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THE WHITE HOUSE

WASHINGTON

September 1, 1976



MEMORANDUM FOR:

THE PRESIDENT

FROM:

JACK MARSH *Jack*

In examining the transcript of Carter's statements before the Nader Consumer Group, it appears he has a very broad grasp, in both a general and technical sense, of nuclear questions. This undoubtedly stems from his Navy career. He appears to be both confident and persuasive in his response. In fact, it was the most complete response he made in this interview. He may be wrong in his view, nevertheless it sounds like he is very familiar with the subject.

I mention this so that the treatment of this particular subject in the debates can be given careful consideration.

cc: Dick Cheney  
✓ Mike Duval

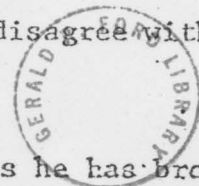
*Send to Jim Essner  
get very brief + sharp  
analysis.  
what's Carter saying  
what are we saying  
why is Carter wrong*

Senator Magnuson's committee, slowed in the past seven years by the reality of the probability of a White House veto, the Committee has a reservoir of effective suggestions to redress the imbalances of power between consumers and corporations. We applaud the example set by these individuals and others like them in the audience and across the country; we celebrate this kind of citizenship. (sustained applause)

In January of this year, at the Consumer's Federation of America's convention, Mr. Jimmy Carter said, "I would like to be known as the foremost protector of consumers." This standard that he has set for himself has far-reaching significance because, on thought, I think we must all admit that the ultimate test of our economic is the economic health, safety and well being of consumers today and in future generations. And it is the consumer's interest, whether in housing or in food or in other major areas affecting his or her life, that must be the touchstone and in the forefront of public policy-making. Please welcome Mr. Carter. (sustained applause)

CARTER: Thank you. First of all let me say that I am very pleased and proud to be here, to be sitting at the head table with such a distinguished group of courageous and effective Americans is an honor in itself. An accumulated talent, an ability and sensitivity and commitment of those who have just been introduced is, indeed, inspiration to us all. The only one about whom I have any concern is our host, Ralph Nader. (laughter) I was talking to Jack Brooks a few minutes ago and when Ralph's people went out to the audience to collect the question cards, Jack Brooks said, "I'm sure, knowing Nader, that he is taking up a collection." (laughter) I said, "He is way ahead of that—he takes up a collection before you get in the house; he doesn't wait until after you get in." (laughter) I made the mistake of inviting Mr. Nader down to Plains (laughter) this past weekend. I really wanted to make an impression on him because I have admired him so long and in order to do so I took him out to the Plains softball field and I was very pleased when Ralph and I got out of the car that all the tourists who now fill our tiny town rushed

forward with their autograph books. I turned to get my pen (laughter) out of my pocket. I then turned around to see all the tourists gathered around Mr. Nader instead of me. He brought me, also, some bad luck. I have a 7-0 record as a pitcher on the softball team on which I play. I lost my first game. In the midst of the game, my brother's gas station exploded (laughter); I wound up with two charley horses--one on each leg and his performance as an umpire! (laughter) I'd rather not comment on it. (laughter) He said that he was fair because both sides said he was lousy (laughter) and I can't disagree with that. (applause)



I hope that this forum is not one of a series of catastrophes he has brought on me so far. (laughter) I think that this is an unprecedented thing for the nominee of one of our parties to appear in a no-holds-barred talk-interchange of ideas and questioning with the leading consumer advocate of our country. But I come here as one who has spent the last 20 months travelling throughout our nation to try to seek votes, and I have been successful in that--to try to learn. When I began my campaign, as you perhaps know, I didn't have a built-in organization. I was not well known. I didn't have much money; only a small staff. I didn't have command of the news media as I would have here in Washington or I would, perhaps, in New York. But my wife and I, and many others, went from one living room to another; one union hall to another; one high school auditorium to another. Sometimes only three or four people would come, but I would make about a 10-minute speech and answer questions for 45 minutes or so, and I began to form a relationship with individual voters that paid rich dividends as the campaign progressed. And I learned in the process.

A lot of news media representatives and sociologists and political science professors have asked: "Are you a liberal or a conservative?" I never have tried to answer the question. In some areas I would be quite liberal: in consumer protection, environmental quality, human rights and civil rights.

In other areas I would be quite conservative: tight management of government, careful planning, strengthening of local government, good openness of government. One way to categorize my beliefs would be popularism, if you would let me define the word--and I would almost equate it with consumerism. I have been deeply hurt, as have many other Americans in the last few years, with the deterioration and the quality of our governmental processes. They have been demonstrated in many minor ways, but in a few major ways: the Vietnamese and Cambodian wars; the attempt to become involved in Angola; the CIA revelations; the Watergate scandals. There has been a deep sense of alienation of people from our government and a sense of disappointment, a sense of embarrassment--sometimes even a sense of shame. These feelings, perhaps, are justified and legitimate but there is a reservoir of deep commitment that exists in the minds and hearts of the American people that is waiting to be tapped. I have always felt that, to the extent that government in all its forms can equal the character of the American people--to that extent, our wrongs can be redressed, our mistakes can be corrected, the difficult answers can, perhaps, be given to difficult questions and there can be a restoration of confidence of people in government.

