or anything he wanted to divulge to me. But I didn't ask him to make a special report. It is implicit when he comes back, if he has something to say he will.

QUESTION: Mr. President, in your interview the other day, you said you talk to Mr. Nixon on the phone occasionally and you have a good rapport with him. Does he tell you that you do a good job here or you have a problem here? Would you mind telling us what you do talk to him about, and what sort of advice he gives you about the things you are doing right or wrong?

THE PRESIDENT: Well, it is such a broad informal discussion that it is hard to recall focusing in on any particular thing. It is conversations between two old friends and they are relatively short and cover a wide range of subjects, and I can't personally recall any specifics in those areas.

QUESTION: Do you call him or does he call you?

MORE



THE PRESIDENT: I called him on his birthday and I think that I called him at Christmas or New Year's and on several occasions prior to that he has called me.

QUESTION: Are there any circumstances, Mr. President, that you can foresee where you might ask him not to make his trip to China?

THE PRESIDENT: I don't see anything or any circumstances.

QUESTION: Did you get the question?

QUESTION: The question was, were there any circumstances that you might foresee where you would ask Mr. Nixon not to make his trip?

THE PRESIDENT: I can't foresee any circumstances, Pete. I have no feeling one way or the other. He was invited as a private citizen and he is going at their invitation, and I really have no strong feeling one way or another.

QUESTION: Mr. President, you have been surprised twice by the Chinese in the past week -- once with the appointment of Hua Kuo-feng and once by the Nixon visit. Do you intend to name an Ambassador to the American delegation soon?

THE PRESIDENT: Yes, we do.

QUESTION: Would that have corrected the situation? Would your information have been better if you had one?

THE PRESIDENT: I don't think so, no.

QUESTION: Are you ready to tell us today who you have in mind as Ambassador?

THE PRESIDENT: No, we have several in mind.

QUESTION: Let me ask you this, also: Do you see in this Chinese invitation to former President Nixon any suggestion by the Chinese that they wished the United States would proceed faster toward normalization of relations?

THE PRESIDENT: I don't see any connection between the two.

QUESTION: What is the hold-up on normalization? Is it just that this is an election year?

MORE



THE PRESIDENT: No, I think there was no specified timetable. We aren't pushing it and they aren't pressing us. It is a slow process. After all, there was no relationship whatsoever for almost 25 years and it is not unusual under those circumstances to have a slower than usual process moving from what we have to full normalization. But it does not relate to the election here.

QUESTION: Mr. President, could you give us a basis for valid speculation as to who is going to succeed Mr. Moynihan?

QUESTION: We didn't hear the question.

QUESTION: The question was, who is going to succeed Mr. Moynihan?

THE PRESIDENT: We have several people in mind and we expect to have some announcement relatively soon.

QUESTION: I wonder if I might follow that with regard to that appointment. When Mr. Moynihan was appointed, he was appointed very shortly after an article he wrote in which he said the U.S. Ambassador should be feared for the truths he might tell. I wonder if your new appointment will be made with a view towards pursuing that same policy?

THE PRESIDENT: The new nominee will follow the same policy of challenging some of the Third and Fourth World powers, calling a spade a spade. Obviously, there aren't many Pat Moynihans when it comes to flair and flamboyance but the basic policy will be identical.

QUESTION: In this regard, Secretary Kissinger made a speech in San Francisco in which he said the United States should let the Soviet Union know that we won't tolerate any more Angolas. What reason is there to think that that is not a threat given what the Congress has done about aid to Angola.

THE PRESIDENT: The Congress has learned a lesson that their interference made it impossible for us to carry out any valid challenge to the Russians and the Cubans. I happen to believe that Congress having made one mistake won't make it again, and we want to point it out to the Russians that we intend to take that strong position and, hopefully, the Congress will back us up and I think that they will.

QUESTION: Secretary Kissinger indicated recently that the Administration might go to Congress with a request for overt aid to Angola. Is that still in the cards?

MORE





THE PRESIDENT: It is a possibility but it will relate, of course, to the actual developments in Angola between now and when the Congress comes back. Congress will be gone about a week or 10 days and a lot can happen in Angola in the meantime. I still think if they had acted at the time we made the original request and made the money available, the situation would be quite different in Angola, but now time may be slipping away and it may be inadvisable under these circumstances to ask for overt aid.

