

[7/12/76]

THE WHITE HOUSE
WASHINGTON

Dick Cheney

returned.

*file
7/12*

THE NEW YORK TIMES

A Bicentennial Windfall for Ford

By R. W. APPLE Jr.

Special to The New York Times

WASHINGTON, July 7 — It would be hard to imagine a greater political windfall for a beleaguered President than the exuberant celebration of the American Bicentennial this week, which gave Gerald R. Ford a priceless opportunity to play the role of national leader rather than that of a candidate scrambling to avoid repudiation by his own party.

On a once-in-a-lifetime occasion, the central figure was Mr. Ford. At the encampment of the wagon trains at Valley Forge, at the convocation outside Independence Hall in Philadelphia, at Operation Sail in New York, and at the naturalization ceremonies at Monticello, it was the President — not Ronald Reagan or Jimmy Carter — who stood in the spotlight, visible and audible to tens of thousands in person and to uncounted millions on television.

To make an even remotely comparable impact, Mr. Reagan had to resort to buying television time last night in which to state, among other things, his view of the meaning of the Fourth of July. He was invisible to the public on the Bicentennial.

The celebration played to Mr. Ford's strength. He and his strategists concluded months ago that he had no chance of

matching Mr. Reagan as a campaigner. But the President, they believe, profits by acting Presidential—and that was what he was able to do on Sunday, teaching the lessons of the American past and the goals of the American future, functioning as a symbol of national unity, presiding, in effect, at the Federal birthday party.

Sincerity and Modesty

If his speech at Philadelphia lacked the power and the insight of Thomas Jefferson, the Founding Father most vividly associated with the Bicentennial, it was among Mr. Ford's more effective presentations, largely free of the banality and the stumbling delivery that have marked much of his campaign oratory.

"Liberty is a living flame to be fed, not dead ashes to be revered, not even in a Bicentennial year," he said in Philadelphia. "It is fitting that we ask ourselves hard questions even on a glorious day like today."

It all fitted nicely with the picture Mr. Ford has tried to project of himself and his Presidency—as a sincere and human endeavor, devoted to unity rather than confrontation, modest enough not to claim to have all the answers or the resources to provide all the solutions.

Thus, although he said nothing overtly political, the political content was inescapable.

"The hardest part of winning over the uncommitted dele-

gates," conceded a Reagan staff member, "is getting them to abandon the President. They're perfectly willing to turn their backs on Jerry Ford, but they find it hard to snub a President—that man who spoke for the whole country on our 200th birthday. I think Sunday was one of his best days in months."

In a little-noticed episode, the President Ford Committee saw to it that the point was not lost on one key bloc of uncommitted delegates—the holdouts in New York State.

Like businessmen wooing prospects with tickets to the hot Broadway show of the moment, Ford operatives provided seats on the flight deck of the U.S.S. Forrester—the best vantage point for viewing Operation Sail—for at least seven of the New York delegates.

Roger C.B. Morton, the chairman of the President Ford Committee, told Andrew J. Glass of the Cox Newspapers on Sunday that 15 delegates, including some from New Jersey, were on the Forrester. But he amended that figure today through a spokesman.

Would a delegate sell his vote for a better view of the tall ships? Hardly. But Mr. Ford's ability to provide it, like his own participation in the major events of the day, added to his aura of legitimacy and authority, which remains his best hope of combatting Mr. Reagan's verve and ideological intensity in their final battle for nomination.

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U.S. CUTS ESTIMATE OF BUDGET DEFICIT

Administration's Forecast of
Spending Was Too Big—
Interest Rates Drop

WASHINGTON, July 7 (AP)—
The Federal budget deficit for
1976 could be \$9 billion less
than was estimated a few
months ago, largely because
the Ford Administration significantly overestimated expenditures, Government officials said today.

One benefit to the economy from the reduced deficit may have been "a modest contribution" to lower interest rates, a Treasury Department official said.

Preliminary budget figures for the fiscal year 1975 will not be known until next week, but one official said that the deficit could be as low as \$68 billion, down from the \$76.9 billion estimated by the Office of Management and Budget in March.

