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THE WHITE HOUSE

DEBATE BETWEEN  
GERALD R. FORD  
THE PRESIDENT OF THE UNITED STATES  
AND  
JAMES E. CARTER  
THE PRESIDENTIAL NOMINEE OF  
THE DEMOCRATIC PARTY

PALACE OF FINE ARTS THEATRE

6:30 P.M. PDT

THE MODERATOR: Good evening.

I am Pauline Frederick of NPR, Moderator of the second of the historic debates of the 1976 campaign between Gerald R. Ford of Michigan, Republican candidate for President, and Jimmy Carter of Georgia, Democratic candidate for President.

Thank you, President Ford and thank you, Governor Carter, for being with us tonight.

This debate takes place before an audience in the Palace of Fine Arts Theatre in San Francisco. An estimated 100 million Americans are watching on television as well. San Francisco was the site of the signing of the United Nations Charter 31 years ago. Thus, it is an appropriate place to hold this debate, the subject of which is foreign and defense issues.

The questioners tonight are Max Frankel, Associate Editor of the New York Times; Henry L. Trewhitt, Diplomatic Correspondent of the Baltimore Sun; and Richard Valeriani, Diplomatic Correspondent of NBC News.

The ground rules tonight are basically the same as they were for the first debate two weeks ago. The questions will be alternated between candidates. By the toss of a coin, Governor Carter will take the first question.

Each question sequence will be as follows: The question will be asked and the candidate will have up to three minutes to answer. His opponent will have up to two minutes to respond. And prior to the response the questioner may ask a follow-up question to clarify the candidate's answer, when necessary, with up to two minutes to reply. Each candidate will have three minutes for a closing statement at the end.

President Ford and Governor Carter do not have notes or prepared remarks with them this evening, but they may take notes during the debate and refer to them.

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Mr. Frankel, you have the first question for Governor Carter.

MR. FRANKEL: Governor, since the Democrats last ran our foreign policy, including many of the men who are advising you, the country has been relieved of the Vietnam agony and the military draft, we have started arms control negotiations with the Russians, we have opened relations with China, we have arranged the disengagement in the Middle East, we have regained influence with the Arabs without deserting Israel, now maybe we have even begun the process of peaceful change in Africa.

Now you have objected in this campaign to the style with which much of this was done, and you have mentioned some other things that you think ought to have been done. But do you really have a quarrel with this Republican record? Would you not have done any of those things?

MR. CARTER: I think the Republican Administration has been almost all style and spectacular, and not substance. We have got a chance tonight to talk about, first of all, leadership, the character of our country, and a vision of the future. In every one of these instances, the Ford Administration has failed, and I hope tonight that I and Mr. Ford will have a chance to discuss the reason for those failures.

Our country is not strong any more. We are not respected any more. We can only be strong overseas if we are strong at home. And when I become President, I will not only be strong in those areas but also in defense.

Our defense capability is second to none. We have lost in our foreign policy the character of the American people. We have ignored or excluded the American people in Congress from participation in the shaping of our foreign policy. It has been one of exclusion and secrecy.

In addition to that, we have had a chance to become now, contrary to our longstanding beliefs and principles, the arms merchant of the whole world. We have tried to buy success from our enemies and, at the same time, we have excluded from the process the normal friendship of our allies.

In addition to that, we have become fearful to compete with the Soviet Union on an equal basis. We talk about detente. The Soviet Union knows what they want in detente and they have been getting it. We have not known what we wanted and we have been outtraded in almost every instance.

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The other point I want to make is about our defense. We have got to be a Nation blessed with the defense capability that is efficient, tough, capable, well-organized, narrowly focused fighting capability. The ability to fight if necessary is the best way to avoid the chance for or the requirement to fight.

The last point I want to make is this: Mr. Ford, Mr. Kissinger have continued on with the policies and failures of Richard Nixon. Even the Republican platform has criticized the lack of leadership in Mr. Ford, and they have criticized the foreign policy of this Administration. This is one instance where I agree with the Republican platform.

I might say this in closing, and that is, that as far as foreign policy goes Mr. Kissinger has been the President of this country. Mr. Ford has shown an absence of leadership and absence of a grasp of what this country is and what it ought to be. That has to be changed, and that is one of the major issues in the campaign of 1976.

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MR. FRANKEL: President Ford?

THE MODERATOR: President Ford, would you like to respond?

THE PRESIDENT: Governor Carter again is talking in broad generalities. Let me take just one question that he raises -- the military strength and capability of the United States. Governor Carter in November of 1975 indicated that he wanted to cut the defense budget by \$15 billion. A few months later he said he wanted to cut the defense budget by \$8 billion or \$9 billion. More recently he talks about cutting the defense budget by \$5 billion to \$7 billion. There is no way you can be strong militarily and have those kinds of reductions in our military appropriations.

Now let me just tell you a little story. About late October of 1975, I asked the then Secretary of Defense, Mr. Schlesinger, to tell me what had to be done if we were going to reduce the defense budget by \$3 billion to \$5 billion. A few days later Mr. Schlesinger said if we cut the defense budget by \$3 billion to \$5 billion we will have to cut military personnel by 250,000, civilian personnel by 100,000, jobs in America by 100,000. We would have to stretch out our aircraft procurement. We would have to reduce our naval construction program. We would have to reduce the research and development for the Army, the Navy, the Air Force and Marines by 8 percent. We would have to close 20 military bases in the United States immediately.

Let me tell you that straight from the shoulder, I don't negotiate with Mr. Brezhnev from weakness, and the kind of a defense program that Mr. Carter wants will mean a weaker defense and a poorer negotiating position.

THE MODERATOR: Mr. Trewhitt, a question for President Ford.

MR. TREWHITT: Mr. President, my question really is the other side of the coin from Mr. Frankel's. For a generation the United States has had a foreign policy based on containment of communism. Yet we have lost the first war in Vietnam, lost a shoving match in Angola, the Communists threaten to come to power by peaceful means in Italy, and relations generally have cooled with the Soviet Union in the last few months. Let me ask you, first, what do you do about such cases as Italy, and secondly, does this general drift mean we are moving back to something like the old Cold War relationship with the Soviet Union?

THE PRESIDENT: I don't believe we should move to a Cold War relationship. I believe it is in the best interests of the United States and the world as a whole that the United States negotiate rather than go back to the Cold War relationship with the Soviet Union.

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I don't look at the picture as bleakly as you have indicated in your question, Mr. Trewhitt. I believe that the United States has had many successes in recent years and recent months as far as the Communist movement is concerned. We have been successful in Portugal where a year ago it looked like there was a very great possibility that the Communists would take over in Portugal. It didn't happen. We have a democracy in Portugal today.

A few months ago, or I should say maybe two years ago, the Soviet Union looked like they had continued strength in the Middle East. Today, according to Prime Minister Rabin, the Soviet Union is weaker in the Middle East than they have been in many, many years. The facts are the Soviet Union relationship with Egypt is at a low level. The Soviet Union relationship with Syria is at a very low point. The United States today, according to Prime Minister Rabin of Israel, is at a peak in its influence and power in the Middle East.

But let's turn for a minute to the Southern African operations that are now going on. The United States of America took the initiative in Southern Africa. We wanted to end the bloodshed in Southern Africa. We wanted to have the right of self determination in Southern Africa. We wanted to have majority rule with the full protection of the rights of the minority. We wanted to preserve human dignity in Southern Africa. We have taken the initiative and in Southern Africa today the United States is trusted by the black frontline nations and black Africa. The United States is trusted by the other elements in Southern Africa.

The United States' foreign policy under this Administration has been one of progress and success and I believe that instead of talking about Soviet progress we can talk about American successes, and may I make an observation. Part of the question you asked, Mr. Trewhitt, I don't believe that it is in the best interests of the United States and the NATO nations to have a Communist government in NATO.

Mr. Carter has indicated he would look with sympathy to a Communist government in NATO. I think that would destroy the integrity and the strength of NATO, and I am totally opposed to it.

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MR. CARTER: Mr. Ford unfortunately made a statement that is not true. I never advocated a Communist Government for Italy. That would be ridiculous for anyone to do who wanted to be President of this country.

I think this is an instance for deliberate distortion, and this has occurred also in the question about defense. As a matter of fact, I have never advocated any cuts of \$15 billion in a defense budget. As a matter of fact, Mr. Ford has made a little football of the defense budget.

About a year ago he cut the Pentagon budget \$6.8 billion. After he fired James Schlesinger the political heat got so great he added back about \$3 billion. When Ronald Reagan won the Texas primary election, Mr. Ford added back another \$1.5 billion. Immediately before the Kansas City Convention he added back another \$1.8 billion in the defense budget, and his own Office of Management and Budget testified that he had a \$3 billion cut insurance added to the defense budget under the pressure from the Pentagon.

Obviously this is another indication of trying to use the defense budget for political purposes, which he is trying to do tonight.

Now, we went into South Africa late, after Great Britain, Rhodesia. The black nations had been trying to solve this problem for many, many years. We did not go in until right before the election, similar to what was taking place in 1972 when Mr. Kissinger announced peace is at hand just before the election at that time.

We have weakened our position in NATO because the other countries in Europe supported the democratic forces in Portugal long before we did. We stuck to the Portugal dictatorships much longer than other democracies did in this world.

THE MODERATOR: Mr. Valeriani, a question for Governor Carter.

MR. VALERIANI: Governor Carter, much of what the United States does abroad is done in the name of national interest. What is your concept of the national interest? What should the role of the United States in the world be? In that connection, considering your limited experience in foreign affairs and the fact that you take some pride in being a Washington outsider, don't you think it would be appropriate for you to tell the American voters before the election the people you would like to have in key positions, such as Secretary of State, Secretary of Defense, National Security Affairs Advisor at the White House?

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MR. CARTER: I am not going to name my Cabinet before I get elected. I have a little ways to go before I start doing that, but I have an adequate background, I believe. I am a graduate of the U.S. Naval Academy, the first military graduate since Eisenhower. I have served as Governor of Georgia and have traveled extensively in foreign countries, in South America, Central America, Europe, the Middle East and Japan.

I have traveled the last 21 months among the people of this country. I have talked to them and I have listened, and I have seen at first hand in a very vivid way the deep hurt that has come to this country in the aftermath of Vietnam and Cambodia and Chile and Pakistan and Angola and Watergate, CIA revelations.

What we were formerly so proud of -- the strength of our country, its moral integrity, the representation in foreign affairs, of what our people are, what our Constitution stands for -- has been gone.

In the secrecy that has surrounded our foreign policy in the last few years, the American people and Congress have been excluded. I believe I know what this country ought to be. I have been one who has loved my nation, as many Americans do, and I believe there is no limit placed on what we can be in the future, if we can harness our tremendous resources -- militarily, economically, the stature of our people, the meaning of our Constitution -- in the future.

Every time we have made a serious mistake in foreign affairs, it has been because the American people have been excluded from the process. If we can just tap the intelligence and ability, the sound common sense and the good judgment of the American people, we can once again have a foreign policy to make us proud instead of ashamed.

I am not going to exclude the American people from this process in the future, as Mr. Ford and Kissinger have done. This is what it takes to have a sound foreign policy -- strong at home, strong defense, permanent commitments, not betray the principles of our country, and involve the American people and the Congress in the shaping of our foreign policy.

Every time Mr. Ford speaks--from a position of secrecy, in negotiations and secret treaties that have been pursued and achieved, and supporting dictatorships, in ignoring human rights -- we are weak and the rest of the world knows it.

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So, these are the ways that we can restore the strengths of our country. They don't require long experience in foreign policy. Nobody has that except a President who served a long time or a Secretary of State, but my background, my experience, my knowledge of the people of this country, my commitment to the principles that don't change -- those are the best basis to correct the horrible mistakes of this Administration and restore our own country to a position of leadership in the world.

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MR. VALERIANI: How specifically, Governor, are you going to bring the American people into the decision-making process of foreign policy? What does that mean?

MR. CARTER: First, I would quit conducting the decision-making process in secret, as has been a characteristic of Mr. Kissinger and Mr. Ford. In many cases, we have made agreements, like in Vietnam, that have been revealed later on to our embarrassment.

Recently, Ian Smith, the President of Rhodesia, announced that he had unequivocal commitments from Mr. Kissinger that he could not reveal. The American people don't know what those commitments are. We have seen in the past a destruction of elected governments like in Chile and the strong support of military dictatorship there.

These kinds of things have hurt us very much. I would restore the concept of the fireside chat which was an integral part of the Administration of Franklin Roosevelt. And I would also restore the involvement of Congress. When Harry Truman was President, he was not afraid to have a strong Secretary of Defense -- Dean Acheson, George Marshall were strong Secretaries of State, excuse me -- but he made sure that there was a bipartisan support. The Members of Congress, Arthur Vandenberg, Walter George, were part of the process, and before our Nation made a secret agreement and before we made a bluffing statement, we were sure that we had the backing not only of the President and the Secretary of State but also the Congress and the people.

This is a responsibility of the President, and I think it is very damaging to our country for Mr. Ford to have turned over this responsibility to the Secretary of State.

THE MODERATOR: President Ford, do you have a response?

THE PRESIDENT: Governor Carter contradicts himself. He complains about secrecy and yet he is quoted as saying that in the attempt to find a solution in the Middle East that he would hold unpublicized meetings with the Soviet Union, I presume for the purpose of imposing a settlement on Israel and the Arab nations.

But let me talk just a minute about what we have done to avoid secrecy in the Ford Administration. After the United States took the initiative in working with Israel and Egypt and achieving the Sinai II Agreement -- and I am proud to say that not a single Egyptian or Israeli has lost his life since the signing of the Sinai Agreement -- but at the time that I submitted the Sinai Agreement to the Congress of the United States, I submitted every single document that was applicable to the Sinai II Agreement.

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It was the most complete documentation by any President of any agreement signed by a President on behalf of the United States.

Now as far as meeting with the Congress is concerned, during the 24 months that I have been the President of the United States, I have averaged better than one meeting a month with responsible groups or committees of the Congress, both House and Senate.

The Secretary of State has appeared in the several years that he has been the Secretary before 80 different committee hearings in the House and in the Senate. The Secretary of State has made better than 50 speeches all over the United States explaining American foreign policy. I have made, myself, at least 10 speeches in various parts of the country where I have discussed with the American people defense and foreign policy.

THE MODERATOR: Mr. Frankel, a question for President Ford.

MR. FRANKEL: Mr. President, I would like to explore a little more deeply our relationship with the Russians. They used to brag back in Khrushchev days, because of their greater patience and because of our greed for business deals, that they would sooner or later get the better of us.