The government must be well-organized, simple, efficient--so that the average person can understand what goes on there. So that there can be some access to the person or persons within government who can meet the need or receive a complaint or to discuss it, perhaps, as a legitimate public criticism or attack. We now have a bureaucratic structure in the Federal government and many state governments but--because of its complexity--it is almost impervious to the entering of a human being into the decision-making process. That needs to be changed. In many instances, when agencies or departments become obsolescent or obsolete, their usefulness having been performed, then they can try ways to wrap themselves in secrecy when a new, vigorous, badly-needed function of government is originally instituted--there is a strong national motivation to let people

sources of legitimate prying and surfacing of ways of letting people know what goes on in my department. But once a department serves its function, there is a strong inclination towards self-perpetuation and for the enshrining of that agency in secrecy. This occurs too often and we need to pursue the legislation of which Jack Brook's department opens up to deliberations of our government--not only in the Executive branch but, hopefully, in the Congress as well. The public access to public scrutiny, to public knowledge, to public involvement--to perhaps even public control for a change.

We must have, also, the involvement of citizens in the preparation of decisions. The budgeting process should be open; revision of major legislation should be open, and there should always be a sense of what government does is for the best interests of those who have no powerful lobbying group; who have no direct access to those who have power in the White House or otherwise, and who quite often have no intense interest because they lack understanding. When the regulatory agencies were being established about 40 years ago, when Franklin Roosevelt was President, he said--an almost humorous remark now--"Regulatory agencies will, indeed, be tribunes for the people." They have not turned out that way. Because no matter what the hopes have been, the regulatory agencies were first formed to protect the consumer alone against the encroachment of a selfish interest. Quite often the average consumer, the average citizen, has no awareness of the procedures, never sees the issues clearly defined and--because of that--has a notable absence of interest. And, almost by default, there becomes evolved a "sweetheart arrangement" between the regulatory agencies themselves and those in industry who are being regulated. Many Presidents have perpetuated that deterioration by appointments to regulatory agencies--there has been kind of "revolving door" between the industry being regulated and the regulatory agency itself. I would like to stop that if I am elected President.

First of all, I would like to see Congress pass a law that would make it illegal for the movement of members of regulatory agencies back into the industry from which they have come to the present administration. In the last eight years over half the appointments to the nine most important regulatory agencies have come from the industries being regulated. And, of course, quite often they don't serve the whole term because of the free movement back into the industry from the regulatory agency itself. If it is impossible to pass such a law, then through Executive Order and through a firm commitment from those whom I am considering for appointment, I'll prevent that continuous ingress and egress between those two entities in our society. We also need to have within the government structure itself a competent group who can speak for consumers. Senator Magnuson and Congressman Brooks have, thus far, been <sup>un 1.1</sup> successful in getting this legislation passed--Consumer Protection Agency or Consumer Agency for Advocacy.

I am strongly opposed to the proliferation of new agencies, departments, bureaus, boards and commissions because it adds on to an already confused Federal bureaucratic structure. But this agency, in my opinion, is different. If I am elected President, I would look on this group (a very small group, by the way) to help me probe constantly, to discover agencies or functions which ought to be eliminated. To publicly reveal inadequacies, inaccuracies that exist within the people's own government. I believe that every year because of the process of screening out obsolescent aspects of our government, the Agency would more than pay for itself. There would also be a very low cost--I think ten, eleven, twelve million dollars per year. This is about the amount of money that HEW spends every hour. So...I strongly favor this legislation. I hope the conference committee will pass it quickly; that it will be adopted. I hope that President Ford will sign it into law. If he should veto it, I hope that Congress will override his veto. If the veto should be sustained, I will continue to make it

a major issue in the campaign this fall. If I am elected President, I hope it will be one of the first bills passed during the next administration. (loud applause)

There has to be another means for citizen involvement in our government. The President is the major spokesman of our country. Access to the President from groups represented here today is crucial. Too often in the past the White House is surrounded by an impervious obstacle which is open to those who are powerful and influential, but was not open to those who spoke for the average citizen. That ought to be changed and it will be changed if I should be elected President. At the same time we ought to pursue an idea that Georgia initiated while I was Governor, called "tie line." We set up an in-watch line when anyone in our state at this moment, if they have a problem or a need, or a question or a criticism can call without cost on a nearby telephone (perhaps their own, if they have one) to one number, which is highly publicized through welfare checks, public advertisers on radio and television and ask his question and--while they hold onto the phone--without delay the answer will be provided. If one's welfare check or social security check doesn't arrive, while the person holds the phone (perhaps an illiterate person) they are connected automatically to their own Congressman's office in Washington to give their expression of concern and, perhaps, to receive attention. If they go into a local grocery store to buy a chicken and they pay for 3 pounds of chicken and, when they get home, they find it weighs 2½ pounds--they can call the same number and say they got cheated in their local grocery store. And, while they hold onto the phone, they can be connected to the person in the Agriculture Department who is responsible for the accuracy of grocery stores scales, and so forth. I think we now have over 26,000 categories of complaints on microfilm and we keep a record of complaints in addition to answering questions of that kind. A similar occurrence could very well be instituted





find the source of an answer to a question. (applause & laughter)

