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September 10, 1976



MEMORANDUM FOR:

MIKE DUVAL

FROM:

FRED SLIGHT

SUBJECT:

Presidential Debate Materials

Attached for your review are the first drafts of the two sections which you had asked that I prepare for review by our working group.

I anticipate that a second draft will be required after we have an opportunity to review this material.

Attachments

cc: Dave Gergen  
Agnes Waldron

I want to talk to you today about my vision for our future. Not in high blown philosophical terms, but in the simple terms of decisions we must face together if we are to achieve the better life we all want for ourselves and for our children.

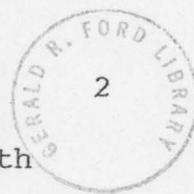
I should tell you at the outset, my vision is not one that avoids hard choices. In fact, my vision of a better future demands that we face up to the hard choices.

I think this is illustrated best by the legislative and budget program I have put before the Congress this year. It is a program that asks every citizen and every interest group to put the Nation's interest first. Let me tell you something about the formulation of my program to give you a feeling for what I mean. Last Spring, my advisors informed me that, if we assumed no changes in Federal programs, spending for fiscal year 1977 would grow to \$423 billion -- more than a \$50 billion increase over 1976. They also told me that would mean a \$60-70 billion deficit -- in a year of economic recovery, piled on top of a \$70 billion deficit in 1976. The huge numbers were troubling in-and-of-themselves, but even more disturbing were the trend lines of Government spending -- an average annual increase of 11% over the last ten years; far out stripping the growth in our gross national product.

I decided we couldn't and shouldn't live with any more of this "business-as-usual" approach and so I directed that work begin immediately on three related efforts.

First, an effort to identify the lowest priority Federal programs. I told the budget staff to tell me what we would





need to do if I decided to reduce Federal spending growth \$10 billion, \$20 billion, \$30 billion, \$40 billion and \$50 billion. I also told them, no Federal programs are exempt. I want to know what the lowest priority programs are, wherever they may be.

Second, I asked that a study be done to see what we could do for the low and middle income taxpayer, where, in too many cases the paycheck has failed to keep up with inflation -- and yet they find themselves in a higher tax bracket.

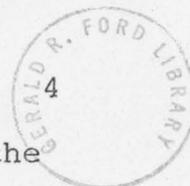
Finally, I directed that work begin on developing reform proposals for our major domestic programs with the objective of reducing overlap and duplication, simplifying the laws, improving the focus of the programs so that the benefits would go to those truly in need, while reducing Federal employment as much as possible.

During the months of June, July and August last year, I had periodic meetings to review the progress on this work and, in September, I made my first decisions. I decided that, while it would mean many hard choices, it was possible to hold Federal spending to \$395 billion in FY 1977 -- \$28 billion below the "business-as-usual" forecast; and to set our course for a balanced budget in three years. At the same time, I decided, coupled with this spending discipline, that we could and should provide an added \$10 billion tax cut, focused on the people who has been hit hardest by the so called, tax "bracket escalation" problem I spoke of earlier. I announced these decisions and recommendations to the Congress on October 6.



During the months of October, November and December, I prepared the details of my program within the guidelines I have discussed above. All of these decisions are laid out in detail in my budget and in my program messages to the Congress. I couldn't begin to go through all of them with you today, but let me give you a few examples to illustrate what I mean about facing up to "hard choices." Let me start with defense. When I reviewed our military posture last Fall, and that of our potential adversaries, I concluded that we needed a major increase in defense spending. This Spring nearly everyone seems to have joined me in my assessment of our defense spending needs and so some of the aspects of the "hard choice" in the defense area seem to have evaporated -- but let me assure you, they aren't gone. In order to assure the defense strength we need, while holding total Federal spending to \$395 billion, I had to insist on savings in defense. And I did. You have seen some of the results in the past few months as the Secretary of Defense has announced proposed consolidations of our military bases. These consolidations aren't simply savings-for-the-sake-of-savings, they are an example of the kind of hard choice we are going to have to make in all areas if we are going to achieve our shared vision of a better future.

Let me turn to the domestic area, and give you a few examples of the "hard choices" I have proposed. Last Fall I was given a study that showed that the Social Security trust fund needed



more income to prevent it from running out of money in the early 1980's. There were a number of choices; I could ignore the problem until after the election since the bottom of the barrel was still a few years away; I could propose that we begin to transfer general tax reserves into the system; I could propose an increase in the wages subject to the Social Security tax; or I could propose that we raise the Social Security tax rate. As you know, I decided the proper course was to urge an increase in the tax rate, effective January 1, 1977. You may not know why I rejected the other alternatives; let me tell you.