Is it possible that despite some setbacks in the Middle East they have proved their point? Our allies in France and Italy are now flirting with Communism; we have recognized a permanent Communist regime in East Germany. We virtually signed in Helsinki an agreement that the Russians have dominance in Eastern Europe. We bailed out Soviet agriculture with our huge grain sales. We have given them large loans, access to our best technology, and if the Senate had not interfered with the Jackson Amendment maybe you would have given them even larger loans.

Is that what you call a two-way street of traffic in Europe?

THE PRESIDENT: I believe we have negotiated with the Soviet Union since I have been President from a position of strength. And let me cite several examples.

Shortly after I became President in December of 1974, I met with General Secretary Brezhnev in Vladivostok and we agreed to a mutual cap on the ballistic missile launchers at a ceiling of 2,400, which means that the Soviet Union, if that becomes a permanent agreement, will have to make a reduction in their launchers that they now have or plan to have.

I negotiated at Vladivostok with Mr. Brezhnev a limitation on the MIRVing of their ballistic missiles at a figure of 1,320, which is the first time that any President has achieved a cap either on launchers or on MIRVs.

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It seems to me we can go from there to the grain sales. The grain sales have been a benefit to American agriculture. We have achieved a 5-3/4-year sale of a minimum of 6 million metric tons, which means that they have already bought about 4 million metric tons this year and are bound to buy another 2 million metric tons to take the grain and corn and wheat that the American farmers have produced in order to have full production, and these grain sales to the Soviet Union have helped us tremendously in meeting the cost of the additional oil and the oil that we have bought from overseas.

If we turn to Helsinki, I am glad you raised it, Mr. Frankel -- in the case of Helsinki, 35 nations signed an agreement, including the Secretary of State for the Vatican. I can't under any circumstances believe that His Holy Highness The Pope would agree by signing that agreement that the 35 nations have turned over to the Warsaw Pact nations the domination of Eastern Europe. It just is not true. And if Mr. Carter alleges that His Holiness, by signing that, has done it, he is totally inaccurate.

Now, what has been accomplished by the Helsinki agreement? Number one, we have an agreement where they notify us and we notify them of any military maneuvers that are to be undertaken. They have done it in both cases where they have done so. There is no Soviet domination of Eastern Europe, and there never will be under the Ford Administration.

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MR. FRANKEL: Did I understand you to say, sir, that the Russians are not using Eastern Europe as their own sphere of influence and occupying most of the countries there and making sure with their troops that it is a Communist zone whereas on our side of the line the Italians and French are still flirting with possible Communism?

THE PRESIDENT: I don't believe, Mr. Frankel, that the Yugoslavians consider themselves dominated by the Soviet Union. I don't believe the Rumanians consider themselves dominated by the Soviet Union. I don't believe that the Poles consider themselves dominated by the Soviet Union.

Each of those countries is independent, autonomous. It has its own territorial integrity and the United States does not concede that those countries are under the domination of the Soviet Union. As a matter of fact, I visited Poland, Yugoslavia and Rumania to make certain that the people of those countries understand that the President of the United States and the people of the United States are dedicated to their independence, their autonomy and their freedom.

THE MODERATOR: Governor Carter, may we have your response?

MR. CARTER: Well, in the first place, I am not criticizing His Holiness, The Pope. I was talking about Mr. Ford.

The fact is that secrecy has surrounded the decisions made by the Ford Administration. In the case of the Helsinki agreement, it may have been a good agreement at the beginning, but we have failed to enforce the so-called Basket 3 part, which insures the right of people to migrate, to join their families, to be free to speak out.

The Soviet Union is still jamming Radio Free Europe. Radio Free Europe is being jammed. We have also seen a very serious problem with the so-called Sonnenfeldt document, which apparently Mr. Ford has just endorsed, which said that there is an organic linkage between the Eastern European countries and the Soviet Union, and I would like to see Mr. Ford convince the Polish-Americans and the Czech-Americans and Hungarian-Americans in this country that those countries don't live under the domination and supervision of the Soviet Union behind the Iron Curtin.

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We have also seen Mr. Ford exclude himself from access to the public. He hasn't had a tough, cross-examination type press conference in over 30 days. One press conference he had without sound.

He has always shown a weakness in yielding to pressure. The Soviet Union, for instance, put pressure on Mr. Ford, and he refused to see a symbol of human freedom recognized around the world -- Alexander Solzhenitsyn.

The Arabs have put pressure on Mr. Ford -- and he yielded -- and he has permitted a boycott by the Arab countries of American businesses in trade with Israel who have American Jews owning or taking part in the management of American companies. His own Secretary of Commerce had to be subpoenaed by the Congress to reveal the names of the businesses subject to this boycott. They didn't volunteer the information. He had to be subpoenaed.

The last thing I would like to say is this: This grain deal with the Soviet Union in 1972 was terrible, and Mr. Ford made up for it with three embargoes, one against our own ally in Japan. That is not the way to run our foreign policy, including international trade.

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THE MODERATOR: Mr. Trehwitt, a question for Governor Carter.

MR. TREWHITT: I would like to pick up on that point, actually, and on your appeal for a greater measure of American idealism in foreign affairs. Foreign affairs come home to the American public pretty much in such issues as oil embargoes and grain sales, that sort of thing. Would you be willing to risk an oil embargo in order to promote human rights in Iran, Saudi Arabia, withhold arms from Saudi Arabia for the same purpose? As a matter of fact I think you have perhaps answered this final part, but would you withhold grain from the Soviet Union in order to promote civil rights in the Soviet Union?

MR. CARTER: I would never single out food as a trade embargo item. If I ever decided to impose an embargo because of a crisis in international relationships, it would include all shipments of all equipment. For instance, if the Arab countries ever again declare an embargo against our nation on oil, I would consider that not a military but an economic declaration of war and I would respond instantly and in kind. I would not ship that Arab country anything. No weapons, no spare parts for weapons, no oil-drilling rigs, no oil pipe, no nothing. I would not single out just food.

Another thing I would like to say is this. In our international trade, as I said in my opening statement, we have become the arms merchant of the world. When this Republican Administration came into office, we were shipping about \$1 billion worth of arms overseas, now \$10 billion to \$12 billion worth of arms overseas to countries that quite often use these weapons to fight each other. The shift in emphasis has been very disturbing to me, speaking about the Middle East. Under the last Democratic Administration, 60 percent of all weapons that went into the Middle East were for Israel. Nowadays, 75 percent were for Israel before-- now 60 percent goes to the Arab countries and this does not include Iran. If you include Iran our present shipment of weapons to the Middle East, only 20 percent go to Israel. This is a deviation from idealism, it's a deviation from a commitment to our major ally in the Middle East, its a yielding to economic pressure on the part of the Arabs on the oil issue, and it is also a tremendous indication that under the Ford Administration we have not addressed the energy policy adequately. We still have no comprehensive energy policy in this country, and it is an overall sign of weakness. When we are weak at home economically -- high unemployment, high inflation, a confused government, a wasteful defense establishment -- this encourages the kind of pressure that has been put on us successfully. It would have been inconceivable 10 or 15 years ago for us to be brought to our knees with an Arab oil embargo. But it was done three

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years ago and they are still putting pressure on us from the Arab countries to our discredit around the world.

These are the weaknesses that I see and I believe it is not just a matter of idealism. It is a matter of being tough. It is a matter of being strong. It is a matter of being consistent. Our priorities ought to be first of all to meet our own military needs, secondly to meet the needs our allies and friends, and only then should we ship military equipment to foreign countries. As a matter of fact, Iran is going to get 80 F-14's before we even meet our own Air Force orders for F-14's, and the shipment of Spruance Class Destroyers to Iran are much more highly sophisticated than the Spruance Class Destroyers that are presently being delivered to our own Navy. This is ridiculous and it ought to be changed.

MR. TREWHITT: Governor, let me pursue that, if I may. If I understand you correctly you would in fact, to use my examples, withhold arms from Iran and Saudi Arabia even if the risk was an oil embargo and if they should be securing those arms from somewhere else, and then if the embargo came you would respond in kind. Do I have it correctly?

MR. CARTER: If -- Iran is not an Arab country, as you know. It's a Moslem country. But if Saudi Arabia should declare an oil embargo against us, then I would consider that an economic declaration of war, and I would make sure that the Saudis understood this ahead of time so there would be no doubt in their mind. I think under those circumstances they would refrain from pushing us to our knees as they did in 1973 with the previous oil embargo.

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THE MODERATOR: President Ford?

THE PRESIDENT: Governor Carter apparently doesn't realize that since I have been President we have sold to the Israelis over \$4 billion in military hardware. We have made available to the Israelis over 45 percent of the total economic and military aid since the establishment of Israel 27 years ago. So, the Ford Administration has done a good job in helping our good ally Israel, and we are dedicated to the survival and security of Israel.

I believe that Governor Carter doesn't realize the need and necessity for arms sales to Iran. He indicates he would not make those.

Iran is bordered very extensively by the Soviet Union. Iran has Iraq as one of its neighbors. The Soviet Union and the Communist-dominated Government of Iraq are neighbors of Iran, and Iran is an ally of the United States.

It is my strong feeling that we ought to sell arms to Iran for its own national security and as an ally -- a strong ally -- of the United States.

The history of our relationship with Iran goes back to the days of President Truman, when he decided that it was vitally necessary for our own security as well as that of Iran that we should help that country, and Iran has been a good ally.

In 1973, when there was an oil embargo, Iran did not participate. Iran continued to sell oil to the United States. I believe that it is in our interest and in the interest of Israel and Iran and Saudi Arabia for the United States to sell arms to those countries. It is for their security as well as ours.

THE MODERATOR: Mr. Valeriani, a question for President Ford.

MR. VALERIANI: Mr. President, the policy of your Administration is to normalize relations with mainland China. That means establishing at some point full diplomatic relations and obviously doing something about the mutual defense treaty with Taiwan. If you are elected, will you move to establish full diplomatic relations with Peking and will you abrogate the defense treaty with Taiwan and, as a corollary, would you provide mainland China with military equipment if the Chinese were to ask for it?

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THE PRESIDENT: Our relationship with the People's Republic of China is based upon the Shanghai Communique of 1972. That communique calls for the normalization of relations between the United States and the People's Republic. It doesn't set a time schedule. It doesn't make a determination as to how that relationship should be achieved in relationship to our current diplomatic recognition and obligations to the Taiwanese Government.

The Shanghai Communique does say that the differences between the People's Republic on the one hand and Taiwan on the other shall be settled by peaceful means.

The net result is this Administration -- and during my time as the President for the next four years -- we will continue to move for normalization of relations in the traditional sense, and we will insist that the disputes between Taiwan and the People's Republic be settled peacefully, as was agreed in the Shanghai Communique of 1972.

The Ford Administration will not let down, will not eliminate or forget our obligation to the people of Taiwan. We feel that there must be a continued obligation to the people, the some 19 or 20 million people in Taiwan, and as we move during the next four years, those will be the policies of this Administration.

MR. VALERIANI: Sir, the military equipment for the mainland Chinese?

THE PRESIDENT: There is no policy of this Government to give to the People's Republic or to sell to the People's Republic of China military equipment. I do not believe that we, the United States, should sell, give or otherwise transfer military hardware to the People's Republic of China or any other Communist nation, such as the Soviet Union and the like.

THE MODERATOR: Governor Carter?

MR. CARTER: I would like to go back just one moment to the previous question, where Mr. Ford, I think, confused the issue by trying to say that we are shipping Israel 40 percent of our aid. As a matter of fact, during this current year we are shipping Iran -- or have contracted to ship to Iran -- about \$7.5 billion worth of arms and also to Saudi Arabia about \$7.5 billion worth of arms.

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In 1975 we almost brought Israel to their knees after the Yom Kippur war by the so-called reassessment of our relationship to Israel. We, in effect, tried to make Israel the scapegoat for the problems in the Middle East. This weakened our relationship with Israel a great deal and put a cloud on the total commitment that our people feel toward the Israelis.

There ought to be a clear, unequivocal commitment without change to Israel.

In the Far East I think we need to continue to be strong, and I would certainly pursue the normalization of relationships with the People's Republic of China. We opened up a great opportunity in 1972, which has pretty well been frittered away under Mr. Ford, that ought to be a constant inclination toward friendship, but I would never let that friendship with the People's Republic of China stand in the way of the preservation of the independence and freedom of the people on Taiwan.

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THE MODERATOR: Mr. Frankel, a question for Governor Carter.

MR. FRANKEL: Governor, we always seem, in our elections, and maybe in-between, too, to argue about who can be tougher in the world. Give or take a few billion dollars, give or take one weapons system, our leading politicians, and I think you two gentlemen, seem to settle roughly on the same strategy in the world at roughly the same Pentagon budget cost.

How bad do things have to get in our own economy, or how much backwardness and hunger would it take in the world to persuade you that our national security and our survival required very drastic cutbacks in arms spending and dramatic new efforts in other directions?

MR. CARTER: Well, always in the past we have had an ability to have a strong defense and also to have a strong domestic economy, and also to be strong in our reputation and influence within the community of nations. These characteristics of our country have been endangered under Mr. Ford. We are no longer respected.

In a showdown vote in the United Nations or in any other international council, we are lucky to get 20 percent of the other nations to vote with us. Our allies feel we have neglected them. The so-called Nixon shocks against Japan have weakened our relationships there.

Under this Administration we have also had an inclination to keep separate the European countries, thinking that if they are separate, that we can dominate them, and proceed with our secret long-range-type diplomatic efforts.

I would also like to point out that we in this country have let our economy go down the drain -- the worst inflation since the Great Depression, the highest unemployment of any developed nation of the world. We have a higher unemployment rate in this country than Great Britain, than West Germany. Our unemployment rate is twice as high as it is in Italy, three or four times as high as it is in Japan. And that terrible circumstance in this country is exported overseas.

We comprise about 30 percent of the world's economic trade power influence. And when we are weak at home, weaker than all our allies, that weakness weakens the whole free world. So, strong economy is very important.

Another thing we need to do is to re-establish the good relationships that we ought to have between the United States and our natural allies in France -- they have felt neglected -- and using that base of strength and using the idealism, the honesty, the predictability, the commitment, the integrity, of our own country, that is where our strength lies, and that would permit us to deal with the developing nations in a position of strength.

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Under this Administration we have had a continuation of a so-called "balance of power politics" where everything is looked on as a struggle between us on the one side and the Soviet Union on the other. Our allies, the smaller countries, get trampled in the rush.

What we need is to try to seek individualized bilateral relationships with countries regardless of their size and to establish world order politics, which means we want to preserve peace through strength. We also want to revert back to the stature of and the respect that our country had in previous Administrations.

Now, I can't say when this can come, but I can guarantee it will not come if Gerald Ford is reelected and this present policy is continued. It will come if I am elected.

