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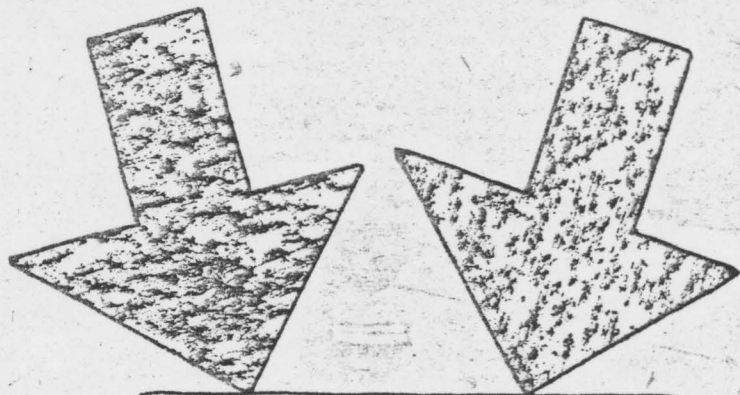
THE WASHINGTON POST
Wednesday
October 20, 1976

David S. Broder

Campaign 76: A Neglect of Urban Ills

DETROIT—There was a stunning bit of symbolism in Jimmy Carter's appearance here in the nation's sixth largest city last week.

The Democratic presidential nominee was picked up by a car waiting at the foot of the ramp when his chartered airplane landed outside Detroit. He was driven 20 miles down freeways cleared of traffic by his police escort, and remained in his car until it was well within the walls of Cobo Arena. Then he walked 50 feet to the platform of the Detroit Economic Club luncheon, where he described to an afflu-



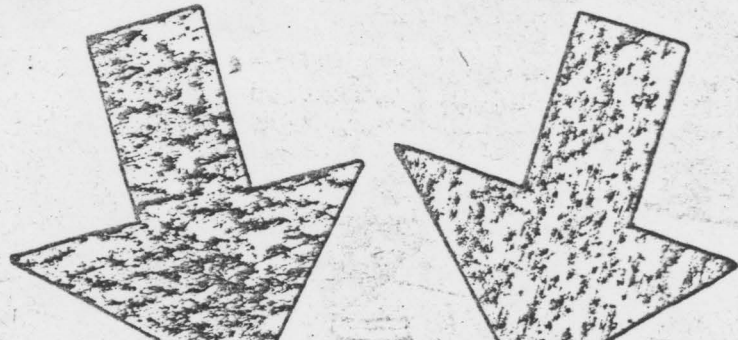
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New York Times
October 18, 1976

Carter's Tax Program

By Charles Fried

CAMBRIDGE, Mass.—President Ford and Robert Dole have not been unfair in their treatment of Jimmy Carter in the controversy over tax reform, a debate initiated by Mr. Carter's imprudent remark that he would raise taxes for everybody above the median line on income.

Mr. Carter's supporters tell us that what is really at issue is making "the

sities, hospitals, churches and cultural organizations that depend on the charitable deduction would have to go on the Federal dole.

So Mr. Ford is right in saying that Mr. Carter's proposals—if they really are to give the kind of tax relief he promises, without cutting Federal spending—must impose a significant new burden on working middle-class people. This is the real issue, not the closing of a lot of technical loopholes—unless Mr. Carter believes the mort-



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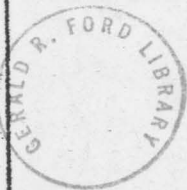
Mr. Carter's supporters tell us that what is really at issue is making "the rich" pay their fair share of taxes, and not raising taxes for middle-income wage earners.

Now I firmly believe that the devices by which very wealthy taxpayers avoid paying their fair share of taxes (be it 40 percent or 60 percent of their

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So Mr. Ford is right in saying that Mr. Carter's proposals—if they really are to give the kind of tax relief he promises, without cutting Federal spending—must impose a significant new burden on working middle-class people. This is the real issue, not the closing of a lot of technical loopholes—unless Mr. Carter believes the mortgage, property tax and charitable deductions are loopholes.

Now increasing the burdens on the middle class is not an obviously wrong thing to do. The Governments of such as countries Sweden and Britain have been doing it for decades. It is,



Rowland Evans and Robert Novak

The Real Jerry Ford?

SAN FRANCISCO—Primed by advisers to expect a Jimmy Carter assault on the Helsinki Treaty, President Ford responded by freeing Poland with the slip of a tongue—casting shadows well beyond the Polish-Americans and hard-line anti-Communists who were incensed by his blunder.