"We're very much surprised at how low the figures are coming in," said Dale R. McOmber, assistant director of the agency for budget review. The fiscal year ended on June 30.

Mr. McOmber said it was "difficult to say why" the Administration's estimates had been so far off, but he added that this might have resulted in part because of the considerable attention given to Government spending in the last year.

Widespread Overestimates

"We can only speculate that the sheer emphasis on the budget totals and the amounts in the budget tended to cause people to overestimate spending, or the timing of spending," Mr. McOmber said in an interview.

"All of us have clearly overestimated cash outlays in a rather widespread fashion," he added. He said that the differences were not concentrated in just a few agencies or departments.

During debate on the 1976 budget, both the director of the Office of Management and Budget, James T. Lynn, and the Treasury Secretary, William E. Simon, talked of the deficit's approaching \$100 billion if Congress was not careful. Some Congressional critics accused them at the time of using scare tactics to keep spending down.

Mr. Simon's prediction that the pace of Government borrowing would result in a "crowding out" of private borrowers from financial markets because of rising interest rates also failed to materialize.

Edward P. Snyder, a senior Treasury adviser for debt research, said that the lower deficit "probably contributed to a very modest degree to somewhat lower levels of interest rates than we might otherwise have had since the Government

Continued on Page 51, Column 2

U.S. CUTS ESTIMATE OF BUDGET DEFICIT

Continued From Page 43

had to borrow less."

The O.M.B. first disclosed it was revising its budget projections for 1976 downward several weeks ago when Deputy Director Paul O'Neill told a Congressional committee that the deficit could be in the area of \$72 billion.

But Mr. McOmber said the deficit now could be several billion dollar below that, possibly as low as \$68 billion. "I'd begin to doubt it would get below \$68 billion," he said.

The Senate and House budget committees last week estimated the Federal deficit at \$71.3 billion for their version of the budget, which was \$2.7 billion below earlier projections.

Mr. McOmber said 1976 revenues probably would be near the original estimates of \$297.5 billion. The changes will occur on the expenditure side, estimated last March at \$374 billion.

He said the Administration's projection of a 1977 deficit of nearly \$45 billion remained unchanged.

Although Mr. McOmber did not emphasize it as a major cause, another factor in the reduced pace of 1976 spending may have been the switch to a new fiscal year. Beginning with 1977, the fiscal year will be the 12-month period starting Oct. 1, instead of July 1, as before.

Fiscal 1976 ended on June 30, the last time a fiscal year will

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Cruise Missile Wins Pentagon Raves

CRUISE, From A1

mal name is Tomahawk. Boeing is building the air-launched missile for the Air Force.

The American emphasis on building its new weaponry small has given the United States a big edge over the Soviet Union in cruise missiles, according to Pentagon leaders.

"Our technology is, at least in my judgment, 10 years ahead of the Russians," said Clements, "and I would look for that gap in our favor to continue over time."

Although the Soviets have built cruise missiles, Clements calls them "short-range" and "unsophisticated." The Tomahawk, Clements told a press conference last month, "is two or three generations ahead of what they now have. It's a radical departure."

Weapons specialists credit the cruise missile development to four technological advances.

Those leaps were reducing the H-bomb to suitcase size; using U-2 spy planes and satellites to map every crucial bump and curve on the Eurasian landscape; developing a small mechanical brain that can read that contour map while flying, and building a mini-jet engine to power the missile in ways Adolf Hitler's designers could only dream about when they developed the V-1 pilotless plane to terrorize Great Britain during World War II.

"We've been putting the information about the landscape in the bank for the last 18 years," said one scientist in discussing the data



The Washington Post

Photos compare the size of the cruise missile to that of an automobile.

American planes and satellites have been gathering over Europe, the Soviet Union and China.

McDonnell Douglas Corp.—the St. Louis aerospace firm that built the F-4 Phantom fighter—has developed a mechanical brain that can read the contour map and signal when the cruise missile is off course. The signal results in a turn of the missile's fins to correct its course.

"Imagine yourself walking through the park at night looking for the water fountain," said one McDonnell Douglas executive in describing the cruise missile's mechanical brain, known as Tercom, for terrain comparison.