MR. FRANKEL: If I hear you right, you are saying guns and butter both, but President Johnson also had trouble keeping up both Vietnam and his domestic programs.

I was really asking, when do the needs of the cities and our own needs and those of other backward and even more needy countries and societies around the world take precedence over some of our military spending? Ever?

MR. CARTER: Let me say very quickly, under President Johnson, in spite of the massive investment in the Vietnam War, he turned over a balanced budget to Mr. Nixon. The unemployment rate was less than 4 percent. The inflation rate under Kennedy and Johnson was about 2 percent -- one-third what it is under this Administration. So we did have at that time with good management the ability to do both.

I don't think anybody can say Johnson and Kennedy neglected the poor and destitute people in this country or around the world. But I can say this: The number one responsibility of any President, above all else, is to guarantee the security of our Nation, an ability to be free of the threat of attack or blackmail, and to carry out our obligations to our allies and friends, and to carry out a legitimate foreign policy, and they must go hand-in-hand. But the security of this Nation has to come first.

THE MODERATOR: President Ford.

THE PRESIDENT: Let me say very categorically, you cannot maintain the security and the strength of the United States with the kinds of defense budget cuts that Governor Carter has indicated. In 1975, he wanted to cut the budget \$15 billion. He is now down to a figure of \$5 billion to \$7 billion. Reductions of that kind will not permit the United States to be strong enough to deter aggression and maintain the peace.

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Governor Carter apparently does not know the facts. As soon as I became President, I initiated meetings with the NATO heads of State and met with them in Brussels to discuss how we could improve the defense relationship in Western Europe.

In November of 1975, I met with the leaders of the five industrial nations in France for the purpose of seeing what we could do, acting together, to meet the problems of the coming recession.

In Puerto Rico this year, I met with six of the leading industrial nations' heads of State to meet the problem of inflation so we would be able to solve it before it got out of hand.

I have met with the heads of Government, bilaterally as well as multi-laterally. Our relations with Japan have never been better. I was the first United States President to visit Japan. And we had the Emperor of Japan here this past year. And the net result is Japan and the United States are working more closely together now than at any time in the history of our relationship. You can go around the world -- let me take Israel, for example. Just recently, President Rabin said that our relations were never better.

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THE MODERATOR: Mr. Trehwitt, your question for President Ford.

MR. TREWHITT: Mr. President, you referred earlier to your meeting with Mr. Brezhnev in Vladivostok in 1974. You agreed on that time to try to achieve another strategic arms limitation, SALT agreement, within the year. Nothing happened in 1975 or not very much publicly, at least, and those talks are still dragging, and things got quieter as the current season approached. Is there a bit of politics involved there, perhaps on both sides or perhaps more important, are interim weapons development, and I am thinking of such things as the cruise missile and the Soviet SS-20 intermediate range rocket, making SALT irrelevant, bypassing the SALT negotiations?

THE PRESIDENT: First, we have to understand that SALT I expires October 3, 1977. Mr. Brezhnev and I met in Vladivostok in December of 1974 for the purpose of trying to take the initial steps so we could have a SALT II agreement that would go to 1985. As I indicated earlier, we did agree on a 2,400 limitation on launchers of ballistic missiles. That would mean a cutback in the Soviet program. It would not interfere with our own program. At the same time we put a limitation of 1,320 on MIRVs.

Our technicians have been working since that time in Geneva trying to put into technical language an agreement that can be verified by both parties. In the meantime, there has developed the problem of the Soviet Backfire, their high performance aircraft, which they say is not a long-range aircraft and which some of our people say is an intercontinental aircraft.

In the interim there has been the development on our part primarily, of the cruise missiles: cruise missiles that could be launched from land-based mobile installations, cruise missiles that could be launched from high performance aircraft like the B-52's or the B-1's, which I hope we proceed with: cruise missiles which could be launched from either surface or submarine naval vessels.

Those gray area weapons systems are creating some problems in the agreement for a SALT II negotiation.

But I can say that I am dedicated to proceeding and I met just last week with the Foreign Minister of the Soviet Union and he indicated to me that the Soviet Union was interested in narrowing the differences and making a realistic and a sound compromise.

I hope and trust in the best interests of both countries and in the best interests of all peoples throughout this globe that the Soviet Union and the United States can make a mutually beneficial agreement because, if we do not and SALT I expires on October 3, 1977, you will unleash again an all out nuclear arms race with the potential of a nuclear holocaust of unbelievable dimensions.

So it is the obligation of the President to do just that and I intend to do so.

MR. TREWHITT: Mr. President, let me follow that up. I'll submit then the cruise missile adds a whole new dimension to the arms competition, and then cite a statement by your office to the Arms Control Association a few days ago in which you said that the cruise missile might eventually be included in a comprehensive arms limitation agreement but that in the meantime it was an essential part of the American strategic arsenal. May I assume from that that you are intending to exclude the cruise missile from the next SALT agreement or is it still negotiable in that context?

THE PRESIDENT: I believe that the cruise missiles which we are now developing in research and development across the spectrum from air, from the sea, or from the land can be included within a SALT II agreement. They are a new weapons system that has a great potential, both conventional and nuclear arms. At the same time we have to make certain that the Soviet Union's Backfire, which they claim is not an intercontinental aircraft and which some of our people contend is, must also be included if we are to get the kind of an agreement which is in the best interests of both countries.

And I really believe that it is far better for us and for the Soviet Union and more importantly for the people around the world that these two super powers find an answer for a SALT II agreement before October 3, 1977.

I think good will on both parts, hard bargaining by both parties, and a reasonable compromise will be in the best interests of all parties.

THE MODERATOR: Governor Carter?

MR. CARTER: Well, Mr. Ford acts like he is running for President for the first time. He has been in office two years and there has been absolutely no progress made toward a new SALT agreement.

He has learned the date of the expiration of SALT I apparently.

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We have seen in this world a development of a tremendous threat to us. As a nuclear engineer myself, I know the limitations and capabilities of atomic power. I also know that as far as the human beings on this earth are concerned, that the non-proliferation of atomic weapons is number one. Only in the last few days with the election approaching has Mr. Ford taken any interest in a non-proliferation movement.

I advocated last May in a speech at the United Nations that we move immediately as a nation to declare a complete moratorium on the testing of all nuclear devices, both weapons and peaceful devices, that we not ship any more atomic fuel to a country that refuses to comply with strict controls over the waste which can be reprocessed into explosives.

I have also advocated that we stop the sale by Germany and France of reprocessing plants to Pakistan and Brazil.

Mr. Ford hasn't moved on this. We also need to have provided an adequate supply of enriched uranium. Mr. Ford again, under pressure from the atomic energy lobby, has insisted that this reprocessing or rather reenrichment be done by private industry and not by the existing government plants.

This kind of confusion and absence of leadership has let us drift now for two years with the constantly increasing threat of atomic weapons throughout the world. We now have five nations that have atomic bombs that we know about. If we continue under Mr. Ford's policy, by 1985 or '90 we will have 20 nations that have the capability of exploding atomic weapons. This has got to be stopped. That is one of the major challenges and major undertakings that I will assume as the next President.

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THE MODERATOR: A question for Governor Carter.

MR. VALERIANI: Governor Carter, earlier tonight you said America is not strong anymore, America is not respected anymore, and I feel I must ask you, do you really believe that the United States is not the strongest country in the world? Do you really believe that the United States is not the most respected country in the world, or is that just campaign rhetoric?

MR. CARTER: No, that is not just campaign rhetoric. I think militarily we are as strong as any nation on earth. I think we have to stay that way and continue to increase our capabilities to meet any potential threat; but as far as strength derived from commitment to principles; as far as strength derived from the unity within our country; as far as strength derived from the people, the Congress, the Secretary of State, the President, sharing in the evolution and carryings out of foreign policy; as far as strength derived from the respect of our own allies and friends, there is assurance that we will be staunch in our commitment, that we will not deviate and we will give them adequate attention.

As far as strength derived from doing what is right, caring for the poor, providing food, becoming the breadbasket of the world instead of the arms merchant of the world, in those respects we are not strong. Also, we will never be strong again overseas unless we are strong at home. With our economy in such terrible disarray, and getting worse by the month -- we have got 500,000 more Americans unemployed today than we had three months ago; we have got two and a half million more Americans out of work now than we had when Mr. Ford took office -- this kind of deterioration in our economic strength is bound to weaken us around the world.

We not only have problems at home, but we export those problems overseas. So far as the respect of our own people toward our own Government, as far as participation in the shaping of concepts and commitments, as far as a trust of our country among the nations of the world, as far as dependence of our country in meeting the needs and obligations we have expressed to our allies, as far as the respect of our country, even among our potential adversaries, we are weak.

Potentially, we are strong. Under this Administration that strength has not been realized.

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THE MODERATOR: President Ford?

THE PRESIDENT: Governor Carter brags about the unemployment during Democratic Administrations and condemns the unemployment at the present time. I must remind him that we are at peace and during the period that he brags about unemployment being low, the United States was at war.

Let me correct one other comment that Governor Carter has made. I have recommended to the Congress that we develop the uranium enrichment plant at Portsmouth, Ohio, which is a publicly-owned U.S. Government facility, and have indicated that the private program which would follow on in Alabama is one that may or may not be constructed, but I am committed to the one at Portsmouth, Ohio.

The Governor also talks about morality in foreign policy. The foreign policy of the United States meets the highest standards of morality. What is more moral than peace, and the United States is at peace today. What is more moral in foreign policy than for the Administration to take the lead in the World Food Conference in Rome in 1974, when the United States committed six million metric tons of food, over 60 percent of the food committed for the disadvantaged and underdeveloped nations of the world?

The Ford Administration wants to eradicate hunger and disease in our underdeveloped countries throughout the world. What is more moral than for the United States under the Ford Administration to take the lead in Southern Africa, in the Middle East? Those are initiatives in foreign policy which are of the highest moral standards, and that is indicative of the foreign policy of this country.

THE MODERATOR: Mr. Frankel, a question for President Ford.

MR. FRANKEL: Mr. President, can we stick with morality? For a lot of people it seems to cover a bunch of sins.

Mr. Nixon and Mr. Kissinger used to tell us that instead of morality we had to worry in the world about living with and letting live all kinds of Governments that we really didn't like -- North and South Korean dictators, Chilean fascists, Chinese Communists, Iranian emperors and so on.

They said the only way to get by in a wicked world was to treat others on the basis of how they treated us and not how they treated their own people.

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But more recently we seem to have taken a different tack. We seem to have decided that it is part of our business to tell the Rhodesians, for instance, that the way they are treating their own black people is wrong and they have to change their Government. We put pressure on them. We were rather liberal in our views to the Italians as to how to vote.

Is this a new Ford foreign policy in the making? Can we expect that you are now going to turn to South Africa and force them to change their Government, to intervene in several ways to end the bloodshed, as you called it, say in Chile or Chilean prisons and to throw our weight around for the values that we hold dear in the world?

THE PRESIDENT: I believe that our foreign policy must express the highest standards of morality and the initiatives we took in Southern Africa are the best examples of what this Administration is doing and will continue to do in the next four years.

If the United States had not moved when we did in Southern Africa, there is no doubt there would have been an acceleration of bloodshed in that tragic part of the world.

If we had not taken our initiative, it is very, very possible that the Government of Rhodesia would have been overrun and that the Soviet Union and the Cubans would have dominated Southern Africa.

So, the United States, seeking to preserve the principle of self-determination, to eliminate the possibility of bloodshed, to protect the rights of the minority as we insisted upon the rights of the majority I believe followed the good conscience of the American people in foreign policy, and I believe that we have used our skill.

Secretary of State Kissinger has done a superb job in working with the black African nations, the so-called front-line nations. He has done a superb job in getting the Prime Minister of South Africa, Mr. Vorster, to agree that the time had come for a solution to the problem of Rhodesia.

Secretary Kissinger, in his meeting with Prime Minister Smith of Rhodesia, was able to convince him that it was in the best interests of whites, as well as blacks, in Rhodesia to find an answer for a transitional Government and then a majority Government.

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This is a perfect example of the kind of leadership that the United States, under this Administration, has taken, and I can assure you that this Administration will follow that high moral principle in our future efforts in foreign policy, including our efforts in the Middle East, where it is vitally important because the Middle East is the crossroads of the world.

There have been more disputes, and it is an area where there is more volatility than any other place in the world, but because the Arab nations and the Israelis trust the United States, we were able to take the lead in the Sinai II agreement.

I can assure you that the United States will have the leadership role in moving toward a comprehensive settlement of the Middle Eastern problems --I hope and trust as soon as possible--and we will do it with the highest moral principles.

MR. FRANKEL: Mr. President, just to clarify one point, there are lots of majorities in the world that feel they are being pushed around by minority Governments. Are you saying now they can expect to look to us for not just good cheer but throwing our weight on their side in South Africa, or on Taiwan, or in Chile, to help change their Governments as in Rhodesia?

THE PRESIDENT: I would hope that as we move to one area of the world from another -- and the United States must not spread itself too thinly; that was one of the problems that helped to create the circumstances in Vietnam -- but as we as a nation find that we are asked by the various parties, either one nation against another or individuals within a nation, that the United States will take the leadership and try to resolve the difficulties.

Let me take South Korea as an example. I have personally told President Park that the United States does not condone the kind of repressive measures that he has taken in that country. But, I think in all fairness and equity we have to recognize the problem that South Korea has.

On the north they have North Korea with 500,000 well-trained, well-equipped troops. They are supported by the People's Republic of China. They are supported by the Soviet Union. South Korea faces a very delicate situation.

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Now, the United States in this case, this Administration, has recommended a year ago -- and we have reiterated it again this year -- that the United States, South Korea, North Korea and the People's Republic of China sit down at a conference table to resolve the problems of the Korean peninsula. This is a leadership role that the United States, under this Administration, is carrying out.

If we do it -- and I think the opportunities and the possibilities are getting better -- we will have solved many of the internal domestic problems that exist in South Korea at the present time.

THE MODERATOR: Governor Carter?

MR. CARTER: I know that Mr. Ford didn't comment on the prisoners in Chile. This is a typical example maybe of many others, where this Administration overthrew an elected Government and helped to establish a military dictatorship. This has not been an ancient history story.

Last year, under Mr. Ford, of all the food for peace that went to South America, 85 percent went to the military dictatorship in Chile.

Another point I want to make is this: He says we have to move from one area of the world to another. That is one of the problems with this Administration's so-called shuttle diplomacy. While the Secretary is in one country, there are almost 150 others that are wondering what we are going to do next, what will be the next secret agreement.

We don't have a comprehensive, understandable policy that deals with world problems or even regional problems.