A smirking and sarcastic Carter, though less than attractive, entered the Palace of Fine Arts Theater with a well-conceived tactical plan that provoked Mr. Ford's Polish blooper. In contrast, the President seemed badly briefed and personally incapable of improvising beyond his briefing book.

when Mr. Carter claimed \$7.5 billion in arms shipments to Saudi Arabia this year; in fact, the \$7.5 billion figure covers two and a quarter years and includes only 20 per cent in arms sales. Worse than this omission were some of Mr. Ford's commissions. To justify arms sales to Iran, he incorrectly decried neighboring Iraq's government as "Communist-dominated." The President grossly distorted Carter's views by claiming "he would look with sympathy to a Communist government in NATO."

When Carter was most demagogic, the President tried to outdo him. Carter's blanket endorsement of Israel to the ex-

gress. That enraged officials who had taken a politically unpopular position on the boycott in Mr. Ford's behalf.

This pattern of omissions, mistakes and distortions in debate No. 2 triggered an immediate search for a scapegoat and came up with Michael Duval, 38-year-old White House special counsel in charge of Mr. Ford's briefing books. "Mike Duval is too arrogant to answer telephone calls," contends one angry administration official, who vainly tried to supply relevant information for the debate, "but he wouldn't understand what we were talking about anyway."

Whatever its shortcomings, however,

*October 9, 1976**File**Clayton***A F**

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"I'm very much afraid that this was

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Whatever its shortcomings, however, the White House staff is not the core of

Clayton Fritts

A Free

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Harris Survey

Is anyone winning debates?

By Louis Harris

JIMMY CARTER has a serious problem facing him in the third of the presidential debates Friday night. Whether Carter wins or loses each specific debate, the doubts about him continue to increase, the most serious of which is the 52-to-32-per cent majority feeling "that he doesn't have enough experience in national and world affairs."

Carter lost the first debate by 40 to 31 per cent, but in the process the number

TWO OTHER Carter troubles have also grown rather than diminished in the course of the campaign. Despite two debates, a 49-to-41 per cent plurality now feels that Carter "makes me uneasy because I can't tell what kind of person he really is." After the first debate, only 44 per cent felt that way while 46 per cent did not. In addition, a 49-to-37 per cent plurality still feels that Carter "has ducked taking stands on issues to avoid offending anybody and that is wrong"—which represents virtually no change from the 49-to-34 per cent plurality who felt that way before any of the debates.

By any measure, it is clear that the debates have added to, rather than dispelled, the troubled feelings voters have about Jimmy Carter. It is also evident that in the debates the public is sizing up Carter in terms of his style and character far more than on the specific stands he is taking on issues—which clearly has not helped him.

By contrast, President Ford has gained marginally from the debates, even though he clearly lost the second one by 54 to 30 per cent, mainly because he goofed on the Eastern European is-

OCTOBER 21, 1976



EVANS-NOVAK POLITICAL REPORT

WHAT'S HAPPENING . . . WHO'S AHEAD . . . IN POLITICS TODAY

1750 Pennsylvania Ave., N.W. • Room 1312 • Washington, D.C. 20006 • 202-298-7850

October 7, 1976 - No. 271

To: Our Subscribers

Ford-Carter Debate #2
Special Report

From: Evans-Novak

The consensus in the political community this morning is that Democratic Presidential nominee Jimmy Carter won a clearcut victory over President Gerald R. Ford in last night's debate. It is our feeling that, both substantively and stylistically, this was the most one-sided of all the modern Presidential debates, including the first between John F. Kennedy and Richard Nixon in 1960. Although the edge given to Carter by early public opinion polls is not decisive, it is enough to destroy any momentum Mr. Ford seemed to be building. In short, a major triumph for Carter.

The President's incredible statement on Eastern Europe, the biggest blunder yet in any Presidential debate, costs him two ways: 1) with ethnics and conservatives; 2) in general, because of its revelation of sloppiness and ineptitude. How could a President be so befuddled?

Carter, while hardly a charismatic spellbinder, played a clever game, in our opinion. He took advice from moderates to play down his defense-cut talk and play up a hard line. Liberals were not very happy, but many were pacified by JC's demagoging on the Right-wing dictatorship in Chile.

DEBATE #2

Carter: He was clearly more confident, less nervous, than in the first debate and seemed more in command than Ford. The principal criticisms were his excessive partisanship and abrasiveness in attacking GRF at every point and his smirking manner that verged on rudeness to a President.