"You know in what corner of the park the fountain is

located and the path that gets you there," he said. "The trick is to get your mouth over the fountain's quarter-inch opening."

Comparatively old-fashioned inertial guidance

which takes today's ICBMs (intercontinental ballistic missiles) to their targets, would guide the cruise missile over the ocean toward the right corner of the park. Tercom would look down at

Dam Collapse Probe Widens

BOISE, Idaho, July 7 (UPI)—Bureau of Reclamation records indicate one of three leaks discovered before the collapse of the Teton Dam was located 300 feet downstream and was spewing water at about 20 gallons a minute.

Wallace Chadwick, chairman of an independent investigating committee, said Tuesday he would not have been "particularly alarmed"

by the leak's location unless the water was muddy, showing signs of erosion.

The other two leaks discovered prior to the June 5 disaster—which unleashed 80 billion gallons into the Upper Snake River valley, causing 11 deaths and an estimated \$1 billion damage—were "well downstream from the dam" and presented no hazard, bureau records show.

the ground with radar beams after that and determine, by using the contour map stored in the computer's memory, whether the missile was headed for the hole in the fountain.

The missile could hit within 10 yards of an "X" on a map after flying about 2,000 miles, according to cruise missile engineers.

The fan jet engine that would drive the cruise missile to its target weighs 130 pounds. It is one foot in diameter and less than a yard long. Sam B. Williams, president of the Williams Research Corp. of Walled Lake, Mich., which developed the engine, said it is the smallest fan jet engine in the world.

"It's a deterrent," Williams said in arguing that the cruise missile is a vital addition to the U.S. arsenal.

The cruise missile is too slow—550 miles an hour—to be used as a surprise, first-strike weapon, he argued. The Russians would see it coming in time to launch their own missiles.

But, he added, the missile will be so cheap to build in large quantities that several could be deployed at once—further convincing the Soviet Union that it could never hope to destroy all of them in a surprise strike against the United States.

Sen. Hubert H. Humphrey (D-Minn.) is among those urging the President to forgo the cruise missile in the interest of braking the world's arms race. He calls the missile "an arms-control nightmare" because there is no way of verifying its location, range or number under an arms agreement.

THE PRESIDENT HAS SEEN....

Cruise Missile Wins Raves

But Analysts Fear Effect on Arms Race

By George C. Wilson
Washington Post Staff Writer

SAN DIEGO — What can safely be called the smartest airplane in the world can carry an H-bomb thousands of miles and explode it over a factory skylight selected before launch.

Or, its admirers hasten to add for fear this new plane will be considered a doomsday weapon that should not be put into production, its accuracy enables it to do lots of damage carrying only a TNT warhead.

The plane has no human pilot. It is called a cruise missile, even though an airplane engine takes it to its target. General Dynamics is building one type of cruise missile here and Boeing is building another in Seattle.

Although still in the test stage, the cruise missile is

getting rave notices for its performance.

Arms control leaders argue, however, that the missile is not necessary — that producing it will just heat up the arms race.

But, its appeal is proving irresistible to those shaping American defense policy. William P. Clements Jr., the Pentagon's second-ranking executive, predicts billions of dollars will be spent on the cruise missile if it continues to fulfill its technical promise.

Clements calls it "the most important program we have under way in regard to its potential."

"It can be made to perform a wide spectrum of missions," said Air Force Gen. George S. Brown, chairman of the Joint Chiefs of Staff.

Executives at firms build-

ing the cruise missile said foreign interest in it also is intense—partly because it is relatively cheap to build. General Dynamics predicts a production model, which could be ready in 1978, will cost about \$500,000, compared to nearly \$100 million for a B-1 bomber. Britain, Israel and West Germany are among the interested countries.

The cruise missile, which is 21 feet long, can be shot out of the torpedo or missile tubes of a submerged submarine or from the deck of a ship. It also can be hooked to the belly of an airplane and launched thousands of miles from its target.

General Dynamics is building the sea-launched missile for the Navy. Its for-

See CRUISE, A5, Col. 1