Another thing that concerns me is what Mr. Ford said about unemployment, insinuating that under Johnson and Kennedy that unemployment could only be held down when this country is at war. Karl Marx said that the free enterprise system in a democracy can only continue to exist when they are at war or preparing for war. Karl Marx was the grandfather of Communism. I don't agree with that statement. I hope Mr. Ford doesn't, either.

He has put pressure on the Congress, and I don't believe Mr. Ford would even deny this, to hold up on non-proliferation legislation until the Congress agreed for an \$8 billion program for private industry to start producing enriched uranium.

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The last thing I want to make is this: He talks about peace and I am thankful for peace. We were peaceful when Mr. Ford went into office, but he and Mr. Kissinger and others tried to start a new Vietnam in Angola, and it was only the outcry of the American people and the Congress when this secret deal was discovered that prevented our renewed involvement that this conflagration which was taking place there.

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THE MODERATOR: Gentlemen, I am sorry to say we do not have time enough for two complete sequences of questions. We now have only 12 minutes left. Therefore, I would like to ask for shorter questions and shorter answers. And we also will drop the follow-up question. Each candidate may still respond, of course, to the other's answer.

Mr. Trewhitt, a question for Governor Carter.

MR. TREWHITT: Governor Carter, before this event the most communication I received concerned Panama. Would you, as President, be prepared to sign a treaty which at a fixed date yielded administrative and economic control of the Canal Zone and shared defense which, as I understand it, is the position the United States took in 1974?

MR. CARTER: Well, here again, the Panamanian question is one that has been confused by Mr. Ford. He had directed his diplomatic representative to yield to the Panamanians full sovereignty over the Panama Canal Zone at the end of a certain period of time.

When Mr. Reagan raised this question in Florida, Mr. Ford not only disavowed his instructions but he also even dropped parenthetically the use of the word "detente".

I would never give up complete control or practical control of the Panama Canal Zone, but I would continue to negotiate with the Panamanians. When the original treaty was signed back in the early 1900s when Theodore Roosevelt was President, Panama retained sovereignty over the Panama Canal Zone. We retained control as though we had sovereignty.

Now, I would be willing to go ahead with negotiations. I believe we could share more fully responsibilities for the Panama Canal Zone with Panama. I would be willing to continue to raise the payment for shipment of goods through the Panama Canal Zone. I might even be willing to reduce to some degree our military emplacements in the Panama Canal Zone, but I would not relinquish practical control of the Panama Canal Zone any time in the foreseeable future.

THE MODERATOR: President Ford.

THE PRESIDENT: The United States must and will maintain complete access to the Panama Canal. The United States must maintain a defense capability of the Panama Canal and the United States will maintain our national security interests in the Panama Canal.

The negotiations for the Panama Canal started under President Johnson and have continued up to the present time. I believe those negotiations should continue.

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But there are certain guidelines that must be followed, and I have just defined them. Let me take just a minute to comment on something that Governor Carter said.

On non-proliferation, in May of 1975, I called for a Conference of Nuclear Suppliers. That conference has met six times. In May of this year Governor Carter took the first initiative, approximately 12 months after I had taken my initiative a year ago.

THE MODERATOR: Mr. Valeriani, a question for President Ford.

MR. VALERIANI: Mr. President, the Government Accounting Office has just put out a report suggesting that you shot from the hip in the MAYAGUEZ rescue mission and that you ignored diplomatic messages saying that a peaceful solution was in prospect. Why didn't you do it more diplomatically at the time?

And a related question: Did the White House try to prevent the release of that report?

THE PRESIDENT: The White House did not prevent the release of that report. On July 12, of this year, we gave full permission for the release of that report. I was very disappointed in the fact that the GAO released that report because I think it interjected political partisan politics at the present time.

But let me comment on the report. Somebody who sits in Washington, D. C., 18 months after the MAYAGUEZ incident can be a very good grandstand quarterback.

And let me make another observation: This morning I got a call from the skipper of the MAYAGUEZ. He was furious because he told me that it was the action of me, President Ford, that saved the lives of the crew of the MAYAGUEZ. And I can assure you that if we had not taken the strong and forceful action that we did, we would have been criticized very, very severely for sitting back and not moving.

Captain Miller is thankful, the crew is thankful. We did the right thing. It seems to me that those who sit in Washington 18 months after the incident are not the best judges of the decision-making process that had to be made by the National Security Council and by myself at the time the incident was developing in the Pacific.

Let me assure you that we made every possible overture to the People's Republic of China and, through them to the Cambodian Government, we made diplomatic protest to the Cambodian Government through the United Nations.

Every possible diplomatic means was utilized, but at the same time I had a responsibility, and so did the National Security Council, to meet the problem at hand, and we handled it responsibly and I think Captain Miller's testimony to that effect is the best evidence.

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THE MODERATOR: Governor Carter.

MR. CARTER: Well, I am reluctant to comment on the recent report. I haven't read it. I think the American people have only one requirement -- that the facts about MAYAGUEZ be given to them accurately and completely.

Mr. Ford has been there for 18 months. He had the facts that were released today immediately after the MAYAGUEZ incident. I understand that the report today is accurate. Mr. Ford has said, I believe, that it was accurate and that the White House made no attempt to block the issuing of that report. I don't know if that is exactly accurate or not.

I understand that both the Department of State and the Defense Department have approved the accuracy of today's report, or yesterday's report, and also the National Security Agency. I don't know what was right or what was wrong or what was done.

The only thing I believe is that whatever the knowledge was that Mr. Ford had should have been given to the American people 18 months ago, immediately after the MAYAGUEZ incident occurred.

This is what the American people want. When something happens that endangers our security, or when something happens that threatens our stature in the world, or when American people are endangered by the actions of a foreign country, just 40 sailors on the MAYAGUEZ, we obviously have to move aggressively and quickly to rescue them.

But then, after the immediate action is taken, I believe the President has an obligation to tell the American people the truth and not wait until 18 months later for the report to be issued.

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THE MODERATOR: Gentlemen, at this time we have time for only two very short questions. Mr. Frankel, a question for Governor Carter.

MR. FRANKEL: Governor Carter, if the price of gaining influence among the Arabs is closing our eyes a little bit to their boycott against Israel, how would you handle that?

MR. CARTER: I believe that the boycott of American businesses by the Arab countries because those businesses trade with Israel or because they have American Jews who are owners or directors in a company, is an absolute disgrace. This is the first time I remember in the history of our country when we have let a foreign country circumvent or change our Bill of Rights. I will do everything I can as President to stop the boycott of American businesses by the Arab countries.

It is not a matter of diplomacy or trade with me. It is a matter of morality and I don't believe that the Arab countries will pursue it. When we have a strong President who will protect the integrity of our country, the commitment of our Constitution and Bill of Rights, and protect people in this country who happen to be Jews -- it may later be Catholics, it may later be Baptists -- who are threatened by some foreign country, but we should stand staunch, and I think it is a disgrace that so far Mr. Ford's Administration has blocked the passage of legislation that would have revealed by law every instance of the boycott and it would have prevented the boycott from continuing.

THE MODERATOR: President Ford?

THE PRESIDENT: Again, Governor Carter is inaccurate. The Arab boycott action was first taken in 1952 and in November of 1975 I was the first President to order the Executive Branch to take action, affirmative action through the Department of Commerce and other Cabinet Departments, to make certain that no American businessman or business organization should discriminate against Jews because of an Arab boycott.

And I might add that my Administration -- and I am very proud of it -- is the first Administration that has taken an antitrust action against companies in this country that have allegedly cooperated with the Arab boycott. Just on Monday of this week I signed a tax bill that included an amendment that would prevent companies in the United States from taking a tax deduction if they have in any way whatsoever cooperated with the Arab boycott.

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And last week when we were trying to get the Export Administration Act through the Congress--the legislation--my Administration went to Capitol Hill and tried to convince the House and the Senate that we should have an amendment on that legislation which would take strong and effective action against those who participate or could operate with the Arab boycott.

One other point. Because the Congress failed to act I am going to announce tomorrow that the Department of Commerce will disclose those companies that have participated in the Arab boycott. This is something that we can do. The Congress failed to do it and we intend to do it.

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THE MODERATOR: Mr. Trewhitt, a very brief question for President Ford.

MR. TREWHITT: Mr. President, if you get the accounting of missing in action you want from North Vietnam--or Vietnam, I am sorry -- would you then be prepared to reopen negotiations for restoration of relations with that country?

THE PRESIDENT: Let me restate our policy. As long as Vietnam, North Vietnam, does not give us a full and complete accounting of our missing in action, I will never go along with the admission of Vietnam to the United Nations. If they do give us a bona fide, complete accounting of the 800 MIAs, then I believe that the United States should begin negotiations for the admission of Vietnam to the United Nations, but not until they have given us the full accounting of our MIAs.

THE MODERATOR: Governor Carter?

MR. CARTER: One of the most embarrassing failures of the Ford Administration, and one that touches specifically on human rights, is his refusal to appoint a Presidential commission to go to Vietnam, to go to Laos, to go to Cambodia, and try to trade for the release of information about those who are missing in action in those wars. This is what the families of MIAs want.

So far, Mr. Ford has not done it. We have had several fragmentary efforts by Members of the Congress and by private citizens. Several months ago the Vietnam Government said we are ready to sit down and negotiate for release of information on MIAs.

So far, Mr. Ford has not responded.

I would also never normalize relationships with Vietnam, nor permit them to join the United Nations until they have taken this action. But, that is not enough. We need to have an active and aggressive action on the part of the President, the leader of this country, to seek out every possible way to get that information which has kept the MIA families in despair and doubt, and Mr. Ford has just not done it.

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THE MODERATOR: Thank you, Governor Carter.

That completes the questioning for this evening. Each candidate now has up to three minutes for a closing statement. It was determined by the toss of a coin that Governor Carter would take the first question, and he now goes first with his closing remarks.

Governor Carter.

MR. CARTER: The purpose of this debate and the outcome of the election will determine three basic things -- leadership, upholding the principles of our country, and proper priorities and commitments for the future.

This election will also determine what kind of world we leave our children. Will it be a nightmare world, threatened with the proliferation of atomic bombs, not just in five major countries, but dozens of smaller countries that have been permitted to develop atomic weapons because of a failure of our top leadership to stop proliferation? Will we have a world of hunger and hatred and will we be living in an armed camp, stripped of our friendship and allies, hiding behind a tight defense that has been drawn in around us because we are fearful of the outside world? Will we have a Government of secrecy that excludes the American people from participation in making basic decisions and therefore covers up mistakes and makes it possible for our Government, our Government, to depart from the principles of our Constitution and Bill of Rights, or will we have a world of peace with the threat of atomic weapons eliminated, with full trade, with our people at work, inflation controlled, openness in Government, our people proud once again, Congress, citizens, President, Secretary of State, working in harmony and unity toward a common future, a world where people have enough to eat and a world where we care about those who don't?

Can we become a breadbasket of the world, instead of the arms merchant of the world? I believe we can and we ought to.

Now we have been hurt in recent years in this country, in the aftermath of Vietnam, Cambodia, Chile, Pakistan, Angola, Watergate, CIA. We have been hurt. Our people feel that we have lost something precious. That is not necessary.

I want to see our Nation returned to a posture and image and a standard to make us proud once again.

I remember the world of NATO and the world of Point Four and the world of the Marshall Plan and a world of a Peace Corps. Why can't we have that once again?

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We ought to be a beacon for nations who search for peace, and who search for freedom, who search for individual liberty, who search for basic human rights. We haven't been lately. We can be again.

We will never have that world leadership until we are strong at home and we can have that strength if we return to the basic principles. It ought to not be a strength of bombast and threats. It ought to be a quiet strength based on the integrity of our people, the vision of the Constitution, and an innate strong will and purpose that God has given us in the greatest Nation on earth.

THE PRESIDENT: As we have seen tonight, foreign policy and defense policy are difficult and complex issues. We can debate methods. We can debate one decision or another, but there are two things which cannot be debated -- experience and results.

In the last two years, I have made policy decisions involving long-range difficulties in policies and made day-to-day judgments, not only as President of the United States but as the leader of the free world.

What is the result of that leadership? America is strong, America is free, America is respected. Not a single young American today is fighting or dying on any foreign battlefield. America is at peace with freedom.

Thank you, and good night.

THE MODERATOR: Thank you, President Ford. Thank you, Governor Carter. I also want to thank our questioners and the audience here this evening.

The third and final debate between President Ford and Governor Carter will take place on October 22 at 9:30 p.m. Eastern Daylight Time on the Campus of the College of William and Mary in Williamsburg, Virginia. The subject matter will cover all issues.

These debates are sponsored by the League of Women Voters Education Fund to help voters become better informed on the issues and to generate greater voter turnout in the November election.

Now from the Palace of Fine Arts Theatre in San Francisco, good night.

END (AT 8:00 P.M. PDT)

*Debates*

THE WHITE HOUSE  
WASHINGTON

October 18, 1976

*Held*  
*Miss*  
*Comes*  
*White*

MEMORANDUM FOR:

JIM CANNON

FROM:

MIKE DUVAL

In addition to the other material you are providing me for the last debate (along with any unsolicited comments/ advice you may have), I would very much appreciate your help in one further matter.

Would you please review the attached transcripts of the first two debates and let me know which questions you think the President is likely to be asked again or which of Carter's statements are likely to be repeated during the last debate requiring the President to respond. In each case let me know if you are pleased with the President's answer/response or if you think it can be improved.

I don't need suggested language but just simply the points the President should make (or avoid) and any "one-liners" you think appropriate.

In addition, I would appreciate any thoughts you have concerning the Vice Presidential debate and campaign charges/ counter-charges that have occurred over the last week.

I need this information by mid-afternoon tomorrow. If it would be helpful, I can discuss this with you in person in lieu of a written response.

ATTACHMENTS

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Debates

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 18, 1976

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON



SUBJECT:

Vice Presidential Request

The Vice President asked me to send to you these suggestions for your third debate.

MEMORANDUM

TO: ✓ Honorable Nelson A. Rockefeller  
FROM: Dean Alfange

DATE: October 12, 1976

*Lincoln*  
*for Press*

Is there no one around who can write a few inspirational phrases for the President to use in the next debate? Here is how I would sum it up - right at the close:

TIMING: It's the President's last time around in the debate. He turns toward Carter, looks at him eye to eye, a pointed gesture and a pause. He then begins, his gaze still focused on Carter ...

Mr. Carter, it's time you level with the people. You have placed yourself, courageously, on every side of every issue. You would have us reduce our military strength and yet get tougher with the Soviet Union. You vow a balanced budget; yet the platform you endorse would make shambles of the budget, multiply inflation, undermine the value of savings and of pensions and thrust the cost of living skyward.