1) Carter clearly took advice from moderate advisers not to push defense spending cuts at the risk of a) giving Ford a chance to disgorge facts and figures from his briefing books, and b) appearing to be a soft-liner.

2) The briefing with ex-Defense Sec. James Schlesinger was obvious when Carter nailed Ford on his flip-flop on defense cuts after Schlesinger was fired and after ex-California Gov. Ronald Reagan's victory in the Texas Presidential primary. We can report that the Pentagon was pleased that JC a) did not push for defense cuts, b) did not push for overseas' troop withdrawals, and c) did not repeat his proposal for total nuclear disarmament.

3) Carter clearly profited from his Q and A briefing from Stuart Eizenstat, Pat Caddell, Greg Schneiders, Hamilton Jordan and Richard Holbrooke, and his self-instructions to "go for the jugular" after his passive, defensive performance during most of Debate #1.

4) Carter had also decided to attack Ford (and not put forward specific policies) on anti-Communist "freedom" issues - Helsinki, Alexander Solzhenitsyn, Henry Kissinger, etc. Although some liberals were not very happy about this hard line, he appeased them by attacking Chile (with an absolutely untrue allegation that the U.S. overthrew the Allende regime), and returning to his old primary

2nd debate
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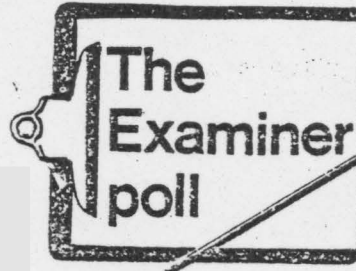
California

WEST

Solo

Carter's 1st, but Ford's 3rd

1. How much of the debate did you see?
All 43% 3/4 12% 1/2 7% 1/4 5% none 33%
2. Which candidate did you prefer prior to the debate?
Ford 34% Carter 30% Undecided 36%
3. Which candidate do you prefer now?



fileReasoner, Walters Assess Debates

Barbara Walters and Harry Reasoner agreed Tuesday that the debates served the American public well, but Reasoner said they served President Ford better than his Democratic challenger.

Walters said the debates gave the public a chance to better understand the issues at hand. But she concluded that they boiled down to a question of trust, not issues.

Reasoner said the debates helped Ford more than Jimmy Carter because people got a more extensive look at the President than his Rose Garden campaign had previously afforded them.

Walters suggested that the increased exposure of the debates may have hurt Carter. Despite his campaign themes of love and trust, Carter showed himself to be just another "rough, tough" politician, increasing voter uncertainty about him, she said.

Reasoner also said that the recent Harris poll, indicating that college educated voters are leaning towards Ford, may hurt Carter, since the college educated are more likely to vote.
--Good Morning, America (10/26/76)





The Media Report

Editor/Brian Lamb/Volume III/Number 16/October 22, 1976

INSIDE THE MEDIA

A random survey of reporters by MR shows—the press, those closest to the candidates besides their immediate staffs, are unusually confused and perplexed about the November 2 presidential election. A poll of over 300 journalists, conducted jointly by the Washington Post and Harvard, showed that in 1972, 61% said they voted for George McGovern and 22% voted for Richard Nixon. But, this year there is a feeling that many reporters are personally suspicious of Jimmy Carter. However, we find no love for Ford among the media. Many in the news business have never enjoyed a higher standard of living and, in the words of one reporter, “at least we know him—he’s safe.”

“A lot of reporters will vote their personal comfort . . . four more years of Vail and Palm Springs,” suggests one nationally known Washington correspondent. A political reporter for a large midwestern daily tells MR, “Personally, I’m not going to vote. Maybe it’s a cop out, but I’m more comfortable not voting.” An L. A. Times man predicts, “60% of the press will hold their nose and vote for Carter.” A network newsman feels that “Ford will get a bigger percentage of Washington press types than you would think.”

. . . Those most unhappy with Carter seem to be his traveling press corps. We discount a lot of what we hear because the campaign is in the final days. Reporters are exhausted—tired of listening to the same political speech for the last several months. One newsman returning to Washington from two weeks with the Democratic candidate says it this way, “all of the people traveling with Carter can barely stand him.” Another suggests: “You sense the disdain for the candidate the moment you join the campaign.” A reporter who normally covers Ford reports, “The few weeks I traveled with Carter I was horrified with the bias—the regulars hate his guts—behind his back they sneeringly call him Jim-Bob-Boy or Peanut.” In recent days, Carter has been less open with the press and not as accessible as before. Besides mistakes like the Playboy interview, the following incident relayed to us by a reporter on the scene may have added to his growing unhappiness with the press. “We were flying to Plains one night. Carter strolled back to the press section and one reporter asked him what he was going to do when he got home. He said he was going to harvest peanuts, and began to give an explanation on how it was done. All of a sudden, out of nowhere, came a statement from a New York Times reporter. ‘Governor, I don’t give a damn about your peanut crop. I want to talk about politics.’ Carter, somewhat stunned, said ‘alright, we’ll talk politics.’”