QUESTION: If the situation still is salvageable when Congress returns, do you intend to go up there quickly with a request for aid?

THE PRESIDENT: We might.

QUESTION: Mr. President, in connection with Angola and some other activities that the Soviets are engaged in around the world, both yourself and the Secretary have several times very strongly linked this to progress on SALT and detente in general. With the persistence of the Soviets in Angola and the Cubans, and pressing their advantage against our expressed desires, is it time, do you think, for yourself and the Secretary to re-evaluate the whole broad area of detente and is it possible that some of the important on-going negotiations like SALT are really now running into a dead-end street as a result of this?

THE PRESIDENT: I think you have to look at detente as a structure in which you can approach specific problems. Angola didn't help or didn't work. On the other hand, it might work in the case of SALT and we ought to consider that separately on its own. It is sufficiently important that I don't think we should abandon negotiations on SALT just because Angola didn't work out.

So I think you have a framework in which you can negotiate without saying that everything is going to work perfectly and everything is going to fail. It is a structure with an atmosphere that permits a dialogue. Sometimes the dialogue is strident and you don't solve the problem and, on the other hand, there are some issues that are of sufficient importance that we have to try. That is what we are doing in the case of SALT and VFR.

QUESTION: To put this in the context of political campaign and domestic policies, do you think that detente is a plus for you today or that the new kind of hard line developing in this country makes it a minus for you politically?

THE PRESIDENT: Well, you know --

QUESTION: The Moynihan phenomenon.

MORE



THE PRESIDENT: It is a paradox, really. You say there is a hard line developing in this country and yet the Congress backs off. Now if they reflect the will of the people, that is not the hard line. They lost their guts. I think it is inaccurate to categorize and say that there is a hard line developing in America because Congress wouldn't stand up and face the issue head-on.

Now let me take the other side of it. If there are issues that develop vis-a-vis the Russians where I think it is in the national interest to make a decision, I am going to make it regardless of the political consequences. If I think what we have agreed to or disagreed to is in the national interest, I am going to make that decision without any concern or consideration of political implications. I think I would lose my own faith in myself, my own conscience, to do otherwise.

QUESTION: Mr. President, do you think that conventional attitudes in Angola result from a majority sentiment in the country?

THE PRESIDENT: It may at the moment, yes, although I think in retrospect over a period of time, particularly if there are other confrontations, it will not reflect public opinion.

QUESTION: Mr. President, with the economy improving and seemingly in your favor, in this election year, do you see the Reagan challenge as particularly divisive in a party which is still a decided minority among registered voters?

THE PRESIDENT: Inevitably it is dividing an awful lot of Republicans. Republicans are forced to choose up sides. If there hadn't been a Reagan challenge the party would have been unified, or at least there wouldn't have been a hard fought primary. Obviously, it is divisive. But that is one of the ways the political ball bounces and we accept it for what it is.

QUESTION: Could I follow that up?

Mr. President, do you think it is going to be possible after the primaries to put the Republican Party back together again in a sense of having a united party, some kind of an agreed issue? What are your views on that?

THE PRESIDENT: I would certainly hope so, Lou, as far as I am personally concerned. I will have no animosity one way or another. I would cooperate to the extent that I can to make sure that there is no aftermath, and no carry-over, either personal or party differences.

MORE



QUESTION: How confident do you feel about winning the nomination?

THE PRESIDENT: I think I am going to win in Kansas City. I intend to be there and I intend to win.

QUESTION: On Saturday in Florida Mr. Reagan said he thought it would be a good idea to invest the Social Security funds in the stock market. Have you had a chance to look at that or consider it? What do you think of that idea?

THE PRESIDENT: I have read a good many reports from experts who have studied the Social Security program for a number of years. These are bipartisan financial economic actuarial experts, and this has been a group over a long period of time and none of them ever came up with that, so I would have many reservations about it.

QUESTION: What are some of your reservations?

THE PRESIDENT: Well, the mere fact that experts over the years have never considered this to be a very valid place to invest this kind of money and just because the Ford stock market is going up it sounds good. I am not sure a lot of people would think that it was a very good place to invest funds over the long period of time.

QUESTION: The risk, mainly, you mean?

THE PRESIDENT: That is right. I think if it was a valid proposal, it would have been considered over the years by the so-called experts. I can't help but feel it was something that somebody dragged out of the sky.