Who are you trying to fool, Mr. Carter? You pose as the champion of organized labor, but in plush surroundings you tell the captains of industry they need not worry. One day you stand for ethnic purity, the next for ethnic diversity.

This is no time for double-talk, Mr. Carter. We are

electing a President, not a magician. (Here another gesture firmly pointed toward Carter). You have just ten days left, sir, to tell the American people what you truly believe, not about love, sex or religion, but the issues -- issues that affect the lives of our people and the security of the United States.

(At this point the President turns away from Carter and looks straight into the camera)

My fellow citizens, I have taken a clear cut stand on every issue. I do not care if what I say is unpopular so long as my conscience tells me it is right, that it is good for America and for the cause of peace. The great Presidents of this country have never been popular, but they have always been right.

Let me tell you what I believe. I believe this Republic is the hope of all mankind - the free and those struggling to be free from totalitarian domination. I believe this Republic can remain the moral leader of the world so long as liberty and love of country shall dwell as tenants in our hearts.

As President I will never allow America to sink in the morass of socialistic paternalism. I believe in the challenges of opportunity. I prefer the thrill of fulfillment to the stale calm of utopia. I reject the guaranteed existence - from cradle to the grave. That would make all of us the wards of government, humbled and dulled by having the state look after us.

I pray that the American people will never trade freedom for beneficence nor their dignity for a handout. Freedom is the most precious word in the English language, but it is strangely missing from the vocabulary of the Democrat Party.

My fellow Americans, it is our heritage to stand erect, proud and unafraid, to think and act for ourselves, enjoy the benefits of our labor and - when the day's work is done - to thank God and say: this I have accomplished for myself, my family, my country and the less fortunate of this nation and the world. This is the meaning of America.

\* \* \* \* \*

Let the President memorize this, or something like it, then get someone who knows public speaking to coach him on how best to say it.

\* \* \* \* \*

Some of the phrases I have used in the text were written by me in a piece called "My Creed", which was published sometime ago, but the President may use them as his own.

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THE WHITE HOUSE  
WASHINGTON

October 20, 1976 11 26

MEMORANDUM FOR: JIM CANNON  
FROM: ART FLETCHER  
Subject: Friday Debate

I have learned that Bob Maynard of the Washington Post is to be one of the news panel on the forthcoming debate. Mr. Maynard is a black reporter who once covered the Labor Department, the EEOC Commission, HEW, and HUD. He is quite knowledgeable on Civil Rights legislation as well as economic and social uplift legislation, such as Compensatory Education, Manpower Training, Low-Cost Housing, the Philadelphia Plan, etc.

My guess is his questioning of the candidates will be in the area of employment, low-cost housing, human resources development, etc. I would suggest that the President be prepared to cite his voting record on all Civil Rights legislation, his support of the Philadelphia Plan, and other affirmative-action type efforts while he was in Congress, as well as his record of appearing before Black organizations during his tenure as Vice President and the growth in budget, staffing patterns, and the supply of other resources needed to make the following pieces of legislation effective.

The legislation in question is the Voting Rights Act, the Equal Employment Act (Title VII Civil Rights Act, 1964), the Open Housing Act, Equal Education Opportunity Act, and the Public Accommodations Act--namely the 1964 Civil Rights Act, the 1968 Civil Rights Act and the 1972 Civil Rights Act-- and his efforts in behalf of minority business enterprise.

If possible the President should be questioned by a panel of his Black, Spanish American, Women, and other minority group appointees for about an hour to prepare him for any questions he might encounter during the coming debate.

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OFFICE OF THE WHITE HOUSE PRESS SECRETARY  
(Williamsburg, Virginia)

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THE WHITE HOUSE

*File*

DEBATE BETWEEN  
GERALD R. FORD  
THE PRESIDENT OF THE UNITED STATES  
AND  
JAMES E. CARTER  
THE PRESIDENTIAL NOMINEE OF  
THE DEMOCRATIC PARTY

*Debate III*

THE PHI BETA KAPPA HALL  
THE COLLEGE OF WILLIAM AND MARY

9:30 P.M. EDT

THE MODERATOR: I am Barbara Walters, moderator of the last of the debates of 1976 between Gerald R. Ford, Republican candidate for President, and Jimmy Carter, Democratic candidate for President.

Welcome, President Ford. Welcome Governor Carter, and thank you for joining us this evening.

The debate takes place before an audience in Phi Beta Kappa Memorial Hall on the campus of the College of William and Mary in historical Williamsburg, Virginia. It is particularly appropriate in this Bicentennial year that we meet on these grounds to hear this debate.

Two hundred years ago, five William and Mary students met at nearby Raleigh Tavern to form Phi Beta Kappa, a fraternity designed, they wrote, "to search out and dispel the clouds of falsehood by debating without reserve the issues of the day."

In that spirit of debate -- "without reserve," "to dispel the clouds of falsehood" -- gentlemen, let us proceed.

The subject matter of this debate is open, covering all issues and topics. Our questioners tonight are Joseph Kraft, syndicated columnist; Robert Maynard, editorial writer for the Washington Post; and Jack Nelson, Washington Bureau Chief of the Los Angeles Times.

The ground rules tonight are as follows: Questioners will alternate questions between the candidates. The candidate has up to two and a half minutes to answer the question. The other candidate then has up to two minutes to respond. If necessary, a questioner may ask a follow-up question for further clarification, and in that case the candidate has up to two minutes to respond.

MORE

As was initially agreed to by both candidates, the answers should be responsive to the particular questions.

Finally, each candidate has up to three minutes for a closing statement.

President Ford and Governor Carter do not have prepared notes or comments with them this evening. They may make notes and refer to them during the debate.

It has been determined that President Ford would take the first question in this last debate.

Mr. Kraft, you have that first question for President Ford.

MORE

MR. KRAFT: Mr. President, I assume that the Americans all know that these are difficult times and that there is no pie in the sky and that they don't expect something for nothing. So, I would like to ask you, as a first question, as you look ahead in the next four years, what sacrifices are you going to call to the American people to make? What price are you going to ask them to pay to realize your objectives?

Let me add, Governor Carter, that if you felt that it was appropriate to answer that question in your comments, as to what price it would be appropriate for the American people to pay for a Carter Administration, I think that would be proper, too.

Mr. President?

THE PRESIDENT: Mr. Kraft, I believe that the American people in the next four years, under a Ford Administration, will be called upon to make those necessary sacrifices to preserve the peace, which we have; which means, of course, that we will have to maintain an adequate military capability; which means, of course, that we will have to add, I think, a few billion dollars to our defense appropriations to make certain that we have adequate strategic forces, adequate conventional forces.

I think the American people will be called upon to be in the forefront in giving leadership to the solution of those problems that must be solved in the Middle East, in Southern Africa and any problems that might arise in the Pacific.

The American people will be called upon to tighten their belts a bit in meeting some of the problems that we face domestically. I don't think that America can go on a big spending spree with a whole lot of new programs that would add significantly to the Federal budget.

I believe that the American people, if given the leadership that I would expect to give, would be willing to give this thrust to preserve the peace and the necessary restraint at home to hold the lid on spending so that we could, I think, have a long overdue and totally justified tax decrease for the middle income people. And then, with the economy that would be generated from a restraint on spending and a tax reduction primarily for the middle income people, then I think the American people would be willing to make those sacrifices for peace and prosperity in the next four years.

MORE

MR. KRAFT: Could I be a little bit more specific, Mr. President?

THE PRESIDENT: Surely.

MR. KRAFT: Doesn't your policy really imply that we are going to have to have a pretty high rate of unemployment over a fairly long time, that growth is going to be fairly slow, and that we are not going to be able to do very much in the next four or five years to meet the basic agenda of our national needs in the cities, in health, in transit, and a whole lot of other things like that?

THE PRESIDENT: Not at all.

MR. KRAFT: Aren't those the real costs?

THE PRESIDENT: No, Mr. Kraft. We are spending very significant amounts of money now, some \$200 billion a year, almost 50 percent of our total expenditure by the Federal Government at the present time for human needs. Now, we will probably have to increase that to some extent, but we don't have to have growth in spending that will blow the lid off and add to the problems of inflation.

I believe we can meet the problems within the cities of this country and still give a tax reduction. I proposed, as you know, a reduction to increase the personal exemption from \$750 to \$1,000, with the fiscal program that I have, and if you look at the projections it shows that we will reduce unemployment, that we will continue to win the battle against inflation and, at the same time, give the kind of quality of life that I believe is possible in America: a job, a home for all those that will work and save for it, safety in the streets, health care that is affordable. These things can be done if we have the right vision and the right restraint and the right leadership.

MORE

THE MODERATOR: Governor Carter, your response, please.

MR. CARTER: I want to say first of all, I think in case of a Carter Administration the sacrifices would be much less. Mr. Ford's own environmental agency has projected a 10 percent unemployment rate by '78 if he is President. The American people are ready to make sacrifices if they are part of the process, if they know that they are helping to make decisions and won't be excluded from being an involved party to the national purpose.

The major effort that we must put forward is to put our people back to work. I think that this is one example where a lot of people have selfish, grasping ideas now. I remember in 1973 in the depth of the energy crisis when President Nixon called on the American people to make a sacrifice to cut down on the waste of gasoline, to cut down on the speed of automobiles. It was a tremendous surge of patriotism. "I want to make a sacrifice for my country."

I think we can call together, with strong leadership in the White House, business, industry and labor and say, let us have voluntary price restraints, let us lay down some guidelines so we don't have continuing inflation.

We can also have an end to the extremes. We now have one extreme, for instance, of some welfare recipients who by taking advantage of the welfare laws, the housing laws, the Medicaid laws and the food stamp laws, make over \$10,000 a year, and they don't have to pay any taxes on it. The other extreme, just 1 percent of the richest people in our country derive 25 percent of all of the tax benefits, so both of those extremes grasp for advantage and the person who has to pay that expense is the middle income family who is still working for a living and they have to pay for the rich who have the privilege and for the poor who are not working.

But I think a balanced approach with everybody being part of it, striving for unselfishness, could help as they did in 1973 to let people sacrifice for their own country. I know I am ready for it and I think the American people are, too.

MORE

THE MODERATOR: Mr. Maynard, your question to Governor Carter.

MR. MAYNARD: Governor, by all indications, the voters are so turned off by this election campaign so far that only half intend to vote. One major reason for this apathetic electorate appears to be the low level at which this campaign has been conducted. It has digressed frequently from important issues into allegations of blunders, brainwashing, and fixations on lust in Playboy. What responsibility do you accept for the low level of this campaign for the nation's highest office?

MR. CARTER: I think a major reason for the decrease in participation that we have experienced ever since 1960 has been the deep discouragement of the American people about the performance of public officials, when you have got 7-1/2 million, 8 million people out of work, when you have got three times as much inflation as you had during the last eight-year Democratic Administration, when you have the highest deficits in history, when you have it becoming increasingly difficult for a family to put a child through college or own a home, there is a national inclination to be turned off. Also in the aftermath of Vietnam, Cambodia, Watergate and the CIA, people have felt that they have been betrayed by public officials.

I have to admit that in the heat of a campaign -- I have been in 30 primaries -- I have been campaigning for 23 months and I have made many mistakes, and I think this is part of being a human being. I have to think my campaign has been an open one. The Playboy thing, I don't know how to deal with it exactly. I agreed to give the interview to Playboy. Other people have done it who are notable, -- Governor Jerry Brown or Walter Cronkite, Albert Schweitzer, Mr. Ford's own Secretary, Mr. Simon. Many other people, but they weren't running for President.

In retrospect, from hindsight, I would not have given that interview, if I decided to do it over again. If I should ever decide in the future to discuss my deep Christian beliefs and condemnation and sinfulness, I will use another forum besides Playboy. I will say this, I am doing the best I can to get away from that. During the next ten days the American people will not see the Carter campaign running television advertisements or newspaper advertisements based on a personal attack on President Ford's character. I believe that the opposite is true with President Ford's campaign and I hope that we can leave those issues in this next ten days about personalities and mistakes of the past -- we have both made some mistakes -- and talk about unemployment, inflation, housing, education, taxation, government organization, stripping away of secrecy and the things that are crucial to the American people.

MORE

I regret these things in my own long campaign that have been mistaken, but I am trying to do away with those the last ten days.

THE MODERATOR: Thank you, Governor Carter. President Ford, your response?

THE PRESIDENT: I believe that the American people have been turned off in this election, Mr. Maynard, for a variety of reasons. We have seen on Capitol Hill, in the Congress, a great many allegations of wrongdoing, of alleged immorality. Those are very disturbing to the American people. They wonder how an elected representative can serve them and participate in such activities serving in the Congress of the United States. Yes, and I am certain many, many Americans were turned off by the revelations of Watergate, a very, very bad period of time in American political history. Yes, and thousands, maybe millions, of Americans were turned off because of the problems that came out of our involvements in Vietnam.

But on the other hand, I found on July 4 of this year a new spirit born in America. We were celebrating our Bicentennial and I find that there is a movement, as I traveled around the country, of greater interest in this campaign. Now like any hard working person seeking public office -- in the campaign inevitably sometimes you will use rather graphic language, and I am guilty of that just like, I think, most others in the political arena. But I do make a pledge that in the next ten days when we are asking the American people to make one of the most important decisions in their lifetime, because I think this election is one of the most vital in the history of America, that we do together what we can to stimulate voter participation.

MORE

THE MODERATOR: Thank you, President Ford.

Mr. Nelson, your question to President Ford.

MR. NELSON: You mentioned Watergate, Mr. President, and you became President because of Watergate, so don't you owe the American people a special obligation to explain in detail your role of limiting one of the original investigations of Watergate--that was the one by the House Banking Committee--and I know you have answered questions on this before, but there are questions that still remain, and I think people want to know what your role was.

Will you name the persons you talked to in connection with that investigation, and since you say you have no recollection of talking to anyone from the White House, would you be willing to open, for example, examination of the White House tapes of conversations during that period?

THE PRESIDENT: Mr. Nelson, I testified before two committees of the House and Senate on precisely the questions that you have asked. The testimony under oath was to the effect that I did not talk to Mr. Nixon, to Mr. Haldeman, to Mr. Ehrlichman or to any of the people at the White House.

I said I had no recollection whatsoever of talking with any of the White House legislative liaison people.

I indicated under oath that the initiative that I took at the request of the ranking Members of the House Banking and Currency Committee on the Republican side, which was a legitimate request and a proper response by me.

Now, that was gone into by two congressional committees and following that investigation both committees overwhelmingly approved me and both the House and Senate did likewise. In the meantime, the Special Prosecutor -- within the last few days after an investigation -- himself said there was no reason for him to get involved because he found nothing that would justify it.

Then, just a day or two ago, the Attorney General of the United States made a further investigation and came to precisely the same conclusion.