. . . Many in the media feel that the former Georgia governor, if elected President next week, will take a sour attitude toward the media into office with him. Some are quick to draw parallels to Richard Nixon and are already suggesting that there is a “bunker mentality” in the small coterie of staff members who regularly have access to Carter. Press Secretary Jody Powell generally gets high marks for the job he’s done, but there are already rumors, that in a Carter Administration, he might not serve as media spokesman. It is being mentioned that someone like L.A. Times Washington Bureau Chief Jack Nelson (a friend from Atlanta’s Constitution days) or Washington Star political reporter Jack Germond could be asked to take the position. This would leave time for Powell to continue as a close adviser and confidant to Carter.

. . . One event in Jody Powell’s past, that is sure to get more media attention in a Carter presidency than it has during the campaign, is his premature departure from the Air Force Academy for cheating in 1964. He discussed the incident with Sue O’Brien, executive editor of KOA-TV news in Denver, on a program aired October 11. Powell: “I-uh-in the midst of my senior year, I was taking an exam in the history of military thought. I left the room to take a break for a few minutes. I walked into a lounge. There was a notebook—actually a reader in that course . . . there. I picked it up, looked at it, and went back and used that information in an exam. And that’s cheating, and I think the honor code at the Academy is pretty familiar to everybody and I still don’t know if somebody saw me or whatever, but

National Journal

THE WEEKLY ON POLITICS AND GOVERNMENT OCT. 23, 1976/NO. 43

THE OUTLOOK IN THE HOUSE

There will be a lot of new faces in the 95th Congress — but not solely because of the election this November.

THE SWAMP OF WETLANDS CONTROL

"If you'd ever tried to get a 404 permit from the Corps (of Engineers), you wouldn't say that the fox had been left in charge of the chicken coop."

A SPECIAL INTEREST IN CONGRESS

"Because of the impact of the interest groups and the money system in politics, we will never increase the capacity of congressional challengers to compete until we have public financing."

POLICY FORUM

CARTER AND FORD ON FOREIGN POLICY

Carter outlines changes in the policy-making process and Ford defends a record attacked in the second debate.

CONGRESS **MANY NEW FACES EXPECTED IN 95th CONGRESS** 1498

By Michael J. Malbin

Two things are certain about the new Congress that will be elected on Nov. 2: it will continue to be controlled by Democrats and it will have an unusually high number of new faces. The latter is certain because 54 Members of the outgoing Congress have chosen to retire, have been defeated in primaries, are seeking higher office or have died. In addition, some 40 incumbents are in very close races for reelection, and at least some of them are likely to lose. The departures—those that are certain and those that are likely—will leave many vacancies among the leadership of House committees, and could have an important impact on the development of legislative policy in the new Congress.

ENVIRONMENT **WETLANDS PROTECTION LAW WITHSTANDS ATTACK** 1506

By J. Dicken Kirschten

Legislation intended to exempt the dredging industry from regulation by the environmentally conscious Environmental Protection Agency has been transformed into a law that protects the nation's dwindling wetlands, to the pleasure of environmentalists and the opposition of dredgers, resort developers and farm, forestry and ranching interests. The transformation is the result of a key court ruling and the surprisingly energetic enforcement of the law by the Army Corps of Engineers. An attempt to cut back the corps' enforcement effort was defeated in the 94th Congress, but the battle is almost certain to be renewed in the 95th Congress.

HEALTH **FORD SIGNS MANPOWER BILL DESPITE VETO ADVICE** 1513

By John K. Iglehart

Despite the advice of the Treasury Department, the Office of Management and Budget and several White House economic counselors, President Ford has signed a major health manpower bill that imposes new federal regulations and costs twice as much as Ford sought. Political considerations almost certainly influenced the President's decision.