QUESTION: Why don't we find out where this Ford market operates?

QUESTION: I do want to catch a number of people.

THE PRESIDENT: I wish I had known when it started going up. (Laughter)

QUESTION: Will you answer Pete?

THE PRESIDENT: I don't know, he hasn't followed up.

QUESTION: We have some of the people up at this end. They haven't asked questions.

QUESTION: I really don't expect it to happen, but if you lose three of the first four primaries, for example, could you continue to function as President in that kind of a situation?

MORE





THE PRESIDENT: I certainly think so, Jack. I wouldn't have any intention of resigning.

QUESTION: I don't mean -- I am not talking about resigning, wouldn't you feel great pressure to withdraw from the contest or the nomination?

THE PRESIDENT: Not at all, because I feel that I am the better candidate for the Republican Party and I intend to be on the scene in Kansas City to try and convince 51 percent of the delegates that I should be the nominee. There is no question about that.

QUESTION: You don't worry about the cumulative momentum effect of that kind of a situation happening?

THE PRESIDENT: I wouldn't like it, but I will still be there battling.

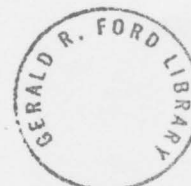
QUESTION: You talked in New Hampshire about a unified welfare system and previously your people have talked in support of a national welfare system. Is it your position that if you are back here next year you will propose to Congress that the Federal Government take over welfare from the States?

THE PRESIDENT: If we can't get a handle on the welfare problem with the recommendations that I have made to the Congress to tighten up the existing program, I think inevitably we will have to move to something such as, without being precise, the Family Assistance Program, which I voted for twice -- once in 1970 and I think the other time in 1972. If we can't do it with tighter control from Washington with the legislation that I am recommending as to the food stamp clean-up and aid to dependent children, reforms and welfare, generally, -- if we can't do it with this approach, then I think it is inevitable that we have to move forward with something like the Family Assistance Program that I voted for.

QUESTION: Mr. President, I would like to return for a moment to your remark about Congress losing its guts in Angola. In retrospect, might it not have been better to have gone to Congress initially and to have consulted with them and asked them to openly provide this aid rather than doing it covertly?

THE PRESIDENT: We did in the case of Angola what has been done on numerous occasions in similar circumstances. We followed every procedure required by them. I think we notified eight committees in advance, some 100 to 150 Members, and I think that was the right way to do it under the circumstances. Unfortunately, the Congress decided to do otherwise. I think it was a serious mistake and I think they will live to regret it. It is bad from the country's overall point of view.

MORE



QUESTION: Mr. President, you have indicated that you thought Congress had learned something from Angola. What specific incident or attitude has there been concrete that indicates they have learned anything, from your standpoint?

THE PRESIDENT: Well, we have had 45 vetoes and we have been sustained, I think, on 39 of them. I think we are making some headway.

QUESTION: But on Angola, what has there be in the last few weeks or even in the last few days or few hours that you have learned that makes you believe that the Congress has learned anything, from your standpoint?

THE PRESIDENT: We can only tell, Clark, when the time comes for some subsequent action. If and when the Soviet Union and their Cuban mercenaries undertake another military operation, we can only tell then.

QUESTION: One of Reagan's main points in his campaign is that your long years in Washington are a liability and not an asset and you are part of the buddy system and the American people want a fresh face. How do you respond to that kind of accusation?

THE PRESIDENT: I think one answer, Bob, is that the Congress and I are not necessarily buddies. I have had 45 vetoes which I think in a time span is an all-time record. So that is not a valid allegation. It sounds good, but it isn't accurate.

On the other hand, there are many instances where I have, through personal relationships, both Democrat and Republican, been able to call a member of the House or Senate and through a rational conversation on a long-standing personal basis convinced that person or those individuals that what we are trying to do is right. I think that is constructive and I don't apologize for that. I think it is in the best interest of the country, and some stranger coming down here wouldn't be able to achieve those constructive things.

QUESTION: Do you think it is perceived that way by the public, that experience in Washington is a plus or minus in 1976?

THE PRESIDENT: It is hard to say, Bob. All I know is that it can be a big asset and all of you know it and all of you know that a stranger coming down here would have a great many more difficulties.

QUESTION: Do you regard Reagan as a stranger?