The delay option seemed to me to be irresponsible. We had a clearly identified problem and I felt we should meet it head on.

I turned down the idea of transferring general tax revenues into social security because I am convinced that if we ever head down that road there will be no turning back and as a consequence we would no longer be able to distinguish the social security system (which has served us so well) from all of the other Federal welfare transfer programs. Some of my advisors thought it would be a good idea to call for an increase in the wages subject to the social security tax because they foresaw, correctly, that if I asked for an increase in the tax rate, some observers would charge that I was proposing a regressive tax increase. I rejected that advice for a very simple reason; it would only appear to solve the problem while, in fact, it would be making the problem worse. The reason is this. When



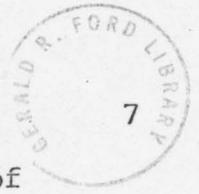
you raise the wages subject to tax, you also raise the amounts people are entitled to in the future. In other words, I could have pushed the problem forward, leaving it to some President in the 1980's or 1990's to struggle over. Although, of course, by then the problem would be much worse. As I said, I elected the "hard choice" option that deals with the problem now.

Let me turn to a different kind of an example in our domestic programs -- child nutrition. When we began our detailed program review, we found that there are 16 different Federal programs dealing with child nutrition and yet, incredible though it may seem, there are 700,000 children who come from families with incomes below the poverty line who aren't getting any aid for their school lunch. You may find that fact startling, but let me give you another fact you may find even more startling. Most of our children (yours and mine) receive a 23.5¢ subsidy from the general taxpayer every time they have a school lunch. To my mind that is ridiculous. I believe the Federal taxpayer should be willing to assure that children from families who have incomes below the poverty line receive a school lunch but I do not believe we should be asking the average Federal taxpayer, who earns \$15,000 per year, to subsidize lunches for other children. Families above the poverty line should pay for their own children's school lunch.

You may be interested to know that the reform I have proposed in this area would consolidate the 16 programs into one; it would assure school lunch funding for all children below the poverty line; it would end the subsidies for children above the

poverty line and -- just incidentally -- it would save the taxpayer \$700 million per year. The child nutrition reform is one of several I have proposed; others include health programs, education programs and social service programs. Let me turn to one other area to illustrate what I mean by facing up to hard choices. Throughout my review last Fall, I pressed the Cabinet Secretaries and my own staff to examine every idea that was offered to deal more quickly with the unemployment problem. My only guidance was, "if I'm going to propose something, it has to be real -- something that will really make a difference." They looked at everything -- more federally-funded public service jobs, -- more federally-funded public works; a new tax credit, giving employers money for each new employee they hired. Let me tell you, I was intrigued by the notion of a tax credit for new employees until we thought through all of its consequences. I think I can get across the defect of the idea best by asking you to think about what has happened to employment over the last four months -- it has increased by nearly two million persons. The problem with the idea of giving a tax credit to employers for new hires was this; no one could figure out how to distinguish the employees who were hired because of the tax credit from those who were hired because the economy was recovering. If we had put the tax credit idea in place in January, the taxpayer would have, by this time, provided a subsidy to employers for two million people they would have hired anyway.

So after all of these studies last Fall, I found we had



another "hard choice" a choice between the appearance of action to satisfy the political clamor for doing more or a choice to follow a less glamorous path of a steady course, relying on the private sector to pull us out of the recession. You know my choice.

As a consequence of insisting on a vigorous reexamination of all Federal programs it was possible for me to recommend major improvements and increased funding for some programs. Let me give you some examples. I recommended that the Congress enact legislation to erase the fear of our elderly that a prolonged, serious illness could cost them and their children everything they have. Under my proposal, no elderly person would have to pay over \$500 per year for hospital or nursing home care covered under Medicare, and no more than \$250 per year for covered physician services.

I also recommended a cost-of-living increase for the 33 million people who receive Social Security benefits. ¶ My proposals deal not only with the present but with the future. I recommended to the Congress an 11% increase in the Federal Government's research and development programs. This is an area where the Federal Government does have a major and important role and it seemed to me, even under difficult budget circumstances we couldn't afford to short-change the future.

So I recommended increases

- in basic biomedical research
- in agricultural research
- in energy research;

and yes, in defense research to insure that we don't

get left behind.