CAMPAIGN **SPECIAL INTERESTS STEP UP CAMPAIGN ACTIVITY** 1514

By Richard E. Cohen

This post-Watergate election year has brought a new look to congressional campaigns. The public now has more information than ever before on who is giving what to whom, but ironically the various election law changes also have generated more activity by various special interest groups than in previous elections. And this year, conservatives are working hard to offset the money and power of organized labor. Richard T. Kaplar, an American University student working this autumn as a *National Journal* intern, assisted in the preparation of this report.

REGULATION **TRUCKING CERTIFICATES SEEN WORTH MILLIONS** 1521

By Louis M. Kohlmeier

Certificates of public convenience and necessity, issued to truckers over the years by the Interstate Commerce Commission, are worth millions of dollars because of federal restrictions on entry of new companies into the lucrative trucking field. Legislation to ease entry may be assisted by the revelations about the ICC certificates.

ECONOMY **ALUMINUM PRICE RISE POSES ECONOMIC PUZZLE** 1522

By Robert J. Samuelson

It defies all the rules of a free-market economy, but it is a fact nevertheless that aluminum prices held steady last year despite a precipitate decline in shipments as the result of the recession. The price increase raises important questions about the role of competition in the multi-billion dollar aluminum industry.

ENERGY **FPC HIT AS ONE OF THE WORST REGULATORS** 1523

By Richard Corrigan

The Federal Power Commission has been described as one of the worst of the regulatory agencies by a congressional subcommittee. Its recent decision to raise the rates for interstate gas—since reversed in part—was cited as one reason for its low standing.

PRESIDENCY **CAMPAIGN FAILS AS FORUM FOR ISSUES** 1524

By Dom Bonafede

The presidential election campaign is drawing to a close, and White House correspondent Dom Bonafede describes it as a major disappointment to those who had hoped it would illuminate the policies and personalities of President Ford and Jimmy Carter.

WASHINGTON UPDATE **GNP SHOWS SMALLEST INCREASE OF THE YEAR** 1525

The flow of petrodollars. . . Some new lobbying groups. . . The end of the age of aerosol. . . Commerce Department releases list of new boycott contacts. . . Ford increases farm price supports. . . Candidate endorsements. . . People.

POLICY FORUM **POSITION PAPERS ON CURRENT POLICY ISSUES** 1527

In papers written expressly for *National Journal*, Jimmy Carter and Gerald R. Ford look at foreign policy—the process by which it is made and the record of recent years. . . Also, a leading corporation examines the impact of water quality legislation.

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NYTimes 11/6/76

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TIMING OF 3 DEBATES HELD KEY TO VICTORY

Carter's Pollster Says That They
Interrupted Campaign at Points
When Ford Was Gaining

By WARREN WEAVER Jr.

Special to The New York Times

WASHINGTON, Nov. 5—The Presidential debates helped Jimmy Carter win the election because they interrupted the campaign at three critical times when President Ford was gaining on his Democratic rival, Patrick H. Caddell, the Carter pollster, said today.

Each debate, independent of who won or lost, served the practical purpose of postponing a decision by uncertain voters who hoped that the televised joint appearances would help make up their minds, Mr. Caddell told a luncheon meeting of the Washington Press Club.

On each of the three occasions, Democratic polls showed that President Ford

Can a President Use His Publicly Paid Staff In Election Campaign?

By Stephen M. Aug

Washington Star Staff Writer

When Rogers C. B. Morton was appointed briefly last winter to the post of counsellor to the President, there was an immediate uproar: Were the taxpayers, in fact, paying for a full-time political operative for President Ford?

Seven months after the appointment — and about 3½ months after Rogers left the White House to formally take over as Ford's campaign chairman — the Federal Elections Commission, acting on three complaints, handed down a ruling of sorts.

Because it had no evidence that any of Morton's political activities

the Council of Environmental Quality, and several score others whose specialties include communications, international economic policy, national security and world trade.

THE VIEW FROM THE White House, however, is that these people are not used by the presidential campaign — except after working hours and on weekends.

And what are working hours? "Something we're really following here is called the 40-hour rule," said Edward C. Schmults, deputy counsel to the President.

Schmults pointed to a letter White House Counsel Philip W. Buchen wrote the FEC last year. The essence of part of the letter is that a number

In fact, some presidential aides travel constantly with the President on political trips. One aide specifically, Michael Raoul-Duvall, is spending substantial amounts of time coaching the President in connection with the debates. According to Schmults, Duvall works on campaign matters in addition to his regular 40 hour week. "He spends a full measure of time for the taxpayers," Schmults said, "we're trying to be sure of it."