Now, after all of those investigations by objective, responsible people, I think the matter is closed once and for all.

MORE

But, to add one other feature, I don't have control of the tapes. Those tapes are in the jurisdiction of the courts, and I have no right to say yes or no, but all of the committees, the Attorney General, the Special Prosecutor -- all of them have given me a clean bill of health and I think the matter is settled once and for all.

MR. NELSON: Well, Mr. President, if I do say so, the question is that I think you still have not gone into details about what your role in it was, and I don't think there was any question about whether or not there was a criminal prosecution, but whether you have told the American people your entire involvement in and whether you would be willing -- even though you don't control the tapes -- whether you would be willing to ask that the tape be released for examination?

THE PRESIDENT: That is for the proper authorities who have control over those tapes to make that decision. I have given every bit of evidence, answered every question that has been asked me by any Senator or any Member of the House, plus the fact that the Special Prosecutor, on his own initiation, and the Attorney General, on his initiation -- the highest law enforcement official in this country -- all of them have given me a clean bill of health. I have told everything I know about it, and I think the matter is settled once and for all.

THE MODERATOR: Governor Carter, your response.

MR. CARTER: I don't have any response.

THE MODERATOR: Thank you.

We will have the next question from Mr. Kraft to Governor Carter.

MR. KRAFT: Governor Carter, the next big crisis spot in the world may be Yugoslavia. President Tito is old and sick and there are divisions in his country. It is pretty certain that the Russians are going to do everyting they possibly can after Tito dies to force Yugoslavia back into the Soviet camp.

But, last Saturday, you said -- and this is a quote -- "I would not go to war in Yugoslavia even if the Soviet Union sent in troops." Doesn't that statement practically invite the Russians to intervene in Yugoslavia? Doesn't it discourage Yugoslavs who might be tempted to resist, and wouldn't it have been wiser on your part to say nothing and to keep the Russians in the dark, as President Ford did, and as I think every President has done since President Truman?

MORE

MR. CARTER: In the last two weeks I have had a chance to talk to two men who have visited the Soviet Union, Yugoslavia and China. One is Governor Averill Harriman, who visited the Soviet Union and Yugoslavia. The other one is James Schlesinger, whom I think you accompanied to China.

I got a complete report back from those countries from these two distinguished gentlemen.

Mr. Harriman talked to the leaders in Yugoslavia and I think it is accurate to say there is no prospect, in their opinion, of the Soviet Union invading Yugoslavia should Mr. Tito pass away. The present leadership there is fairly uniform in their purpose. I think it is a close-knit group, and I think it would be unwise for us to say we will go to war in Yugoslavia if the Soviets should invade, which I think would be an extremely unlikely thing.

I have maintained from the very beginning of my campaign -- and this was a standard answer that I made in response to the Yugoslavian question -- that I would never go to war, become militarily involved in internal affairs of another country unless our own security was directly threatened.

I don't believe that our security would be directly threatened if the Soviet Union went into Yugoslavia. I don't believe it will happen. I certainly hope it won't. I would take the strongest possible measures short of actual military action there by our own troops, but I doubt that that would be an eventuality.

MORE

THE PRESIDENT: I firmly believe, Mr. Kraft, it is unwise for a President to signal in advance what options he might exercise if any international problem arose.

I think we all recall with some sadness that in the period of the late 1940s, early 1950s, there were some indications that the United States would not include South Korea in an area of defense. There are some who allege -- I can't prove it is true or untrue -- that such a statement in effect invited the North Koreans to invade South Korea. It is a fact they did.

But no President of the United States, in my opinion, should signal in advance to a prospective enemy what his decision might be or what option he might exercise. It is far better for a person sitting in the White House, who has a number of options, to make certain that the other side, so to speak, doesn't know precisely what you are going to do.

Therefore, that was the reason that I would not identify any particular course of action when I responded to a question a week or so ago.

THE MODERATOR: Thank you.

Mr. Maynard, your question to President Ford, please?

MR. MAYNARD: Sir, this question concerns your administrative performance as President. The other day General George Brown, the Chairman of the Joint Chiefs of Staff, delivered his views on several sensitive subjects, among them that Great Britain is one of this country's oldest allies. He said, and I quote him now, "Great Britain, it is a pathetic thing, it just makes you cry. They are no longer a world power. All they have are generals, admirals and bands."

Since General Brown's comments have caused this country embarrassment in the past, why is he still this Nation's leading military officer?

THE PRESIDENT: I have indicated to General Brown that the words that he used in that interview in that particular case and in several others were very ill-advised. And General Brown has indicated his apology, his regrets, and I think that will, in this situation, settle the matter.

It is tragic that the full transcript of that interview was not released and that there were excerpts -- some of the excerpts taken out of context -- not this one, however, that you bring up.

MORE

General Brown has an exemplary record of military performance. He served this Nation with great, great skill and courage and bravery for 35 years. And I think it is the consensus of the people who are knowledgeable in the military field that he is probably the outstanding military leader and strategist that we have in America today.

Now he did use ill-advised words, but I think in the fact that he apologized, that he was reprimanded, does permit him to stay on and continue that kind of leadership that we so badly need as we enter into negotiations under the SALT II agreement. Or if we have operations that might be developing in the Middle East or in Southern Africa or in the Pacific, we need a man with that experience, that knowledge, that know-how, and I think in light of the fact that he has apologized it would not have justified my asking for his resignation.

THE MODERATOR: Thank you.

Governor Carter, your response?

MR. CARTER: Well, just briefly, I think this is the second time that General Brown has made a statement for which he did have to apologize, and I know everybody makes mistakes.

I think the first one was related to the unwarranted influence of American Jews on the media, and in the Congress. This one concerned Great Britain. I think he said Israel was a military burden on us and that Iran hoped to reestablish the Persian Empire.

I am not sure that I remembered earlier that President Ford expressed concern about the statement or apologized for it. This is something, though, that I think is indicative of a need among the American people to know how the Commander-in-Chief, the President, feels.

The only criticism that I would have of Mr. Ford is that, immediately when the statement was revealed, perhaps a statement from the President would have been a clarifying and very beneficial thing.

THE MODERATOR: Mr. Nelson, your question now to Governor Carter.

MR. NELSON: Despite the fact that you have been running for President a long time now, many Americans are still seeming to be uneasy about you. They don't feel that they know you or the people around you. One problem seems to be that you haven't tried to bring people with broad backgrounds and national experience into your campaign or your Presidential plans. Most of the people around you on a day-to-day basis are the people you have known in Georgia. Many of them are young and relatively inexperienced in national affairs.

MORE

Doesn't this raise a serious question as to whether you would bring into a Carter Administration people with the necessary background to run the Federal Government?

MR. CARTER: I don't believe it does. I began campaigning 22 months ago. At that time, nobody thought I had a chance to win. Very few people knew who I was. I came from a tiny town, as you know -- Plains -- and didn't hold public office and didn't have very much money. My first organization was just four or five people plus my wife and my children, my three sons and their wives.

We won the nomination by going out into the streets, barbershops, beauty parlors, restaurants, stores, and in factory shift lines, and also in farmers' markets and livestock sale barns, and we talked a lot and we listened a lot, and we learned from the American people.

We built up an awareness among the voters of this country, particularly those in whose primaries I entered -- 30 of them, nobody has ever done that before -- about who I was and what I stood for.

Now, we have a very wide ranging group of advisers who helped me prepare for these debates and who teach me about international economics and foreign affairs, defense matters, health, education, welfare, Government reorganization -- I would say several hundred of them, and they are very fine and very highly qualified.

The one major decision that I have made since acquiring the nomination -- and I share this with President Ford -- is the choice of the Vice President. I think this would be indicative of the kind of leaders that I would choose to help me if I am elected.

I chose Senator Walter Mondale. And the only criterion that I have put forward in my own mind was who among the several million people in this country would be the best person qualified to be President if something should happen to me, and to join me in being Vice President if I should serve out my term. And I am convinced now more than I was when I got the nomination that Walter Mondale was the right choice, and I believe this is a good indication of the kind of people that I would choose in the future.

Mr. Ford has had that same choice to make. I don't want to say anything critical of Senator Dole, but I have never heard Mr. Ford say that was his primary consideration -- who is the best person I could choose in this country to be President of the United States.

I feel completely at ease knowing that some day Senator Mondale might very well be President. Of the last five Vice Presidential nominees, incumbents, three of them have become President. But I think this is indicative of what I would do.

THE MODERATOR: President Ford, your response, please?

THE PRESIDENT: The Governor may not have heard my established criteria for the selection of a Vice President, but it was a well-established criteria that the person I selected would be fully qualified to be President of the United States. Senator Bob Dole is so qualified: 16 years in the House of Representatives and in the Senate, very high responsibilities on important committees.

I don't mean to be critical of Senator Mondale, but I was very, very surprised when I read that Senator Mondale made a very derogatory, very personal comment about General Brown after the news story that broke about General Brown.

If my recollection is correct, he indicated that General Brown was not qualified to be a sewer commissioner. I don't think that is a proper way to describe a chairman of the Joint Chiefs of Staff who has fought for his country for 35 years. I am sure the Governor would agree with me on that.

I think Senator Dole would show more good judgment and discretion than to so describe heroic and brave and very outstanding leaders of the military.

So, I think our selection of Bob Dole as Vice President is based on merit, and if he should ever become the President of the United States, with his vast experience as a Member of the House and a Member of the Senate, as well as a Vice President, I think he would do an outstanding job as President of the United States.

THE MODERATOR: Mr. Kraft, your question to President Ford.

MR. KRAFT: Mr. President, let me assure you and maybe some of the viewing audience that being on this panel hasn't been, as it may seem, all torture and agony. One of the heartening things is that I and my colleagues have received literally hundreds and maybe even thousands of suggested questions from ordinary citizens all across the country who want answers.

THE PRESIDENT: That is a tribute to their interest in this election.

MR. KRAFT: I will give you that. But, let me go on because one main subject on the minds of all of them has been the environment, particularly curious about your record. People really want to know why you vetoed the strip mining bill. They want to know why you worked against strong controls on auto emissions. They want to know why you aren't doing anything about pollution of the Atlantic Ocean. They want to know why a bipartisan organization such as the National League of Conservation Voters says that when it comes to environmental issues, you are -- and I am quoting -- "hopeless."

MORE

THE PRESIDENT: First, let me set the record straight. I vetoed the strip mining bill, Mr. Kraft, because it was the overwhelming consensus of knowledgeable people that that strip mining bill would have meant the loss of literally thousands of jobs, something around 140,000 jobs.

Number two, that strip mining bill would have severely set back our need for more coal, and Governor Carter has said repeatedly that coal is the resource that we need to use more in the effort to become independent of the Arab oil supplies.

So, I vetoed it because of a loss of jobs and because it would have interfered with our energy independence program.

The auto emissions -- it was agreed by Leonard Woodcock, the head of the UAW, and by the heads of all of the automobile industry -- we had labor and management together saying that those auto emission standards had to be modified.

But, let's talk about what the Ford Administration has done in the field of environment. I have increased, as President, by over 60 percent the funding for water treatment plants in the United States, the Federal contribution. I have fully funded the land and water conservation program; in fact, have recommended-- and the Congress approved-- a substantially increased land and water conservation program.

I have added in the current year budget the funds for the National Park Service. For example, we proposed about \$12 million to add between 400 and 500 more employees for the National Park Service.

A month or so ago I did likewise say over the next ten years we should expand--double--the wild wilderness areas, the scenic river areas and then, of course, the final thing is that I have signed and approved of more scenic rivers, more wilderness areas since I have been President than any other President in the history of the United States.

THE MODERATOR: Governor Carter?

MR. CARTER: Well, I might say I think the League of Conservation Voters is absolutely right. This Administration's record of environment is very bad.

I think it is accurate to say that the strip mining law which was passed twice by the Congress and was only two or three votes of being overridden would have been good for the country. The claim that it would have put 140,000 miners out of work is hard to believe when at the time Mr. Ford vetoed it, the United Mine Workers was supporting the bill. I don't think they would have supported the bill had they known that they would lose 140,000 jobs.

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There has been a consistent policy on the part of this Administration to lower or to delay enforcement of air pollution standards and water pollution standards. Under both Presidents Nixon and Ford, monies have been impounded that would have gone to cities and others to control water pollution.

We have no energy policy. I think we are the only developed nation in the world that has no comprehensive energy policy to permit us to plan in an orderly way how to shift from increasing the scarce energy forms -- oil -- and have research and development concentrated on the increased use of coal, which I strongly favor, the research and development to be used primarily to make the coal burning be clean.

We need a heritage trust program similar to the one we had in Georgia to set aside additional lands that have geological and archeological importance, natural lands for enjoyment.

The lands that Mr. Ford bragged about having approved are in Alaska, and three are enormous in size, but as far as the accessibility of them by the American people is far in the future.

We have taken no strong position in the control of pollution of our oceans, and I would say the worst threat to the environment of all is nuclear proliferation. This Administration, having been in office now for two years or more, has still not taken a strong and bold action to stop the proliferation of nuclear waste around the world, particularly plutonium.

Those are some brief remarks about the failures of this Administration. I would do the opposite in every respect.

THE MODERATOR: Mr. Maynard to Governor Carter.

MR. MAYNARD: Governor, our policy in this country since World War II has tended to favor the development of suburbs at the great expense of central cities. Does not the Federal government now have an affirmative obligation to revitalize the American city? We have heard little in this campaign suggesting that you have an urban reconstruction program. Could you please outline your urban intentions for us tonight?

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MR. CARTER: I would be glad to. In the first place, as is the case with the environmental policy and energy policy that I just described and the policy for nonproliferation of nuclear waste, this Administration has no urban policy. It is impossible for mayors or Governors to cooperate with the President because they can't anticipate what is going to happen next.

A mayor of a city like New York, for example, needs to know 18 months or two years ahead of time what responsibility the city will have in administration and in financing and in things like housing, pollution control, crime control, education, welfare and health.

This has not been done, unfortunately. I remember the headline in the Daily News that said, "Ford To New York -- Drop Dead."

I think it is very important that our cities know that they have a partner in the Federal Government. Quite often, Congress has passed laws in the past designed to help people with the ownership of homes and with the control of crime and with adequate health care and better education programs and so forth. Those programs were designed to help those who need it most, and quite often this has been in the very poor people and neighborhoods in the downtown urban centers.

Because of the greatly advantaged persons who live in the suburbs -- better education, better organization, more articulate, more aware of what the laws are -- quite often this money has been channeled out of the downtown centers where it is needed.