THE PRESIDENT: He doesn't want to associate with the situation down here so if he doesn't want to associate with them, he must be a stranger to them.

MORE



QUESTION: You mentioned Cuba here and you did in New Hampshire the night before last. Are you foreclosing any possible relations with Cuba? You said in the foreseeable future. What do they have to do to earn their way back to our good graces?

THE PRESIDENT: Right now there isn't a possibility, it is a zero, of any improvement in relations with Cuba.

QUESTION: How does that affect our outlook? Can we get along without them as long as we have to?

THE PRESIDENT: There is no reason at all, as I see it, under the current circumstances, with their attitude and their actions, to have any relations with them and make any effort whatsoever to improve them.

QUESTION: What about Canada? Does their good relations with Cuba affect our good relations with Canada?

THE PRESIDENT: I don't see any connection.

QUESTION: In a recent interview, I recall they asked you what your greatest disappointment was, and you said something to the effect that you could not just turn the key and cure the economy and have full employment, and you wished you could. Let us take opposite sides of the coin. What do you feel is presently your greatest accomplishment, the thing that you are most proud of?

THE PRESIDENT: I think the fact that we kept our cool and did the right things vis-a-vis the recession and the net result is by adopting a firm, and I believe constructive, policy, we have turned the recession around and we are starting even more effectively than we anticipated to come out of the recession more quickly. I think that has been, at least domestically, our biggest success.

You know, we had all kinds of dire forecasts, I think, that the unemployment rate was going over 10 percent, that we were faced with the dimensions of a depression comparable to 1930. Those are pretty scary challenges and worries, but we didn't panic. We didn't lose our cool. We did what we thought was right and the net result has been an economic recovery better and more rapidly than even we ourselves predicted.

QUESTION: I want to be sure this morning that everyone will have a chance to get a question in.

QUESTION: Mr. President, to use an old phrase of George Wallace, it doesn't seem that on presentation of domestic issues in New Hampshire there is a dime's worth of difference between yourself and Governor Reagan. What do you perceive to be your philosophical differences between yourself and Reagan?

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THE PRESIDENT: I don't think that I should really sit down and analyze the differences. I have a record in Washington which is built over a period of 25 years in the Congress, and some time as Vice President, and about 18 months as President. How he differs with me, I think that is a matter for him to describe and to define. I am not going to sit back and take any of my time trying to analyze the differences. I have a record, I am proud of it and I am running on it, and if he feels differently about it and he has some views that are contrary to it, I think that that is his responsibility and not mine.

QUESTION: Mr. President, which one of these Democrats do you think you would have the easiest and the hardest time with?

THE PRESIDENT: I don't want to get in the position of picking a Democrat, good or bad.

QUESTION: Go ahead. (Laughter)

THE PRESIDENT: For a good many months, I have said that Hubert was going to be the nominee. I have said it better than a year ago, and I believe it today, and I think all of the rest of them are running for exercise.

QUESTION: Philosophically, on the spectrum of the Democratic candidates, from those nearer the conservative or the center over to the more left wing, which do you think you would have the most serious time with in an election?

THE PRESIDENT: I think I would have, I think any Republican would have, a hard time with any Democrat because they have, more or less, built-in constituency. They will get so many votes, period, just because they have that solid Democratic support.

But to try and say which one would be the hardest to beat, I just haven't got en around to that yet. I think Hubert would present a good challenge and it would be a good, hard, clean debate and struggle and I happen to think that he will end up, and I have for some time, as the Democratic nominee.

QUESTION: I just wanted to try to draw the President a little out on Angola, if I could. People in Congress who have opposed your position in Angola say there is no strategic consequences to the United States, no strategic significance. Can you try to spell out for us how you read the strategic consequences of a Russian takeover in Angola?

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THE PRESIDENT: You can look at it, aside from the fact that they are in there now with the Cubans for the first time in a very strong way in that part of Africa, this will be their stronghold in Africa. I think diplomatically and internationally, that is not good.

But you can go from there, Angola has excellent ports. It gives them a military capability from the naval operating point of view. Angola has very substantial mineral resources. Angola is very strategic as far as an impact on Zaire -- I shouldn't mention the countries by name, and please don't -- it has a very serious impact on other African nations in the area.