ATTEMPTS TO CONTACT Duval throughout the week met with no success. He was out of town with the President substantially the whole week on Ford's current campaign trip to the West, which included the San Francisco debate.

PRESIDENT ADMITS DEBATE MISTAKE



President Ford, attempting to atone for the gaffe he committed during his second debate with Jimmy Carter concerning Soviet influence in Eastern Europe, was host here today to leaders of several U.S. ethnic groups. From left:

—Associated Press.
Daniel Kij, Polish Union of America; Stanley A. Gecys, Lithuanian American Community of the USA; Ford; Aloysius A. Mazewski, Polish National Alliance of the USA and Adolfs Lejins, American Latvian Association.

WASHINGTON STAR
TUESDAY, OCTOBER 12, 1976

Ford Tells Ethnics He Erred In Eastern Europe Remark

WHITE HOUSE MEETING

From News Service

President Ford today admitted he made a mistake in saying Eastern Europe was free of Soviet domination and delivered a scathing attack on Jimmy Carter's leadership qualities.

"I did not express myself clearly; I admit it," Ford told a group of ethnic leaders at the White House.

In a formal statement he read to the gathering, Ford said, "The original mistake was mine." He was referring to his statement last Wednesday during his San Francisco debate with Carter when he said Poland and other East European nations were not Soviet-dominated. Since then, he has said he could have been "more precise" — that it was all a "misunderstanding."

"There can be no doubt where I stand," Ford said. "Any man who seeks to persuade you that I think

See FORD, A-5

FORD

wanted to "put the Eastern European matter behind him" before the visits to New York and New Jersey, where he expects to encounter many voters of Eastern European descent.

Meyer, Ralph Park, of Cleveland

Continued From A-1

The House That Paley Built—And Keeps

By DONALD WEST

"There are a lot of rules you come to believe in as you go through life in broadcasting. The believability factor is a very, very important factor. And it's a very fine line, too. If you go over that line you get in trouble."

William S. Paley, the chairman and chief executive officer of CBS Inc., was talking about situation comedy. The subject was dear to his heart. A sure sense of how to entertain the American public was the rock upon which, over half a century, he had built an empire. Last Monday, for the first time, in what was for him both a rare and arduous interview, he warmed to the subject:

"I remember once when 'Amos 'n' Andy' were at their absolute height. Freeman Gosden [Amos] was a very good friend of mine. They had a new character who had come into the show who got the biggest laughs of anybody. Freeman was a man who was never satisfied. He always wanted to improve. He asked me what I thought about how the shows were going and I said I thought they were going fine, with one exception. He asked, 'What's that?' and I told him. And he said, 'But, this guy is getting the biggest laughs of all.'

"And I said, 'Right, Freeman, but I don't believe him. And in time I think it's going to hurt your show. He's getting laughs, but he's not fitting into the family you have developed in a natural way. So that people after a while are going to be as interested in him as they now are in the Kingfish, for instance. And Freeman said, 'You're absolutely right' and took him off the air."

Bill Paley had come to the same conclusion about Arthur R. Taylor, the 41-year-old bright, dynamic executive considered most likely to succeed Mr. Paley at the CBS helm. He was the finest product of the headhunter's art, equally at home with Renaissance history and the bottom line. As president, he had maximized CBS's already fruitful main businesses, in broadcasting and records, and brought order out of a checkered diversification program. In just four years he had even begun to fit into the statesman's mantle left behind when his predecessor, Frank Stanton, went into retirement.

But he didn't fit into the family. In the end, that was his undoing. He had succeeded not only too well but too soon. Bill Paley was looking for a successor in his image, not one who would reorder the company to another's. The end came abruptly on Oct. 13 when Mr. Taylor was called into Mr. Paley's office just before the board meeting that would accept the president's resignation. The outside directors had met the evening before in Mr. Paley's Fifth Avenue apartment.

Not that a Taylor succession could have eclipsed the mark Bill Paley has made on American broadcasting. He is to that medium as Carnegie was to steel, Ford to automobiles, Luce to publishing and Ruth to baseball. None has yet been succeeded in kind.

But Bill Paley, as he emphasized when he handed Mr. Taylor his hat, has yet to be succeeded at all. The man who built CBS, and with it much of the nation's broadcasting superstructure, remains atop both those eminences. He passed his 75th birthday, on Sept. 23, at full gallop. He did, apparently, look over his shoulder long enough to decide that he didn't want a Taylor cluttering up his wake.