In closing, let me say this: I don't claim to know all the answers. Many of you in the audience are experts in the field of special interest to you. One of the reasons I came here was not to teach, or even to promise, but to learn. A lot of legislation has already been passed to help those who look to you for leadership and perhaps because of your own instigation. As that legislation has been passed, quite often it has not received the support and adequate financing from our executive leaders in the White House. Another point I would like to make in closing is this: Next year perhaps there is going to be a different climate in this country. Can you imagine the change that is going to take place in matters that are of great concern to you when the President and Congress work in harmony, with mutual respect, in close consultation--supporting one another in the open? And when we have a natural inclination to be supportive of suggestions which help the consumers of this country? That in itself can be a tremendous step forward, even if we never pass another consumer protection or advocacy bill. Of course we'll pass them, but think for a moment in the field of poisonous materials, safety, transportation, energy, taxation, access to government, environmental quality and many others... If you felt there was a receptive ear to your problems, to your suggestions and to your criticisms in the White House... This is not a partisan speech but I would like to point out that in the last 24 years we have only had Democrats in the White House for eight years.<sup>2</sup> I think, in general (and there are, obviously, some exceptions) our Party has stood for a close relationship to the voters themselves--with an emphasis on individual citizens and a minimal emphasis on powerful intermediaries, which has quite often been an obstacle to close and regular access between citizens and the government. But that's going to change and I think it will be a good change. As Ralph Nader pointed out when I spoke to the Citizens Forum a few months ago, I hope to challenge him in the future for the title of the top

NADER: Thank you, Mr. Carter...for those remarks and sensitivities. We now turn to the panel of six reporters, who will ask questions and, possibly, follow up inquiries to their questions. The panel is composed of Morton Mintz of THE WASHINGTON POST; Eileen Shanahan of the NEW YORK TIMES; Les Whitten of LES WHITTEN AND JACK ANDERSON (columnists) (laughter); Steve Aug of THE WASHINGTON STAR; Mike Conlan of UPI, and Karen Elliott of the WALL STREET JOURNAL. We will start with Mr. Mintz.

MINTZ: Governor, you referred a moment ago to the last few Democratic administrations; it was during their tenure that a tidal wave of mergers occurred. That tidal wave really strengthened the power of giant corporations over the economy. Those administrations that were in power did nothing, and the fact is that Mr. Nixon's administration was trying to break the tidal wave. The Anti-trust Commission warns now that we are on the brink of a new wave of mergers, and I would like to ask if you are aware of Senator Hart's proposal to try to head it off by giving the Justice Department authority to get an injunction against the mergers that are, in fact, suspected to be illegal, reporting on that resolution and, then, letting you have a position on that proposal?

CARTER: I do favor the right of the Attorney General to obtain pre-merger injunction and recognize that, during both Republican and Democratic administrations in the past, there have been derogations of consumer rights. I can't claim, obviously, that all the fault lies with one party or the other. But there has been a growing awareness, as you know, in the last eight years because of actions of those assembled at this head table and others, and I think that the response will be different in the future -- certainly, if I am successful in November. So I do favor the legislation.

MINTZ: Thank you. I have no follow up.

NADER: If you will just continue in the order designated. Miss Shanahan?

SHANAHAN: Governor, you have said that it's going to take a whole year to work out your tax reform program.

CARTER: Yes.

(Tape garbled here, following Mr. Carter's interjection)

SHANAHAN: If those are the circumstances, why do you think you can succeed in tax reform where other Presidents of both parties have failed?

CARTER: If I can complete my own analysis, of the tax revision, within a shorter period of time, I would certainly proceed aggressively -- I would like to be cautious in what I promised since the present tax code comprises roughly 40,000 pages. I believe that it would take approximately a year before a final and comprehensive proposal can be made to the Congress. The thing that concerns me about tax reform is this: When it is done piecemeal, one portion at a time, it's almost impossible to correct the basic defects or inequities in the tax laws themselves. And those special interest groups--some quite benevolent--who are thoroughly aware of an advantage to be derived from one particular part of the tax code can focus their attention and their influence with Congressional members very acutely on that one particular aspect of the tax code. The average consumer or voter in this country who can exert tremendous pressure on members of Congress and the President, if they are educated, have no way, for instance, under the present tax reform bill now in Congress, have no way of understanding exactly what is going on. I don't think we're going to be successful in providing a substantial increase in equity by trying to amend the present tax code -- paragraph by paragraph. I think it is going to have to be, first of all, comprehensive; it is going to have to be generic in nature; to basically start from scratch and prepare a comprehensive proposal at once. A great effort to simplify; the removal of vast numbers of the special privileges that have, in the past, been put into the tax code (and are still there); an emphasis on equity and an emphasis on simplicity; a guarantee that there will be a truly progressive tax rate for those who make a higher income, so that those people can pay a higher percent of their income in taxes, and so forth. So... because of the comprehensive commitment, that is why and where the delay might be. However, I'll proceed as expeditiously as I can. I'll emphasize one other point:

This has never been attempted, in my memory—where the full resources and influence of the White House and the President have been put behind a comprehensive assessment of what we have and what we ought to have. If I can present to the American people and the Congress, with full participation by the Congressional leaders by the way, during that process -- a tax proposal that is simpler; is fairer; is comprehensive; and guarantees more equity of treatment... then, I believe we have an excellent chance of passing it. I am determined to do it and I consider it on my word of honor at stake; it's not a lightly made commitment -- and I consider we have an excellent chance to succeed.

SHANAHAN: The other day, Governor, you apparently received a phone call from Senator Long which he had discussed (here a cough garbles the tape) publicly on the subject of tax reform. And, as he recounted the conversation, he made it sound as if you had made a commitment to be extremely careful about doing anything that might possibly hurt business investments. Is that an accurate, correct reflection of what you said to him in the context of perhaps lighter taxes on Capitol Hill?

CARTER: No, we didn't discuss that at all. There was nothing in the conversation at all that referred to business investments or tax credits or anything else.

WHITTEN: Governor, first off before I ask my question, I'd like to know what kind of toothpaste you use? (laughter)

CARTER: If that's your only question, I'll answer it. (laughter)

WHITTEN: As a matter of fact, I just happen to have one about the oil industry... (laughter) Do you feel, Governor, that "big oil" should be broken up, ONE: to divorce it from its control of other energy sources?

CARTER: Yes.

WHITTEN: And/or TWO: Into separate companies for the oil fields themselves, that is: pipelines, the refineries, the distributors, the retail outlets and so on. And, if you do feel on either hand that it should be done, do you plan to make sure through your appointments to the FTC, the FPC, the FEA and anti-trust this can be carried out in any way?

CARTER: I have been careful about what I said about this subject; not because of any political consequences (because it's a very popular thing to be for total divestiture) but because I want to be sure that what I do is right and best for the consumers ultimately. I don't favor total divestiture, as a commitment of my own. I do favor divestiture in two areas: One is the wholesale and retail distribution level of fuel and in horizontal investments. Unless I am convinced that there is some alternative way to provide intense and adequate competition, the aspect of the influence of oil companies that I, about which I feel most concerned, is the horizontal investment into the coal fields, geothermal supplies and uranium. And that is my basic concern. If I am not convinced, and I have told the oil industry representatives the same thing, that there is an adequate amount of competition (which there is not now, by the way) then I would favor divestiture in these two areas.

WHITTEN: To tie this in very hard on that...

CARTER: Please?

WHITTEN: You say, "...that there is not now..." you said very distinctly?

CARTER: That's correct.

WHITTEN: What steps would you take, if you become President, to reverse that situation?

CARTER: Well, I think that, in the past, there has been an inclination on the part of the oil companies' investments in the coal industry to reduce the supplies of coal. To artificially raise the price of coal above and beyond the rate that would ordinarily accrue because of production costs increases and so forth. In my opinion, that is a violation of, perhaps,

anti-trust laws and I feel that perhaps the strengthening of anti-trust laws or the enforcement of those presently on the books can correct that situation. That would be an option. But I believe now that there is a need for corrective action.

WHITTEN: Now--about the toothpaste... (laughter)

CARTER: You've lost your chance at the toothpaste question. (laughter)

AUG: Mr. Carter, the Ford administration--as you are probably aware--has sought to ease the amount of Federal control of airlines, trucks and railroads...


CARTER: Yes.

AUG: In the belief that it would help consumers by lowering prices, I wonder what your view on this is? Would you, for example, specially padlock the doors on the ICC, CAB? How do you feel about regulating our transportation--should it be thrown open to the competitive marketplace?

CARTER: Well, as has been pointed out many times, there are two aspects of regulation. I think one aspect of regulation is very vital to the consumer. That is the regulation of things of which the consumer cannot adequately assess for oneself: hidden chemicals in food, the amount of damage that might be done to the environment, and so forth. On the other hand, economic regulation which permits, in many instances, an unwarranted increase in the price of products to consumers ought to be drastically minimized. Whether they would padlocked, I can't commit myself to that drastic a commitment--but in my own appointments to the regulatory agencies that are involved in economics, I would try to enhance the degree of competition that presently exists and lower the prices that are paid by consumers. One obvious and repeated example that is being used is the relative cost of intrastate airline travel (such as in Texas or California) compared to equivalent distances traveled in inter-state

airline routes where the cost is almost doubled because of the rulings of Federal regulatory agencies on inter-state transportation. Another very serious concern would be in the charge for electricity by power companies--say, electric power membership corporations. In some areas, because the power is transported across the state line, the Federal Power Commission has authorized wholesale rates to, say, the electric membership corporations or to cities or to other entities that actually exceed the retail level or power costs or charges approved by state regulatory agencies. This is a great concern to me and I think it is the kind of abuse that should be corrected. So, to summarize: in the economic regulation, I think we need to move very drastically to increase competition and to remove the protection to the industries themselves and the area of protecting human beings against damage from chemicals. Environmental problems...I think this is an area where regulatory agencies might be strengthened.