So it is a strategic benefit to the Soviet Union and their Cuban mercenaries to be there. I think it ought to be perceived by Congress and by the American people.

QUESTION: Mr. President, to get back to the campaign again, you say you aren't going to criticize Mr. Reagan but some of your agents are getting pretty tough, your new coordinator in Florida, for example, told Mr. Cannon that Mr. Reagan was totally unqualified to be President. Are you going to subscribe to that kind of tough campaign by your deputies?

THE PRESIDENT: I am not familiar with that statement but I did say, I think it was up in New Hampshire in one or more of the public meetings, that I have a record that is wide open. I happen to think anybody who applies for a job ought to submit his record and that is what Mr. Reagan is doing. He is applying for a job.

QUESTION: Do you think his record in California -- what do you think of his record in California?

THE PRESIDENT: I really haven't analyzed it. I am concentrating on my own, but when anybody applies for a job, the employer -- and the public is the employer here -- ought to have an opportunity to look at it and what is wrong with that?

QUESTION: Mr. President, do you perceive the abortion issue to be one that is going to continue and intensify, and, if so, what do you see or how do you propose to meet it?

THE PRESIDENT: I have stated my view and I don't think I can amplify it or revise it. I have stated it publicly. I gather from what I hear and read that this is going to be a continuing issue so the public will have to decide from one extreme or the other and those who think they are in the middle which is the right view.

QUESTION: You see yourself as being in the middle of this?

THE PRESIDENT: I think so. I get criticism at home and I get criticism elsewhere.

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QUESTION: Do you see in that system of the primaries and going forward, do you feel we could work out a better way of selecting a President? Particularly four Senators have suggested a one-year examination of it on a bipartisan basis to see if there isn't some better way. How do you respond to that?

THE PRESIDENT: Dick, I think in 1972 after we had a good many primaries and I didn't have any personal involvement, I thought that a regional primary system was a good approach. I still think it is a good approach. I hope that the Congress will take a good constructive look at it because the 31 primaries as of this time, as I understand it, all or many of them on different dates, creates a good many logistic problems.

QUESTION: Have you thought of appointing a commission yourself?

THE PRESIDENT: I have not but it is a good idea and we will take it under advisement.

QUESTION: Mr. President, I have a philosophical question. You talked about your relations with Congress -- some good and some bad. Do you feel that as a result of Watergate now there has been a sizeable diminution of Presidential power?

THE PRESIDENT: Yes, I think there has been. We are trying to restore it and I think a new election will have a substantial impact on that.

QUESTION: Mr. President, I wonder if you could comment on two reports for us. One was that Ambassador Moynihan understood that you and Secretary Kissinger were publicly supporting him but not privately. The second is the report that when Secretary Kissinger was negotiating in Moscow he exceeded his mandate and while you were at the National Security Council he was told to return. Could you comment on those two?

THE PRESIDENT: In reply to the first, I publicly, privately and in every other way supported Pat Moynihan. As far as I know, Henry Kissinger did the same.

I can only speak very categorically in my own case but never in any discussion with anybody, in the White House or otherwise, did I ever criticize Pat Moynihan and, in fact, I praised him. I certainly did it publicly. As far as I know, Secretary Kissinger did precisely the same.

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Now on the second point, there was no recall of Secretary Kissinger. His trip to Moscow was carried out precisely as we planned it. He took over in a negotiating position. He discussed alternatives and options with Mr. Brezhnev.

We had a National Security Council meeting -- I think it was on a Wednesday. Rumsfeld and General Brown were in Paris or in Brussels. It was all agreed and understood that they would be gone when the first reports came back from Secretary Kissinger and it was all planned that Bill Clements and Admiral Holloway would be there. There was nothing unusual about it. We had all planned it in advance.

We discussed at that meeting the initial reports that came back from Secretary Kissinger. There was no deviation whatsoever from the day-to-day operations that we anticipated prior to his departure. Any statements to the contrary are inaccurate.

QUESTION: Mr. President, this is a serious question even though it may not sound like it, but how do stories like this get reported so authoritatively and then you can deny them so vehemently and categorically?

THE PRESIDENT: I have no idea, Pete, and I wish I knew, but I have just told you precisely what the facts are. All stories to the contrary are a lot of -- just totally inaccurate.