The official announcement did say that Mr. Paley would relinquish the chief executive's role at the stockholder's meeting next April, but that may have been more a bow toward Wall Street than a harbinger of change. The Paley contract calls for his presence at 51 West 52d Street until Dec. 31, 1987—when he will be 86.

Mr. Paley's is one of the few non-talent contracts at CBS. Most of its executives enter on a handshake. The lawyers write their contracts as they leave. Mr. Taylor's separation involves more than \$1 million.

As long as Bill Paley occupies the chairmanship he is likely to remain in the corporate saddle, calling the corporate shots. He's been in that saddle since 1928. That was after Mr. Paley took \$400,000 his father gave him from the profits of the Congress Cigar Company and bought a failing Philadelphia enterprise called the United Independent Broadcasters Company, which had 16 wobbly radio station affiliates. At last reckoning the CBS-Paley reach encompassed:

A television network with estimated revenues of \$800 million this year; five television stations, 14 radio stations and a radio network, grossing \$225 million; a record company (domestic and international), \$500 million; and a direct mail company, a musical instruments business, publishing companies, and various retail businesses, for another \$625 million in all.

Altogether, it's a business empire with more than \$2 billion in annual sales and after-tax profits in excess of \$150 million—in 1976, an estimated \$5.50 per share. And it's still, as they say in the CBS family, 'Mr. Paley's candy store.'

The description is apt in emphasizing the totality of Mr. Paley's dominance, as well as the single-mindedness with which it is exercised at Black Rock, the 36-story, Eero Saarinen-designed, \$40 million skyscraper that is headquarters for the worldwide CBS empire.

Mr. Paley exercises his way from the 35th floor (the lawyers are on the 36th, to insure that no vibration from overhead reaches the executive precincts). The main office of his private suite boasts a Picasso, a Kline and a Giaco-

Donald West is managing editor of Broadcasting magazine, the news-weekly of television and radio.

metti, among other treasures. The space has been done over to suit its ever-rejuvenating tenant—it used to be dark and formal, now it's white, more informal yet somehow more elegant. Pictures of his wife, the beautiful Barbara (Babe) Paley, one of the three famous Cushing sisters, are displayed in a field of silver frames. Mr. Paley sits behind a round, antique desk that was once a French gaming table. Each position has an inlaid number. His is No. 1.

On paper, Mr. Paley's initial \$400,000 has been run into CBS stock worth between \$80 million and \$90 million in the current market, and his 1,683,312 shares (at 5.8 percent, the largest single holding) now produce \$2.8 million in dividends each year. That fact that Bill Paley was paid \$233,654 in salary and a \$225,000 bonus last year seems somehow inconsequential.

A visitor would not be surprised to learn that the man who works here was a valued counselor to one President (Truman) and a close friend of another (Eisenhower). Or that he hobnobs with Henry Kissinger. (No, Mr. Paley said firmly, it's not true that he has invited Dr. Kissinger to succeed him as chairman, as the international gossip mills claimed.)

Mr. Paley is above all, in the analysis of a longtime associate, a "superb business instrument, a man who deals with his best friend and his worst enemy on the same basis." Ultimately, said this admirer some weeks before the Taylor termination, "he makes the decision that is the right business decision for the company." Those decisions don't

always come easy—he nibbles away if he thinks something is wrong but he isn't sure." But when they arrive they come hard. Mr. Paley acts often from instinct, but an instinct guided by almost 50 years of CBS experience.

The consistently high marks given CBS by Wall Street have been marred only by its post-World War II diversification record, which until recently has been held in a regard so low as to border on derision.

CBS became known in some circles as "the purchaser of last resort." That period saw investments in the New York Yankees, which responded by plunging from the top to the cellar of the American League; Holt, Rinehart & Winston, purchased for \$250 million just when its education market, like the Yankees' aging talent, had peaked, and Creative Playthings, an innovative but mass-market-resistant company that is only beginning to turn a profit for CBS. It also saw internal diversification, into motion pictures (Cinema Center Films, which lost \$30 million before being shuttered) and Electronic Video Recording, which in the age of video tape, followed the trail of optical film straight into a \$20 million pre-tax write-off.

The sad record only compounded CBS's earlier all-thumbs reputation outside the broadcasting and record businesses. Its first diversification disaster was into manufacturing. In 1951, it

acquired the Hytron television set manufacturing business, giving up 620,000 shares of stock to do so. CBS wrote that business off in 1961, assigning a net after-tax loss of \$4.8 million to the transaction. The larger cost, however, was in dilution in CBS stock. Those 620,000 shares have grown to 5.6 million—20 percent of the stock outstanding and worth \$300 million.