I also favor all revenue sharing money being used for local Governments and also to remove the prohibitions in the use of revenue sharing money so that can be used to improve education, and health care. We have now, for instance, only 7 percent of the total education costs being financed by the Federal Government. When the Nixon-Ford Administration started, this was 10 percent. That is a 30 percent reduction in the portion that the Federal Government contributes to education in just eight years and, as you know, the education costs have gone up tremendously.

The last point is that the major thrust has got to be to put people back to work. We have got an extraordinarily high unemployment rate among downtown urban ghetto areas. Particularly among the very poor and particularly among minority groups our estimates are 50 or 60 percent.

The concentration of employment opportunities in those areas would help greatly not only to re-establish the tax base but also to help reduce the extraordinary welfare costs. One of the major responsibilities on the shoulders of New York City is to finance welfare, and I favor the shifting of the welfare cost away from the local Governments altogether and over a longer period of time let the Federal Government begin to absorb the part of it that is now paid by the State Government. Those things would help a great deal with the cities, but we still have a very serious problem there.

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THE MODERATOR: President Ford?

THE PRESIDENT: Let me speak out very strongly. The Ford Administration does have a very comprehensive program to help our major metropolitan areas. I fought for, and the Congress finally went along with, a general revenue sharing program whereby cities and States -- the cities two-thirds and the States one-third -- get over \$6 billion a year in cash with which they can provide many, many services, whatever they really want.

In addition, we in the Federal Government make available to cities about \$3 billion 300 million in what we call community development. In addition, as a result of my pressure on the Congress, we got a major mass transit program over a four-year period -- \$11 billion 800 million. We have a good housing program that will result in cutting the down payments by 50 percent and having mortgage payments lower at the beginning of any mortgage period. We are expanding our homestead housing program.

The net result is, we think, under Carla Hills, who is the Chairman of my Urban Development and Neighborhood Revitalization Program, we will really do a first class job in helping the communities throughout the country. As a matter of fact, that committee, under Secretary Hills, released about a 75-page report with specific recommendations so we can do a better job in the weeks ahead.

In addition, the tax program of the Ford Administration, which provides an incentive for industry to move into our major metropolitan areas, into the inner cities, will bring jobs where people are and help to revitalize those cities as they can be.

THE MODERATOR: Mr. Nelson, your next question to President Ford?

MR. NELSON: Mr. President, your campaign has run ads in black newspapers saying that for black Americans President Ford is quietly getting the job done. Study after study has shown little progress in desegregation and, in fact, actual increases in segregated schools and housing in the Northeast.

Now civil rights groups have complained repeatedly that there has been a lack of progress in commitment to an integrated society during your Administration.

How are you going to get the job done for blacks and other minorities, and what programs do you have in mind for the next four years?

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THE PRESIDENT: Let me say at the outset, I am very proud of the record of this Administration. In the Cabinet, I have one of the outstanding, I think, administrators as the Secretary of Transportation -- Bill Coleman. You are familiar, I am sure, with the recognition given in the Air Force to General James. And there was just approved a three-star Admiral, the first in the history of the United States Navy. So, we are giving full recognition to individuals of quality in the Ford Administration in positions of great responsibility.

In addition, the Department of Justice is fully enforcing, and enforcing effectively, the Voting Rights Act, the legislation that involves jobs, housing, for minorities, not only blacks but all others.

The Department of HUD is enforcing the new legislation that takes care of red lining. What we are doing is saying that there are opportunities -- business opportunities, education opportunities, responsibilities -- where people with talent -- blacks or any other minority -- can fully qualify.

The Office of Minority Business in the Department of Commerce has made available more money in trying to help black businessmen, or other minority businessmen, than any other administration since the office was established.

The Office of Small Business, under Mr. Kobelinski, has a very massive program trying to help the black community. The individual who wants to start a business or expand his business as a black businessman is able to borrow either directly or with guaranteed loans.

I believe on the record that this Administration has been responsive and that we have carried out the law to the letter, and I am proud of the record.

THE MODERATOR: Governor Carter, your response, please?

MR. CARTER: The description just made of this Administration's record is hard to recognize. I think it is accurate to say that Mr. Ford voted against the Voting Rights Act and against the Civil Rights Act in the debative stage. Once it was assured they would pass, then he finally voted for it.

This country changed drastically in 1969 when the terms of John Kennedy and Lyndon Johnson were over, and Richard Nixon and Gerald Ford became the President. That was a time when there was hope for those who were poor and down-trodden and who were elderly or who were ill or who were in minority groups. That time has been gone.

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I think the greatest thing that ever happened to the South was the passage of the Civil Rights Act and the opening up of opportunities to black people, to have a chance to vote, to hold a job, to buy a house, to go to school, and to participate in public affairs -- and it not only liberated black people but it also liberated the whites.

We have seen in many instances in recent years a minority affairs section of a small loan administration, Small Business Administration, lend a black entrepreneur just enough money to get started, and then to go bankrupt. The bankruptcies have gone up an extraordinary degree.

The FHA, which used to be a very responsible agency which everyone looked to to own a home, lost \$600 million last year. There have been over 1,300 indictments in HUD, over 800 convictions relating to just home loans, and now the Federal Government has become the world's greatest slum landlord.

We have got a 30 percent or 40 percent unemployment rate among minority young people. And there has been no concerted effort given to the needs of those who are both poor and black or poor and who speak a foreign language, and that is where there has been a great generation of despair and ill-health and lack of education and lack of purposefulness and lack of hope for the future.

But it doesn't take just a quiet, dormant, minimum enforcement of the law. It requires an aggressive searching out and reaching out to help people who especially need it, and that has been lacking in the last eight years.

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THE MODERATOR: Mr. Kraft, to Governor Carter.

MR. KRAFT: Governor Carter, in the nearly 200-year history of the Constitution, there have been only, I think it is, 25 amendments, most of them on issues of the very broadest principle. Now we have proposed amendments in many highly specialized causes like gun control, school busing, balanced budget, school prayer, abortion, things like that. Do you think it is appropriate to the dignity of the Constitution to take on amendments in a wholesale fashion, and which of the ones I listed, that is, balanced budget, school busing, school prayer, abortion, gun control, which of those would you really work hard to support if you were President.

MR. CARTER: I would not work hard to support any of those. We have always had, I think, a lot of Constitutional amendments proposed but the passage of them has been fairly slow and few and far between. In the 200-year history, there has been a very cautious approach to this. Quite often we have a transient problem. I am strongly against abortion. I think abortion is wrong. I don't think the Government ought to do anything to encourage abortion, but I don't favor a Constitutional amendment on the subject. But short of a Constitutional amendment, and within the confines of a Supreme Court ruling, I will do everything I can to minimize the need for abortion -- better sex education, family planning, better adoptive procedures. I personally don't believe the Federal Government ought to finance abortions but I draw the line and don't support a Constitutional amendment. However, I honor the rights of people to seek Constitutional amendment on school busing, on prayer in the schools, and on abortion, but of those you named, I won't actively work for the passage of any of them.

THE MODERATOR: President Ford, your response please.

THE PRESIDENT: I support the Republican platform which calls for a Constitutional amendment that would outlaw abortions. I favor the particular Constitutional amendment that would turn over to the States the individual right of the voters in those States the chance to make a decision by public referendum. I call that the peoples' amendment. I think if you really believe that the people of a State ought to make a decision on a matter of this kind that we ought to have a Federal Constitutional amendment that would permit each one of the 50 States to make the choice.

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I think this is a responsible and a proper way to proceed. I believe also that there is some merit to an amendment that Senator Everett Dirksen proposed very frequently, an amendment that would change the court decision as far as voluntary prayer in public schools. It seems to me that there should be an opportunity as long as it is voluntary, as long as there is no compulsion whatsoever that an individual ought to have that right.

So in those two cases I think such a Constitutional amendment would be proper and I really don't think in either case they are trivial matters. I think they are matters of very deep conviction as far as many, many people in this country believe and therefore they shouldn't be treated lightly but they are matters that are important and in those two cases I would favor them.

THE MODERATOR: Mr. Maynard to President Ford.

MR. MAYNARD: Mr. President, twice you have been the intended victim of would-be assassins using hand guns, yet you remain a steadfast opponent of substantive hand gun control. There are now some 40 million hand guns in this country going up at the rate of 2.5 million a year, and tragically those hand guns are frequently purchased for self protection and wind up being used against a relative or a friend. In light of that, why do you remain so adamant in your opposition to substantive gun control in this country?

THE PRESIDENT: Mr. Maynard, the record of gun control, whether it is in one city or another or in some States does not show that the registration of a gun, hand gun, or the registration of the gun owner has in any way whatsoever decreased the crime rate or the use of that gun in the committing of a crime. The record just doesn't prove that such legislation or action by a local city council is effective.

What we have to do -- and this is the crux of the matter -- is to make it very, very difficult for a person who uses a gun in the commission of a crime to stay out of jail. If we make the use of a gun in the commission of a crime a serious criminal offense and that person is prosecuted, then in my opinion we are going after the person who uses the gun for the wrong reason. I don't believe in the registration of hand guns or the registration of the hand gun owner. That has not proven to be effective. And therefore I think the better way is to go after the criminal, the individual who commits a crime in the possession of a gun and uses that gun for a part of his criminal activity.

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Those are the people who ought to be in jail and the only way to do it is to pass strong legislation so that once apprehended, indicted, convicted, they will be in jail and off the streets and not using guns in the commission of a crime.

MR. MAYNARD: But, Mr. President, don't you think that the proliferation of the availability of hand guns contributes to the possibilities of those crimes being committed, and there is a second part to my follow-up very quickly. There are, as you know and as you have said, jurisdictions around the country with strong gun control laws. The police officials in those cities contend that if there were a national law to prevent other jurisdictions from providing the weapons that then come into places like New York, that they might have a better handle on the problem. Have you considered that in your analysis of the hand gun proliferation problem?

THE PRESIDENT: Yes, I have, and the individuals with whom I have consulted have not convinced me that a national registration of hand guns or hand gun owners will solve the problem you are talking about. The person who wants to use a gun for an illegal purpose can get it whether it is registered or outlawed. They will be obtained and they are the people who ought to go behind bars..

You should not, in the process, penalize the legitimate hand gun owner, and when you go through the process of registration, you in effect are penalizing that individual who uses his gun for a very legitimate purpose.

THE MODERATOR: Governor Carter.

MR. CARTER: I think it is accurate to say that Mr. Ford's position on gun control has changed. Earlier Mr. Levi, his Attorney General, put forward a gun control proposal which Mr. Ford later, I believe, espoused that called for the prohibition against the sale of the so-called Saturday Night Specials. It would have put very strict control over who owned a hand gun.

I have been a hunter all my life and happen to own both shotguns, rifles and a hand gun, and the only purpose that I would see in registering hand guns and not long guns of any kind would be to prohibit the ownership of the ownership of those guns by those who have used them in the commission of a crime or who have been proven mentally incompetent to own a gun.

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I believe that limited approach to the question would be advisable and I think adequate but that is as far as I would go with it.

THE MODERATOR: Mr. Nelson to Governor Carter.

MR. NELSON: Governor, you said the Supreme Court today is, as you put it, moving back in the proper direction in a ruling that has limited the rights of criminal defendants and you have compared the present Supreme Court under Chief Justice Burger very favorably with the more liberal court we had under Chief Justice Warren. Exactly what are you getting at, and can you tell us the kind of qualifications and philosophy you would look for as President in making Supreme Court appointments?

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MR. CARTER: While I was Governor of Georgia, although I am not a lawyer, we had complete reform of the Georgia court system. We streamlined the structure of the courts, put in an administrative office, put in a unified court system and required that all severe sentences be reviewed for uniformity and, in addition to that, put forward a proposal that was adopted and used throughout my own term of office -- selection of all judges and district attorneys and prosecuting attorneys on the basis of merit.

Every time I had a vacancy on the Georgia Supreme Court -- and I filled five of those vacancies out of seven total, and about half of the Court of Appeals judges and about 35 percent of the trial judges -- I was given from an objective panel the five most highly qualified persons in Georgia, and from those five I always chose the first or second one. So, merit selection of judges is the most important single criterion. And I would institute the same kind of procedure as President, not only in judicial appointments but also in diplomatic appointments.

Secondly, I think the Burger Court has fairly well-confirmed the major and most far-reaching and most controversial decisions of the Warren Court. Civil rights has been confirmed by the Burger Court. It hasn't been reversed, and I don't think there is any inclination to reverse the basic decision of the one man-one vote rule, which is a very important one that struck down the unwarranted influence in the legislature of the most sparsely populated areas of the States.

The right of indigent or very poor accused persons to legal counsel--I think the Burger Court has confirmed that very basic and very controversial decision of the Warren Court. Also, the protection of an arrested person against unwarranted persecution in trying to get a false confession.

But now I think there have been a couple of instances where the Burger Court has made technical rulings where an obviously guilty person was later found to be guilty, and I think in that case some of the more liberal members of the so-called Warren Court agreed with those decisions.

But the only thing that I have pointed out was what I have just said, and that there was a need to clarify the technicalities so you couldn't be forced to release a person obviously guilty just because of a small technicality in the law. That is a reversal of position by the Burger Court with which I do agree.

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MR. NELSON: Governor, I don't believe you answered my question, though, about the kind of people you would be looking for for the court, the type of philosophy you would be looking for if you were making appointments to the Supreme Court as President.

MR. CARTER: I thought I answered it by saying it would be on the basis of merit. Once the search and analysis procedure had been completed, and once I am given a list of five or seven or ten best qualified persons in the country, I would make a selection from among those persons. If the list was in my opinion fairly uniform, if there was no outstanding person, I would undoubtedly choose someone who would most accurately reflect my own basic political philosophy, as best as I could determine it, which would be to continue the progress that has been made under the last two courts -- the Warren Court and the Burger Court.

I would also like to completely revise our criminal justice system to do some of the things at the Federal level and court reform as I just described, as has been done in Georgia and other States. And I would like to appoint people who would be interested in helping with that. I know Chief Justice Burger is. He hasn't had help yet from the Administration and from the Congress to carry this out.

The emphasis, I think, of the court system should be to interpret the Constitution and the laws, equally between property protection and personal protection. But when there is a very narrow decision -- which quite often there is one that reaches the Supreme Court -- I think the choice should be with human rights, and that would be another factor that I would follow.

THE MODERATOR: President Ford?

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THE PRESIDENT: I think the answer as to the kind of person I would select is obvious. I had one opportunity to nominate an individual to the Supreme Court, and I selected the Circuit Court of Appeals Judge from Illinois, John Paul Stevens.

I selected him because of his outstanding record as a Circuit Court of Appeals judge, and I was very pleased that an overwhelmingly Democratic United Senates, after going into his background, came to the conclusion that he was fit and should serve and the vote in his behalf was overwhelming.