QUESTION: What was that that you were going to say? (Laughter)

QUESTION: Mr. President, wouldn't it be to your advantage in persuading the country that this SALT agreement is a good idea to have these negotiations more open? Is there any reason why the Soviet position and the American position cannot be known publicly right now?

THE PRESIDENT: I read all of the leaks that come out of a wide variety of agencies and I think the whole issue is pretty well on the table.

QUESTION: Don't those leaks come out of your Administration?

THE PRESIDENT: Unfortunately, they do.

QUESTION: Why wouldn't it be better to have them be authoritative?

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THE PRESIDENT: After all, we are dealing with another power in the preliminary stage and I think until we get to a degree of finality, if we do, it is far better not to disclose all of the alternatives that were defined by one side or another.

There are a wide variety of options and alternatives that are involved and I think that it is unfortunate that virtually everything that has been discussed by us has been discussed in the newspapers. I think it is just a better atmosphere for negotiations if they are conducted at the outset, up to the final, in some degree of confidentiality.

QUESTION: Mr. President, back to domestic policies, I think it is fair to say that you went along with the rather hot war against Nelson Rockefeller that was waged by Bo Callaway and some people right in this House. Do you think, now you have been spared carrying the burden of Rockefeller through this campaign, that it has really made that much difference?

THE PRESIDENT: In the first place, Rowly, I did not participate and I condemned those who were critical. I recognized that there were people who felt that it would be better if he were not on the ticket but I never participated in any open or covert effort.

I have said privately as well as publicly that he has been a superb Vice President and I mean it, and I haven't changed one iota.

QUESTION: The second part of the question, do you think the campaign is going better without the burden of Rockefeller as a possible Vice Presidential running mate?

THE PRESIDENT: It is hard to assess. There are some areas where his not being on the ticket has hurt and other areas where his not being on the ticket may have been beneficial. He certainly has been very supportive in every way as far as I am concerned, as far as my candidacy is concerned.

QUESTION: If I could return, sir, to the question of Angola, do you anticipate that as a result of the Soviets' success there and what Congress did, that the Russians are going to be emboldened to try to take some other immediate action either in Africa or Asia or somewhere else? Is this a concern of yours in the short-term that they are going to move immediately to test us?

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THE PRESIDENT: It could be and I think it would be very unwise for them to do it because, as I said a moment ago, I think Congress may have learned a lesson and the next time we will speak with one voice in challenging them. This Administration and the Executive Branch will certainly challenge them and I hope that the Congress will get a restoration of forthrightness and join us in meeting that challenge.

QUESTION: I have a pair of questions following Lou's question.

With regard to what you have said about Angola and the Congress, your head-to-head confrontation with them has created some thought in the country that the greatest foreign policy problem we now have is really domestic and not foreign. That is the divisive confrontation between the Executive and the Legislative.

I wonder how long you think you can continue, if the Congress does not change, to have this head-to-head confrontation, and if it isn't too paralyzing to continue indefinitely?

THE PRESIDENT: I have a feeling that the Congress is changing a bit in some areas. I detect that the Congress is not going to be quite as slashing in its attack on military programs. They hadn't better because that will be an issue. As they change there, I think they will be less likely to talk about challenging Russia in words and then not being willing to back up their words with, you know, some real legislative action.

I just detect that there is a change, time will tell, but if they do we will all be a lot better off.

QUESTION: Let me follow quickly with a specific that comes to the question of involving ourselves in other foreign countries. There is a very real possibility that the Communists may have significant election successes in Italy. If that came to pass, given the present Congressional attitude against involving ourselves in other countries' affairs, could you assure the Congress that the United States would do nothing about that?

THE PRESIDENT: We have very strongly spoken out against any Communist participation in the Government in Italy or elsewhere, in any NATO country. I wouldn't want to speculate beyond that. I think it would be unwise.

QUESTION: May I ask this question: I have wondered about it for a long while, and that is, is the Presidency today really manageable or do we need a big overhaul? You have been there for more than a year now and do you really feel that you have the Executive Branch in your hands?

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THE PRESIDENT: If you are saying do I think it is perfect, the answer is no.

QUESTION: I didn't mean that, but is it manageable?

THE PRESIDENT: I think so.

QUESTION: Do you worry about whether you really have a hold of things?

THE PRESIDENT: I think to the extent we can with domestic problems, with the international complications and the relations with the Congress, I think we are doing quite well. I think it is manageable. We can improve it and that is what we are trying to do.