CONLAN: A question has support from environmentalists and energy forces but has opposition from organized labor, or some segments of organized labor: Would you favor a nationwide ban, or prohibitive tax, on throw-away beverage containers?

 CARTER: I don't know. I haven't information to know whether I would favor it or not. I don't know how it has worked in Oregon. I know it has been tried there. The former Governor of Oregon thinks it worked very well, but, at this time, I would not favor a nationwide law on that subject. But I would reserve the right to change my mind in the future if evidence is presented to me that it might be advisable. So...that's a question I can't answer.

ELLIOTT: You said, Governor, that you oppose opening up of government knowledge of how to enrich uranium to private industries. Last week the House

passed a bill that would allow private industry entering uranium enrichment backed by eight billion dollars in government loan guarantees. Now, if a particular contract between the private companies and the government doesn't reach the White House until January, when you are there, would you veto those contracts?

CARTER: I hate to say this far ahead of time, when I am still a nominee and not a President-elect, what I will do about specific legislation whose form I don't know and which I have never seen. I don't think it is a matter of the private industries knowing about the process, because quite often they have performed the process themselves under direct contract with the government. This was the case at Hampton Works by DuPont; by G.E. in Knolls Atomic Pile Laboratory, for instance, and at Westinghouse and at other places in Pittsburgh. So, it is not a matter of whether or not private industry knows about the process--secrecy is not a part of the problem. I personally believe that, if the Federal government is going to turn over to private industry the enrichment responsibility itself and has to guarantee a certain amount of profit as a prerequisite to the industry assuming that responsibility, that this would probably work to the disadvantage of our people. I would rather see the same amount of money expended to expand our present facilities--if expansion is needed.

ELLIOTT: Does that mean you would veto a particular contract allowing private companies to enrich uranium?

CARTER: I still can't answer your question, because I don't know if the legislation would call for the President to have the authority to veto a contract. That may be a responsibility assigned to ERDA to pursue it. I would be under an oath to enforce the law, as it existed at any one particular moment; and--if the law required it--this contract arrangement would be pursued, of course, in spite of my own aversion to doing it. I would





have to comply with the law. But, I have expressed to you my...

ELLIOTT: If given a chance, you'd be opposed to it?

CARTER: That's right. But I can't promise you that I would veto a specific contract if the law had already been passed authorizing the contract to be let.

MINTZ: Mr. Carter, more than thousands of Americans die of cancer every day. The American Cancer Foundation stated (90% of the cases were caused by environmental factors including chemicals in the workplace and in the air, drinking water, food and drugs bought. The Senate subcommittee bill would require screening of all widely-used chemicals to determine if they may cause cancers in humans. Do you have a position on this, sir?

CARTER: Well, I'm against cancer. (laughter) I've seen in my travels around the country some of the problems and also some of the results of corrective action. I was in a plant, for instance (I believe, in New Hampshire) that processed asbestos. The manager of the plant was complaining very aggressively about OSHA (Occupational Safety & Health Administration) and how OSHA people had come in to "disturb" his plant. Later in his conversation, as I went through the plant, some of the employees said that two years ago "...you couldn't see from one end of the plant to the other," because of the asbestos in the air; and that was all cleaned up and the plant manager was very proud of this change. I asked him what made him change his mind? He replied, "The OSHA people required us to do it." (laughter) So...I am concerned about this problem; I think this involves a wide range of problems. One of them is insecticides and other chemicals which are sprayed. Obviously, others involve the content of medicines and foods that are consumed by persons; another one would involve the enforcement of air quality standards. Another would be the improper control or testing which would result in

*To the press -  
specific example*

some inadvertent poisoning of people. One of things I do favor, regardless of who does the preliminary test, is the complete revelation of the results of tests--of chemical or medicines before they are put on the market. I think this can be done without revealing trade secrets about the exact formulæ that would comprise a new product. But, at the present time, when this testing is done either in public or private laboratories or by the company itself, there is no requirement that these tests be made public. If they were, I think that interested scientists (maybe scientists who would be involved with the consumer groups who are represented here) could publicize the possible dangers. So...I do favor corrective action in this field and would do all I could as President to pursue it.

MINTZ: Governor, I asked the question because Congress has been hung up for years on this issue...that is, how can they pass a toxic substances bill? The Senate has one and the House bill does not contain the provision I talked about. And I wanted to ask again whether you have any views that you would like to convey to the people and to the Congress on this particular issue of screening all widely-used chemicals to determine that they may cause cancer in humans?

CARTER: Did I answer the question? I gave you the best answer I could.