So, I would say somebody in the format of Justice Stevens would be the kind of individual I would select in the future, as I did him in the past.

I believe, however, a comment ought to be made about the direction of the Burger court vis-a-vis the court that preceded it. It seems to me that the Miranda case was a case that really made it very, very difficult for police, the law enforcement people in this country, to do what they could to make certain that the victim of a crime was protected and that those that commit crimes were properly handled and sent to jail.

The Miranda case the Burger court is gradually changing, and I am pleased to see that there are some steps being made by the Burger court to modify the so-called Miranda decision.

I might make a correction of what Governor Carter said, speaking of gun control. Yes, it is true, I believe that the sale of Saturday night specials should be cut out but he wants the registration of handguns.

THE MODERATOR: Mr. Kraft?

MR. KRAFT: Mr. President, the country is now in something that your advisers call an economic pause. I think to most Americans that sounds like an antiseptic term for low growth, unemployment, standstill at a high level, decline in take-home pay, lower factory earnings, more layoffs.

Isn't that really a rotten record, and doesn't your Administration bear most of the blame for it?

THE PRESIDENT: Well, Mr. Kraft, I violently disagree with your assessment and I don't think the record justifies the conclusion that you come to. Let me talk about the economic announcements that were made just this past week.

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Yes, it was announced that the GNP real growth in the third quarter was at 4 percent. But, do you realize that over the last ten years that is a higher figure than the average growth during that ten-year period.

Now it is lower than the 9.2 percent growth in the first quarter and it is lower than the 5 percent growth in the second quarter. But, every economist -- liberal, conservative -- that I am familiar with, recognizes that in the fourth quarter of this year and in the first quarter of next year that we will have an increase in real GNP.

But now let's talk about the plusses that came out this week. We had an 18 percent increase in housing starts. We had a substantial increase in new permits for housing. As a matter of fact, based on the announcement this week, there will be at an annual rate .1 million 800-some thousand new houses built, which is a tremendous increase over last year and a substantial increase over the earlier part of this year.

Now, in addition, we had some very good news in the reduction of the rate of inflation, and inflation hits everybody -- those who are working and those who are on welfare. The rate of inflation, as announced just the other day, is under 5 percent, and the 4.4 percent that was indicated at the time of the 4 percent GNP was less than the 5.4 percent. It means that the American buyer is getting a better bargain today because inflation is less.

MR. KRAFT: Mr. President, let me ask you this: There has been an increase in layoffs, and that is something that bothers everybody because even people that have a job are afraid they are going to be fired. Did you predict that increase in layoffs? Didn't that take you by surprise? Hasn't your Administration been surprised by this pause? In fact, haven't you been so obsessed with saving money that you didn't even push the Government to spend funds that were allocated?

THE PRESIDENT: Mr. Kraft, I think the record can be put in this way, which is the way that I think satisfies most Americans: Since the depths of the recession, we have added four million jobs. Most importantly, consumer confidence as surveyed by the reputable organization at the University of Michigan is at the highest since 1972.

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In other words, there is a growing public confidence in the strength of this economy and that means that there will be more industrial activity. It means that there will be a reduction in the unemployment. It means that there will be increased hires. It means that there will be increased employment.

Now we have had this pause but most economists, regardless of their political philosophy, indicate that this pause for a month or two was healthy because we could not have honestly sustained a 9.2 percent rate of growth, which we had in the first quarter of this year.

Now, I would like to point out as well that the United States economic recovery from the recession of a year ago is well ahead of the economic recovery of any major free industrial nation in the world today. We are ahead of all of the Western European countries. We are ahead of Japan. The United States is leading the free world out of the recession that was serious a year and a half ago.

We are going to see unemployment going down, more jobs available and the rate of inflation going down, and I think this is a record that the American people understand and will appreciate.

THE MODERATOR: Governor Carter?

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MR. CARTER: Well, with all due respect to President Ford, I think he ought to be ashamed of making that statement because we have the highest unemployment rate now than we did at any time between the Great Depression caused by Herbert Hoover and the time President Ford took office. We have got 7-1/2 million people out of jobs. Since he has been in office, 2-1/2 million more American people have lost their jobs. In the last four months alone, 500,000 Americans have gone to the unemployment rolls. In the last month we have had a net loss of 163,000 jobs.

Anybody who says that the inflation rate is in good shape now ought to talk to the housewives. One of the overwhelming results I have seen in places is that people feel they can't plan any more, there is no way to make a prediction that my family might be able to own a home or to put my kids through college.

Saving accounts are losing money instead of gaining money. Inflation is robbing us.

Under the present Administration -- Nixon's and Ford's -- we have had three times the inflation rate that we experienced under President Johnson and President Kennedy. The economic growth is less than half today what it was at the beginning of this year, and housing starts -- he compares the housing starts with last year. I don't blame him because in 1975 we had fewer housing starts in this country, fewer homes built than any year since 1940. That is 35 years. We have got a 35 percent unemployment rate in many areas of this country among construction workers.

Mr. Ford hasn't done anything about it. I think it shows a callous indifference to families that have suffered so much. He has vetoed bills passed by Congress within the Congressional budget guidelines for job opportunities for 2 million Americans. We will never have a balanced budget, we will never meet the needs of our people and we will never control the inflationary spiral as long as we have 7-1/2 or 8 million people out of work who are looking for jobs. And we have probably got 2-1/2 million more people who are not looking for jobs any more because they have given up hope. That is a very serious indictment of this Administration, probably the worst one of all.

MR. MAYNARD. Governor Carter, you entered this race against President Ford with a 20 point lead or better in the polls and now it appears that this campaign is headed for a photo finish. You have said how difficult it is to run against a sitting President but Mr. Ford was just as much an incumbent in July when you were 20 points ahead as he is now. Can you tell us what caused the evaporation of that lead, in your opinion?

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MR. CARTER: Well, that is not exactly an accurate description of what happened. When I was that far ahead it was immediately following the Democratic Convention and before the Republican Convention. At that time 25 or 30 percent of the Reagan supporters said they would not support President Ford, but as occurred at the end of the Democratic Convention, the Republican Party unified itself and I think immediately following the Republican Convention there was about a 10 point spread. I believe that to be accurate. I had 49 percent and President Ford had 39 percent.

The polls are good indications of fluctuations, but they vary widely one from another and the only poll I have ever followed is the one that, you know, is taken on Election Day. I was in 30 primaries in the spring and at first it was obvious I didn't have any standing in the polls. As a matter of fact, I think when Gallup's ran their first poll in 1975 they didn't even put my name on the list. They had 35 people on the list and my name wasn't there. At the beginning of the year I had about 2 percent. So the polls to me are interesting but they don't determine my hopes or my despair.

I campaign among people. I have never depended on powerful political figures to put me in office. I have a direct relationship with hundreds of thousands of people around the country who actively campaign for me. In Georgia alone, for instance, I got 84 percent of the vote and I think there were 14 people in addition to myself on the ballot, and Governor Wallace had been very strong in Georgia. That is an overwhelming support from my own people who know me best. And today we have about 500 Georgians at their own expense, just working people, who believe in me, spread around the country involved in the political campaign.

So the polls are interesting but I don't know how to explain the fluctuations. I think a lot of it depends on current events, sometimes foreign affairs and sometimes domestic affairs, but I think our support among those who are crucial to the election has been fairly steady, and my success in the primary season was, I think, notable for a newcomer for someone outside of Washington who never has been a part of the Washington establishment, and I think that we will have a good result on November 2 for myself and I hope for the country.

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THE MODERATOR: President Ford, your response?

THE PRESIDENT: I think the increase in the prospects as far as I am concerned, and the less favorable prospects for Governor Carter reflect that Governor Carter is inconsistent in many of the positions that he takes. He tends to distort on a number of occasions. Just a moment ago, for example, he was indicating that in the 1950s, for example, unemployment was very low. He fails to point out that in the 1950s we were engaged in the war in Vietnam -- I mean in Korea. We had 3,500,000 young men in the Army, Navy, Air Force and Marines. That is not the way to end unemployment or to reduce unemployment.

At the present time, we are at peace. We have reduced the number of people in the Army, Navy, Air Force and Marines, from 3,500,000 to 2,100,000. We are not at war. We have reduced the military manpower by 1,400,000. If we had that many more people in the Army, the Navy, the Air Force and Marines, our unemployment figure would be considerably less.

But this Administration doesn't believe the way to reduce unemployment is to go to war, or to increase the number of people in the military. So, you cannot compare unemployment, as you sought to, at the present time, with the 1950s, because the then Administration had people in the military. They were at war. They were fighting overseas. And this Administration has reduced the size of the military by 1,400,000. They are in the civilian labor market and they are not fighting anywhere around the world today.

THE MODERATOR: Thank you, gentlemen.

This will complete our questioning for this debate. We don't have time for more questions and full answers.

So, now each candidate will be allowed up to four minutes for a closing statement, and, at the original coin toss in Philadelphia a month ago, it was determined that President Ford would make the first closing statement tonight.

President Ford?

THE PRESIDENT: For 25 years, I served in the Congress under five Presidents. I saw them work, I saw them make very hard decisions. I didn't always agree with their decisions, whether they were Democratic or Republican Presidents.

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For the last two years I have been the President, and I have found from experience that it is much more difficult to make those decisions than it is to second guess them.

I became President at the time that the United States was in a very troubled time. We had inflation of over 12 percent; we were on the brink of the worst recession in the last 40 years; we were still deeply involved in the problems of Vietnam; the American people had lost faith and trust and confidence in the Presidency itself. That situation called for me to first put the United States on a steady course and to keep our keel well-balanced, because we had to face the difficult problems that had all of a sudden hit America.

I think most people know that I did not seek the Presidency, but I am asking for your help and assistance to be President for the next four years. During this campaign we have seen a lot of television shows, a lot of bumper stickers and a great many slogans of one kind or another, but those are not the things that count.

What counts is that the United States celebrated its 200th birthday on July 4. As a result of that wonderful experience all over the United States, there is a new spirit in America. The American people are healed, are working together. The American people are moving again and moving in the right direction.

We have cut inflation by better than half. We have come out of the recession, and we are well on the road to real prosperity in this country. There has been a restoration of faith and confidence and trust in the Presidency, because I have been open, candid and forthright. I have never promised more than I can produce and I have produced everything that I promised. We are at peace -- not a single young American is fighting or dying on any foreign soil tonight. We have peace with freedom.

I have been proud to be President of the United States during these very troubled times. I love America just as all of you love America.

It would be the highest honor for me to have your support on November 2 and for you to say, "Jerry Ford, you have done a good job; keep on doing it."

Thank you and good night.

THE MODERATOR: Thank you, President Ford.

Governor Carter?

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MR. CARTER: The major purpose of an election for President is to choose a leader, someone who can analyze the depths of feeling in our country, to set a standard for our people to follow, to inspire people to reach for greatness and correct our defects and answer difficulties and to bind ourselves together in a spirit of unity.

I don't believe the present Administration has done that. We have been discouraged and we have been alienated and sometimes embarrassed and sometimes shamed. Our people are out of work and there is a sense of withdrawal.

But our country is innately very strong. Mr. Ford is a good and decent man, but he has been in office now more than 800 days, approaching almost as long as John Kennedy was in office. I would like to ask the American people what has been accomplished. A lot remains to be done.

My own background is different from his. I was a school board member and a library board member and served on a hospital authority, and I served in the State Senate and as Governor and as engineer and as a farmer and businessman. I believe we require someone who can work effectively with the Congress and closely with the people of this country, and who can bring a new image and a new spirit to Washington.

Our tax structure is a disgrace and needs to be reformed. I was Governor of Georgia for four years. We never increased sales taxes or income taxes or property taxes. As a matter of fact, the year before we went out of office we gave a \$50 million refund to the property taxpayers of Georgia.

We spend \$600 per person in this country, every man, woman and child, for health care. We still rank 15th among all of the nations in the world in infant mortality and our cancer rate is as high as any country in the world. We don't have good health care. We could have it.

Employment ought to be restored to our people. We have become almost a welfare state. We spend now 700 percent more on unemployment compensation than we did eight years ago when the Republicans took over the White House. Our people want to go back to work. Our education system can be improved. Secrecy ought to be stripped away from Government, and a maximum of personal privacy ought to be maintained.

Our housing programs have gone bad. It used to be that the average family could own a house, but now less than a third of our people can afford to buy their own homes.

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The budget was more grossly out of balance last year than ever before in the history of our country -- \$65 billion -- primarily because our people are not at work. Inflation is robbing us, as we have already discussed, and the Government bureaucracy is just a horrible mess.

This doesn't have to be. I don't know all of the answers. Nobody could. But, I do know that if the President of the United States and the Congress of the United States and the people of the United States said, "I believe our nation is greater than what we are now," I believe that if we are inspired, if we can achieve a degree of unity, if we can set our goals high enough and work toward recognized goals with industry and labor and agriculture along with Government at all levels, we can achieve great things.

We might have to do it slowly. There are no magic answers to it, but I believe together we can make great progress, we can correct our difficult mistakes and answer those very tough questions.

I believe in the greatness of our country and I believe the American people are ready for a change in Washington. We have been drifting too long. We have been dormant too long. We have been discouraged too long.

We have not set an example for our own people, but I believe we can now establish in the White House a good relationship with Congress, a good relationship with our people, set very high goals for our country, and with inspiration and hard work we can achieve great things and let the world know -- that is very important, but more importantly let the people in our own country realize -- that we still live in the greatest nation on earth.

Thank you very much.

THE MODERATOR: Thank you, Governor Carter and thank you, President Ford. I also would like to thank the audience and my three colleagues -- Mr. Kraft, Mr. Maynard and Mr. Nelson, who have been our questioners.

This debate has, of course, been seen by millions of Americans, and in addition tonight is being broadcast to 113 nations throughout the world.

This concludes the 1976 Presidential Debates, a truly remarkable exercise in democracies for this is the first time in 16 years that the Presidential candidates have debated. It is the first time ever that an incumbent President has debated his challenger, and the debate included the first between the two Vice Presidential candidates.

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President Ford and Governor Carter, we not only want to thank you but we commend you for agreeing to come together to discuss the issues before the American people.

I have special thanks to the League of Women Voters for making these events possible and sponsoring these events. The League of Women Voter's education fund has tried to provide you with the information that enables you and me to choose wisely.

The election is now only eleven days off. The candidates have participated in presenting their views in three, eighty-minute debates, and now it is up to the voters and now it is up to you to participate.

The League urges all registered voters to vote on November 2 for the candidate of your choice.

Now, from Phi Beta Kappa Memorial Hall on the campus of the College of William and Mary, this is Barbara Walters wishing you all a good evening.

END (AT 11:00 P.M. EDT)