And there are many other examples of ~~important increases~~ in my recommendations -- for community development, for housing; for environmental protection.

As I said earlier, in the time I have today, I cannot begin to convey to you all of the decisions that have been made or the reasons for those decisions. But I hope I have succeeded in giving you a glimpse of my vision for the future:

- a vision that relies on common sense;
- a ~~vision~~ vision that sees Federal spending under control, with restraint applied fairly to all areas;
- a vision that sees reform of Federal programs; targeting them on things that need to be done and doing away with the rest.
- and finally, a vision that is convinced that by facing up to the hard choices we can assure that future we all want.



PERSONAL PROFILE

JIMMY CARTER - IMPRESSIONS



Recent survey information indicated that popular support for Jimmy Carter is based on an image he has left in the minds of people rather than support attached to a significant ideological or political characteristic. In the sense that charisma means shadow, unsubstantial, and ephemeral, Carter has charisma. Conservatives, moderates, ticket splitters, and liberals all can find something in Jimmy Carter with which they can agree, but few identify Carter with a particular or specific stand on issues or support for special interest groups. Overwhelmingly, people perceive Carter's style.

Carter's style, his method of campaigning, and most of all his rhetoric account for the support which he now receives. His record as a State Senator in Georgia and a Governor is undistinguished, indeed mediocre. Search as one may, real accomplishments as an elected official are absent. Again, Carter is remembered for his style.

Carter has historically taken minor accomplishments and amplified, stretched and exaggerated the scope of action and the results to make it seem as if much has been done. His claims concerning Georgia government reorganization, for instance, are gross overstatements; although his intent failed, in Carter's mind and rhetoric, the reorganization was a great success. In other words, Carter seems to believe that since he intended to do something, that regardless of the results, he was a success.

Success is the key word to defining the nature of Jimmy Carter. Coolly, persistently, and untroubled by the gap between his claims and reality, or with his issue inconsistencies, Carter believes in himself, and believes that he has been a success. As many Carter watchers have observed, Carter hates to lose, and loathes failure.

Carter's aversion to failure seems almost pathological. As he has admitted, after his loss in the 1966 Governor's race, Carter had something of a breakdown, the intensity of which is unmeasured, but which led to his widely published religious experience, his rebirth in Christ. Again, he so intended to win, and believed so sincerely that he was going to win, that when faced with the incontrovertible fact of failure, he experienced a psychological dysfunction. This is not to say that he

had a mental breakdown, or suffered any significant mental problems, although that should not be discounted; what is clear, however, is that the loss had a profound effect. Having exhausted his temporal resources, Carter reaffirmed his Baptist convictions, and thus drew sustenance from the tenants of religion.

The fervor with which he re-embraced his religion should not be lightly regarded -- his character and style reflect significantly the intensity of his faith. An apt but careful comparison can be made between Carter and Oliver Cromwell -- he, as was Cromwell, is devout, ruthless, puritanistic, possesses an iron self-discipline, expects the same discipline from his associates and employees, has few personal close friends, and seems indefatigable. And as mentioned before, his style of speaking, his rhetoric, confirms his prosylytic state of mind.

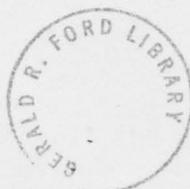
If nothing else, Carter is a political evangelist. To be sure he is an opportunist, he utilizes public opinion surveys effectively, and understands the necessity for professional staff and campaign techniques; but most of all, he is a preacher. His speeches remind one of the language of the Bible. His run-on sentences, and use of words, his stress on conjunctions in one sentence and then his omission of all conjunctions in another testify to his study of the rythm and intensity of Biblical language. It is hard to tell whether he does it purposefully for effect, or whether it is so inculcated that it is natural.

And as a religious man, Carter seems unperturbed by his political inconsistencies; consider the New Testament, a monument to inconsistencies, "You must give up everything to gain everything, you must die in order to live." Carter, in fact, so empathizes with his audience that he tailors his language, or trims his speeches to fit the occasion. Again, it's a matter of conjecture whether he does so intentionally or spontaneously. Research indicates that it's probably a mixture. It is clearly a political weakness, and one which bothers even Carter. He is sensitive and defensive with reporters when confronted with these inconsistencies. To charges of vagueness, Carter is explosive. Again, since it is clear to him, he cannot understand why others do not or cannot understand his position.