MINTZ: Thank you.

SHANAHAN: Governor, there are a great many proposals for Federal legislation to force corporations to be more law abiding, ranging from relatively small charges like giving the outside directors control of the (inaudible) Committee to comprehensive proposals like Ralph Nader's Federal Chartering Bill. Which, if any, of these proposals do you favor?

CARTER: Well, I am not sure about the proposal for Federal chartering. My own philosophical commitment would be to let the states do it if they can or will. And, as a second alternative, to set minimum standards for charter-

ing, and then permit the state to comply, mandatorily, unless they want to assume the Federal chartering requirements. There are some state chartering provisions that obviously are too low and permissive, like the ones in Delaware. I think it was Mr. Nader who pointed out to me that, for instance, if General Motors wanted to sell their Buick Division, they would not even have to seek the approval of their own stockholders; and that if a major official in a corporation was convicted of a crime and was fined \$10,000, the corporation could pay the fine for that individual without approval of the stockholders. So access of the stockholders to have a greater control of the company is something that I would favor very strongly. Secondly, I believe that there ought to be a reduction in the protection for criminals that is not provided within the corporate structure. I see no reason for corporations to give bribes in this country or in other countries. The recent proposal by the Administration is that the companies, in effect, can go ahead and bribe in foreign countries. They have to reveal the bribe to the Commerce Department. It is kept secret for a year, and I understand revealed if there is an assessment by the Secretary of Commerce or the President that a foreign law was violated. The concept of confidential disclosure, to me, seems to be a conflict in terms; and the concept of permissive criminality (laughter) also seems to me to be a conflict in terms. I believe it is accurate to say that every nation in the world has bribery defined as a crime, and I see no reason why our own country should contribute to corporate crimes of any kind.

SHANAHAN: In talking about a "Minimum Standards Bill" or any other approach, do you have some thought as to what you would make a crime, other than bribery, in terms of nonfulfillment of Federal laws, or anything else; and how you would, and at what level within the corporation, make anything a crime?

CARTER: I can't answer that question. Obviously a violation of the state or Federal laws is, in itself, defined as a crime. And I think the punishment should be commensurate with the degree of criminality or the harm that has resulted from the commission of the crime. I would prefer to see heavy corporate fines levied or perhaps a criminal penalty including incarceration for leaders of the corporation or business who were peddling and proven to be guilty, and this would include damage to persons' health or lives, or the subversion of the orderly structure of our society through bribery and other means.

WHITTEN: Governor, in view of your forceful words about sweetheart deals between the regulatory agencies and industry, and in view of the way commercial time on TV has gobbled up so much program time, do you favor a drastic cut-back in commercial time on TV, and will you appoint militant FCC Commissioners to try to cut back that time or propose needed legislative remedies?

CARTER: I can't answer the question about whether the present allocation of time is adequate. I am not sure even what the requirement is -- I understand it is about 30%. I don't know the answer. But, anyway, I will appoint consumer or citizen advocates on the FCC and in other regulatory agencies as well. One statement that I made about a year ago is that one of the goals that I have for my own appointees is that they would be acceptable to Ralph Nader. That doesn't mean that I am going to get his approval ahead of time or consult him necessarily in every appointment, but the thrust of my own commitment to appointments on regulatory agencies is to fulfill the original concept which was that it would be a forum for the people and the protection of the people themselves.

WHITTEN: I would like to follow up on those questions.

CARTER: Please do.

WHITTEN: I would like to ask you -- you must watch TV as we do...

CARTER: As a matter of fact, I do not watch television very much.

(Laughter and applause).

WHITTEN: My question has reference to the family. Do you believe there is too much violence on TV -- especially as it affects children?

CARTER: Yes, I do think there is too much violence on television. I think that the President himself has certainly a right, even an obligation, to express to the public displeasure or criticism of programming content. That, I believe as I said, is a right and a privilege and a duty. I believe this would have a great influence to the extent the President was both forceful and trusted to shape the opinion of viewers of television programs. And if I should call on parents of this nation, or viewers, to express their displeasure, or because of that encroachment on the consciences of their children, of extreme violence, I think there would be a beneficial effect there. I believe also that within the framework of the law, it would be appropriate to have members of the regulatory agency prescribe some standards. I personally don't favor censorship as such. I think this offers a very fine and subjective decision to be made between censorship on the one hand and quality of content on the other. But even then I would tend to do things, as I told you, through my own appointments on the regulatory agencies and within the law try to improve the quality of programming, and secondly to express my concern from the White House.

AUG: Mr. Carter, in connection with the FCC, I would like to ask you briefly about competition in the telephone business. There is legislation, you know, sponsored primarily by the telephone companies, both the Bell System and the independents, which would in effect, drastically cut down, if not eliminate, competition within the telephone industry, which has come about within the

past eight years or so. There is a good deal of controversy over this legislation. I wonder, first of all, whether you will favor continued competition in the telephone industry? And secondly, whether you would favor the current approach by the administration to break up the Bell System?