QUESTION: If you are elected, is there any thought or are you giving any thought at all to perhaps a major overhaul or a study of how to get better management?

THE PRESIDENT: We do that constantly, Bud. We have an OMB task group that goes into every department and really studies what that department has or hasn't done and whether they can do things better. That is one approach.

We are going to do some things internally as far as the regulatory actions of the various executive departments. It is a constant battle to try and make the Government work better and we are doing it by every means we can.

QUESTION: This question has been asked through the years. I think even during the Eisenhower period the question was asked, and there was some suggestion that you needed an Assistant President and all of this. You don't think on those lines?

THE PRESIDENT: No.

QUESTION: On that point, does what you said mean that you think Jimmy Carter's repeated suggestion in campaigning that he could cut the Federal Government back to -- I have forgotten the figure -- 200-some agencies rather than the many that it has now, is unrealistic?

THE PRESIDENT: Well, you could do it if Congress will authorize you to do it. We have been trying to cut out a lot of these categorical grant programs that would in effect do away with a lot of these sub-agencies, but Congress has a vested interest in the perpetuation of a lot of this bureaucracy, so it is not like waving your wand and saying we will get rid of them. It doesn't work that way.

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QUESTION: Mr. President, in recent weeks the manner in which the American defense industry peddles its wares abroad has resulted in serious embarrassment to two of our closest allies. Is there anything that the Pentagon or the Congress or the Administration can do or should do to change the manner in which our defense companies sell their goods to avoid situations like this in the future? Is it a source of concern to you?

THE PRESIDENT: It is a source of deep concern, Jimmy. I think we have to be certain that American companies live up to American laws. That is one thing.

Secondly, I believe they should likewise fully adhere to any foreign laws in those countries where they are operating. If I understand, the net result of that is a lot of these things wouldn't take place.

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QUESTION: I would like to break in here for a moment. We are getting near the end and I want to make sure that some of those who haven't asked questions -- this is one moment I want to be sure everyone has a chance.

QUESTION: Mr. President, we all feel free in giving political advice, as you probably noticed over the months. One trend of thought that was pervasive among us during last summer when you were traveling quite extensively on political speeches -- although not on your own behalf, but on behalf of the Republican Party -- many of us felt and were critical that this was building up in effect the Reagan possible candidacy and detracting from your role as President.

You have now, for reasons of your own and I would like to have you explain them, curtailed this kind of travel and it seems to me that in a way you are now on a political up-flight.

Could you, one, tell me whether you agree with the assessment we made about your activities of last summer, and, secondly, what your game plan is vis-a-vis travel and how much of it you intend to continue on weekends? I notice you went to New Hampshire last weekend and you are going to Florida this weekend, and can you discuss that a little bit?

THE PRESIDENT: I think your assessment back in late 1975 may have been accurate. On the other hand, we had countless invitations to speak at party functions and the Republican Party during that period, 1975, was in pretty tough shape around the country. They were financially, in many cases, deeply in debt and they didn't have any inspiration, and it did seem to me advisable, despite some personal losses, to make sure that we had a viable party coming into 1976.

The net result was that in 1975, in the numerous places where I spoke on behalf of the party, we have raised for the party over \$7 million, which is the largest fund raising effort on behalf of the party in the history of the party.

The consequence is that most State Republican organizations are in good shape financially and there is a greater strength today party-wise than there was in 1975.

So I may have lost some personal popularity, but it was a gamble and I felt it was a worthwhile gamble.

Now since mid-November, I guess it was, we have done very little traveling. The net result is my polls have gone up so I think probably your criticism had some validity, but we did it not because of that, but because there were things that had to be done here -- the budget, the State of the Union and the economic program.

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So maybe the net result has been better, but I think as we move down the road in the primaries, undoubtedly I am forced to do some traveling. I expect to.

QUESTION: You mentioned that you thought that the nomination of Senator Humphrey would likely produce a healthy, meaningful debate on divergent views of national policy. Would you be willing to further that kind of campaign discussion by engaging in television debates with the Democratic nominee?

THE PRESIDENT: We haven't looked at that. We may or may not. I just haven't made up my mind.