CBS has been criticized, too, for paying so high a price for its entry into publishing, which, initially, did very poorly. By 1972, revenues from that business were \$14.9 million but profits were a mere \$100,000. It was into that situation that John Backe, then the president of General Learning, stepped

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*File*Reasoner, Walters Assess Debates

Barbara Walters and Harry Reasoner agreed Tuesday that the debates served the American public well, but Reasoner said they served President Ford better than his Democratic challenger.

Walters said the debates gave the public a chance to better understand the issues at hand. But she concluded that they boiled down to a question of trust, not issues.

Reasoner said the debates helped Ford more than Jimmy Carter because people got a more extensive look at the President than his Rose Garden campaign had previously afforded them.

Walters suggested that the increased exposure of the debates may have hurt Carter. Despite his campaign themes of love and trust, Carter showed himself to be just another "rough, tough" politician, increasing voter uncertainty about him, she said.

Reasoner also said that the recent Harris poll, indicating that college educated voters are leaning towards Ford, may hurt Carter, since the college educated are more likely to vote.
--Good Morning, America (10/26/76)



FINAL FIELD POLL

Californians Favor Ford 46% to 40% Over Carter

BY MERVIN D. FIELD

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President Ford has increased to six percentage points his margin over Democrat Jimmy Carter, the California Poll showed Thursday in its final voter survey before the election.

The President, who had led Carter 44% to 43% in a poll taken Oct. 7-8, now leads by 46% to 40%, according to the latest poll, which was taken Oct. 25-27.

This is the first time since the campaign began that the President has had a statistically significant lead over his opponent.

The poll also found that Sen. John Tunney has regained a slight lead over Republican S. I. Hayakawa, 45% to 43%, after being tied at 43% each earlier in the month.

Tunney and Hayakawa have been in virtually a dead heat since August.

The poll indicated that Proposition 14, the controversial farm labor initiative, would be rejected, 47% to 35%, and Proposition 13, the greyhound racing initiative, would be turned down, 66% to 18%. Proposition 14 would, among other things, guarantee farm workers the right to organize and to vote for a union of their choice by means of the secret ballot, and authorize union organizers to enter private property to campaign.

Proposition 13 would legalize on-track betting at greyhound races and establish machinery to award licenses to own and operate tracks.

The steady increase in Ford's support is due to a number of factors. While the Democrats are clearly the

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Poll Links Sense of Powerlessness, Not Disillusionment, to Low Vote

By ROBERT REINHOLD

The relatively low turnout in the Presidential election appears to reflect demographic factors, as well as a sense of powerlessness among the less privileged and the young, rather than active disillusionment with the American system or institutions of government, according to a survey conducted by The New York Times and CBS News.

The survey, which compared the attitudes and backgrounds of voters with those of nonvoters, found that voters were just as disaffected as those who stayed at home on Election Day.

The poll tends to run counter to pre-election theories that widespread, and apparently very real, loss of trust in government after Watergate and other scandals involving abuse of authority would be translated into a massive refusal to vote. For example, 55 percent of the nonvoters felt that public officials did not care about people like them; 55 percent of voters said the same thing.

As in past elections, the nonvoters were concentrated heavily among people under 30 and the poor, the less-well educated and blue-collar workers.

While those who failed to vote were no more likely than voters to be "alienated" from the political system in an active hostile sense, they did differ markedly

in that they tended to feel remote from government, to feel powerless and politically impotent. The survey detected in them a sense that their voices were inconsequential and therefore not worth hearing, that things would go on much the same with or without their votes.

The Times/CBS survey, in which 2,042 citizens over 18 years old were interviewed by telephone in all parts of the country from Nov. 4 to 8, also found:

¶Six of every 10 of the voters who made up their minds in the last few days before the election voted for Mr. Carter.

¶The outcome of the Presidential race would probably not have been altered had all 146 million Americans who are over 18 and eligible to vote gone to the polls, and, in fact, Jimmy Carter's popular margin over President Ford would probably have been much greater.

¶Mr. Carter was the heavy favorite among nonvoters, by a margin of 52 percent to 35 percent. With full voter participation, Mr. Carter would probably have won by about 53 to 45, rather than 51 to 48. It was impossible from the survey to tell if the electoral vote count, which depended on the vote in each state, would have changed.

¶About four of every 10 Americans

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