CARTER: I'm not qualified to answer your question; I'm not familiar with the legislation that has been proposed. I do favor competition within the telephone industry, I think that there are a couple of instances with which I am personally familiar as a businessman and as a candidate. And that is the right of competitive companies to provide transportation systems within a motel or hotel or large business or a very rapidly growing political campaign and so forth. I think this is one area which should be preserved. This would involve the within-building exchange system of the telephone sets themselves. I think that this is a legitimate reason for a place for competition. I have not observed myself, nor have I been presented with any proof that there is too much competition within the communication industry now. My own inclination now is to think that there is not enough competition. And I believe that the proposal initiated by the President is proper. I don't know the details of it, of course; it's in the hands of the courts or the Justice Department, but I believe that it would be a good move in the right direction. And, at this time, I don't believe that we need any corrective legislation as you have described. But I've made all these statements without having studied the bills; I haven't heard the debate on them and I'm not an attorney. I haven't had anybody brief me on that subject.

CONLAN: Mr. Carter, the Democratic platform makes no specific commitment to no-fault insurance, but I wonder if you could tell us if you would favor a nationwide no-fault law, or would you prefer to leave it to the states, which seems to be the current administration's policy?

CARTER: I pursued aggressively as Governor, a comprehensive and effective and complete no-fault law. We were not successful. We passed a no-fault law but it was kind of a shell of what we wanted, what I personally wanted. My own inclination would be to delay my full commitment to a Federal no-fault law until after I was able to assess the relative efficacy of the 21 state programs that are presently in effect. One of the political circumstances that prevail in our country (which I think is a good one) is that, under the original Constitution, the Federal government was only given certain prescribed authority. The states reserved the unassigned authority to themselves and, as new problems have come up historically in our country, they have first been faced at the state level. I believe that this is a good experiment area. This occurred in the field of civil rights; it occurred in the field of no-fault insurance; it occurred in the field of environmental quality, and other ways. And I think the no-fault insurance concept is still in the embryonic stage. I have no aversion to a Federal law that sets minimum standards for no-fault, and I think it is going to pass. But, at this point, I think I would need to assess the relative effectiveness of the no-fault bills that have been passed. I have studied this extensively as Governor of Georgia, particularly their bill in Massachusetts, which was the first law, the one in Puerto Rico, and the Maryland bills. And our proposal was based on the Maryland concept. So, ultimately, I think we need a comprehensive and nationwide approach to no-fault. I think that Federal legislation is inevitably going to come. I would like to reserve my commitment on that until after I have the time and the authority to assess the relative advisability of the different state tests that are now in progress.

ELLIOTT: Thus far, the country has spent three billion dollars developing fast breeder reactor programs and a demonstration plant.

And the demonstration plant still hasn't been built! And the people at ERDA tell me that the cost of that demonstration plant is going up a \$100,000 per month, if it is ultimately built, each month that it is delayed. Do you favor speeding up that program? Stopping it? Continuing at the present dragging pace? What would you do? ✓

CARTER: The liquid metal fast breeder reactor, in my opinion, is a substantial waste of money in the way it is being conducted in our own country now. There are working fast breeder reactors using liquid sodium both in France and in England. And I think the test data that we hope to get from the plant now being built in, I believe, Tennessee is doubtful at best. In the last few years, as you know, the AEC, then, and the Congress, in the present, have allocated a tremendous amount of our total research and development money to the liquid metal fast breeder reactor itself. If atomic power does continue in the future to be a major source of energy, then I think the breeder principles must be pursued and understood. As you know, Canada uses natural uranium only slightly enriched along with heavy water. We used natural or light water along with highly enriched fuels. Another possibility in the future is to use thorium -- but then a separate and distinct kind of breeder reaction which does not require, I don't believe, liquid sodium. So, I think that the amount of money that we are presently spending for liquid metal fast breeder reactors should be drastically reduced. I think we should maximize our own benefit to be derived from observing France and England's progress (they are already at least as far along as we will be when we get the liquid metal fast breeder reactor completed) and that atomic power itself be relegated to the last priority as far as energy sources are concerned. That we have an emphasis on conservation, which we have not yet done; basically shift from oil to coal, which I think we must do; and shift research and development funds a great deal stronger toward solar energy. Did I answer? (applause)



NADER: Just a few questions from the audience. The time is getting short, as you know. The question is from Beverly Moore, Jr., of the Class Action Reports: "What is your position regarding expanding class action damage suits by consumer and pollution victims as an alternative or supplement to regulatory solutions?"

CARTER: One of the proposals that I favor is to let the state attorneys general be authorized to file class action suits for people within their own states. This is presently prohibited. I also would like to see legislation passed to overthrow the Supreme Court rulings that in the past have blocked consumer class action suits. As you know, there have been two very damaging decisions made, both of which I think are not in the best interest of our people. One says that you cannot file a class action suit unless your own losses have been (I think) \$10,000 or more; and the other one says that, before you file a suit that is based on a class action principle, you must notify every single person, which may be more than a million, that the suit is being filed on their behalf. So, as a general principle, I favor the concept of the class action suits, and those are three examples that come to mind immediately. I am not an expert on the subject, but as Governor of Georgia, in my own consumer protection proposals, these principles were included in my requests from the legislature.