QUESTION: Mr. President, you plan in a few days, apparently, to disclose your personal financial situation, updating the Vice Presidential Congressional testimony. Do you see that as an invitation to Governor Reagan to disclose his and is it a challenge for him also to lay down his financial situation?

THE PRESIDENT: I am going to make my financial position clear, carrying on from what was revealed in the Vice Presidential hearings. I am doing it because I think it is good for the electorate to know what all candidates have as far as assets and liabilities, and also what they paid or didn't pay in Federal and State income taxes.

I am going to make mine available and I would hope that others would follow.

QUESTION: Mr. President, the matter of financial statements is one thing. Your office, or the White House, has released a complete summary of your health, telling us more than what we really want to know about your health.

We realize that Governor Wallace is permanently incapacitated. Do you feel that we or the American people through us should want to know too damn much about the candidates?

THE PRESIDENT: No, I don't feel that way.

QUESTION: I wonder if you could tell us --

QUESTION: He is an old broken-down third baseman.  
(Laughter)

QUESTION: Let me ask a Middle East question. Do you plan to make a trip to the Middle East? You were talking about travels and there has been a good deal of speculation about your going to the Middle East this April and I wondered if you could tell us something about that.

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THE PRESIDENT: Well, it is very uncertain. It depends on the situation in the Middle East as it progresses with the negotiations on a broad basis or a unilateral basis. It is a very uncertain situation there and it depends on if things develop where a trip would be worthwhile and that would be a factor -- also the situation here in the United States.

Everything is sufficiently uncertain that I can't be definite about any such trip.

MR. NESSEN: Bud's colleagues here, Mr. President, have pitched in and bought him this silver bowl. I am not sure what you use a silver bowl that size for, but they would like you to present it to Bud. It has an engraving on it which you can read. I think he has been in a horse show or something.

THE PRESIDENT: It reads, "To our leader with much appreciation from the breakfast group, 1976."

Bud, it is an honor for me to make this presentation to you from all of your quote "friends" unquote, and I know it is richly deserved and that you will prize it as you should as recognition of their gratitude to you for initiating this organization some ten years ago or more.

It has been a pleasure for me on at least four or maybe five occasions to meet with you.

QUESTION: Thank you so much, Mr. President. I am really overwhelmed. This certainly will be the memory -- your presenting me and what the group has done for me -- of my working life.

I would like, if I could, though, at this moment to say thanks to a few people. Every ten years I will say "thank you," if I may.

I would like once in ten years to say thanks to my wife for, you know, letting me eat with you people for all of these moments when I could be having breakfast with Betty, and for her patience and understanding.

And I want to thank Betty Kimmerling, who, as you all know, has been such a great assistance in helping with all of the details.

I want to thank my editors -- John, who is on the Board of Directors, and now John Hughes, for letting me carry on this rather strange journalistic experience through the years.

MORE



But the truth of the matter is without editors who could perceive what this has done and could do, I never could have done it.

I would like also to thank all of you for coming again and again for what many of you feel to be, I think, some pretty rotten food among other things, and there must have been something else that brought you here, or, as I read it, an easy way to get a story, maybe, but I think you got a little more than that over the years.

But I want to particularly say "thank you" for those of you who have been with me through thick and thin from the very beginning. I may forget to thank a few names, and if I do, forgive me, but the ones who were here at the very beginning in the Press Club when it all started ten years ago -- Peter Lisagor, whom I have worked very closely with on this, and Roscoe, who has been a great help, and Al Otten right from the start, and Tom Littlewood also and Dick Strout, my dear friend Dick.

There are a few who were not able to make it today and sent their regrets -- Bob Novak, of course, who was at the first day, and David Broder. Both of them are on the campaign trail and couldn't make it, and then there were those who were there almost from the beginning.

Some of them are here, who were almost in at the beginning, and John Steele certainly very early, Rowly Evans certainly very early, and Bill Kraft very early, and Joe couldn't get back.

If I have left anyone out, I am going a way back, will you raise your hand? I think David was around very early, David Kraslow.

Anyway, thank you all for hanging in there and I don't know how much longer we are going to do it but I have my eye set on another ten years. Thanks so much.

THE PRESIDENT: Bud, may I, without destroying our professional relationship, give to you a remembrance from me and from the White House of your friendship and for my admiration of your professional excellence, a gift from me to you.

QUESTION: Thank you very much, sir.

END

(AT 9:05 A.M. EST)