NADER: Ray Watts of the Senate Small Business Committee asks: "Present law permits General Motors, for example, one of the two or three largest refrigerator makers in the world, to keep secret its investment, sales, and profit in its refrigerator division. Would you favor changing that law so as to require public disclosure of large operations in particular industries of the multi-national conglomerate corporations --that is, where they have several divisions

at various economic activities and they don't disclose them?"

CARTER: I think you all probably realize that I am not any better qualified to answer these questions than you are, and perhaps there have been questions asked that all of you can provide the answers to. I don't understand exactly the problem of that particular question, since the price of refrigerators is not a matter that is under the purview of regulatory agencies except the anti-trust laws. I think, under the chartering provisions, that we discussed earlier, this might very well be an avenue that could be used to reveal (at least to stockholders which would then be an avenue for public knowledge, of how the different divisions within a corporation reports its profits. I was under the impression that corporations already provided that kind of information. As far as requiring the companies to reveal every aspect of that internal accounting data, I think that is probably going too far; but, in a major division, like the manufacture of all home appliances, or say the Ford or Chrysler or Lincoln profits as a division, I think that this is information that ought to be made available to stockholders themselves. Ralph, you can probably follow up with a question on that since I don't quite understand what the problem is, and am not familiar with that debate.

NADER: The League of Women Voters asks you: "Do you envision any financial aid or help for small farmers or family farms?" I assume that question is asked in the context of the takeover of farms by large corporations in some parts of the country.

CARTER: I think, as a farmer, the thing that the small family farmer needs most is a long-range and predictable agricultural policy. It is obvious to me that Secretary Butz has as his major background experience and as his major interest the food processors and grain speculators and not the small family farmer and the consumer. (Applause). I believe, in the long run, that an



agricultural policy that does benefit the small family farmer is almost invariably compatible with what is best for the consumers who don't live on farms: maximum production; adequate reserve retention; price or base supports that are roughly equivalent to production costs and don't guarantee a profit; aggressive sale of American agricultural products overseas when once our country's needs are met; and predictability. These are some aspects of agricultural policy, that some of which are presently absent. I believe that financing has been a very serious problem. When I was campaigning in Wisconsin, just to give you one quick set of statistics, I did a great deal of research because we don't have very many dairies left in Georgia (they have all closed down). But I discovered, for instance, that the average dairy farmer in Wisconsin has an investment in the farm and equipment and cows of \$180,000. The average net profit per family off that dairy farm is less than \$7,000 a year. That includes the work that has been performed by the farmer, the wife, and the children. This is a very, very low return on that high an investment. If the farmer sold the farm and put the \$180,000 in a savings-and-loan institution at a 5% interest rate, they could make \$9,000 a year on interest, without working at all. Well, there are real needs in agriculture, but I think one of the basic additional needs that I would describe in closing my answer is that the facts about farming and what our agricultural industry means to our nation's foreign trade, the special problems of the agricultural community, and emphasis on Government programs in support for the family farm itself and not the corporate farms, and emphasis on the family farm and the consumer and not on grain speculators and food processors. These changes, I think, would be advantageous to our country.

NADER: Last question, because we are running out of time, from Susan Gross, Counsel for Public Interest Law: "Do you favor authorizing federal agencies

to provide financial assistance to citizen groups such as consumer and environmental groups who wish to participate in agency proceedings, cannot afford to do so, and can be deemed to represent important unrepresented interests?"

CARTER: I hope that question came from the audience and not from...

(Laughter). At this time, I don't favor that. I would first like to try the Consumer Protection Agency as an advocacy group for consumers, and see how well that works. And to see that, if that change and an understanding, responsive attitude from the White House, and openness of government wouldn't adequately solve the problem. The regulatory agencies' change in attitude would be another factor. So, I would prefer to hold off on my approval of providing direct financial aid to consumers individually or to private groups, from federal agencies, until after I see how well these other proposals, cumulatively, can benefit the consumers of this country.

Let me say this, in closing...Mr. Nader said this was the last question. I will repeat in saying that I don't know all the answers. I have learned a lot from your questions and from the materials that you have been very gracious in submitting to me. I think it is very constructive for the nominee of the major party to come and be subjected to this kind of open interrogation on some very sensitive issues. Not having been a member of the Congress, and not having been involved in the debates of its Committees, and not having heard much of the testimony, I am not qualified to answer a lot of the questions. I would like to ask you to do one more thing for me: If I am elected President, then as the President of our country, I hope you will let me come back.  
(Applause).

NADER: Thank you very much, Mr. Carter, for the generous time you have spent with us today. Those of you who are interested in information as to how to obtain a transcript of today's procedures may wish to call 659-9053,

Mr. Mike Horrocks. We look forward to the responses from Mr. Reagan and President Ford, and will be sure to inform you if they are affirmative.