Surprisingly, Carter readily accepted the President's debate challenge. Perhaps in modern terms, he had no choice, but history shows that Carter avoided, at considerable cost his past campaigns personal confrontations with opponents. As with most preachers, Carter does not like to debate what he feels he knows is a truth. You do not teach to people, you preach to people. People must first of all believe rather than know. Argument approaches heresy, intent is superior to fact.

Finally, in the current vernacular, when you meet Jimmy Carter, what you see is what you get. He has little facade -- he is a zealot; strip away a layer and the next will be the same. He is inconsistent, but doesn't believe he is inconsistent. He is vague but doesn't recognize the vacuity. He is tough and demanding, educated, and intelligent, diligent and forceful.

As with most people, his strength is his weakness. And Jimmy Carter's strength is not what he has done, is not his record of accomplishments, but rather is his ability to inflate his record and the deeds of the past so that it seems larger than life. It is not what he has done, but the way he did it that sticks in the minds of people. It is his style.





## JIMMY CARTER: A PERSONAL AND POLITICAL HISTORY

### FAMILY BACKGROUND

James Earl Carter, Jr. was born in the rural southwestern town of Plains, Georgia, on October 1, 1924. An eighth-generation Georgian, Carter's ancestors emigrated from Ireland to North Carolina, finally settling in Georgia during the middle of the eighteenth century.

Carter's father, known in Plains as "Mr. Earl," returned from World War I to start his own store in Plains. He invested the profits in the surrounding farmland which in part he parceled out to black sharecroppers, but also he farmed peanuts and cotton. All of his business ventures were very successful and at the time of his death in 1953, he was looked upon as the lord of the feudal society of Plains. Carter called his father "quite conservative." In fact, though, he was a strict segregationist and was even said to be "sort of a hateful man." However, even his son Jimmy was astonished to discover years later that Mr. Earl was generous and philanthropic, donating clothes, foods, and money usually anonymously to both Blacks and Whites.

To discover Carter's liberal tendencies, one need look no further than his mother, Lillian. Born in 1899, "Miz Lillian" is an anomaly of the South in which she grew up. She often broke with the social conventions of Plains by admitting black friends into her home for tea, and she was called "as good a white lady as I've ever seen" by the local Blacks. For good reason, Carter uses his mother as an example of the opportunities the elderly can embrace in this country. In 1967, at age 68, she joined the Peace Corps. Working in India, she utilized her education and experience as a nurse.

Earl and Lillian Carter had three other children. Gloria was born in 1926, and is considered by most to be a free-spirited person, who abhors the limelight brought on by her now famous older brother. Ruth, born in 1929, adopted her mother's strict religious convictions, and is now an evangelist and an author. She was instrumental in Carter's "second birth" as a Christian following his debilitating defeat for the governorship in 1966. The youngest child is Billy, born in 1937, who is a proud and self-proclaimed Southern "red-neck." Billy has run the family business since Carter has engaged in an active political life.

### CHILDHOOD AND EDUCATION

As a child, Carter was a precocious businessman. At age 9, he took his savings and speculated in cotton. With his profits, he bought five tenant shacks, renting them out to the poor. He read furiously and was always understood to be a good student. Despite the racial etiquette that existed in Plains, most of Carter's childhood friends were black, due partly to his mother's influence.

In 1941, he graduated from high school second in his class, and matriculated to Georgia Southwestern Junior College in nearby Americus.



He received his appointment to the U.S. Naval Academy in 1942, but had to take courses in mathematics at Georgia Tech in Atlanta to qualify for admission.

#### MILITARY SERVICE

At Annapolis he was known to be exceptionally bright, but very cool and reserved. He graduated in 1946 in an accelerated wartime program. During his senior year, he met and courted Rosalynn Smith, also of Plains, whom he married July 7, 1946. His wife is a deeply religious person, and she is considered to be not only a companion, but also one of Carter's most trusted political advisors. During Carter's term as governor, Rosalynn was instrumental in mental health care reform in Georgia.

While in the Navy, Carter served on the Wyoming and the Mississippi, both renovated battleships. Extremely unhappy with these commissions, he applied for a Rhodes Scholarship in order to leave the Navy, but was not granted one. He then submitted his name to the submarine school, and served on the U.S.S. Pomfret. He later helped to commission the prototype hunter-killer sub K-1.

Carter's much acclaimed relationship with Admiral Hyman Rickover began in 1952 and lasted only eleven months. As Carter now admits, they were not close personally, but Rickover has been called by Carter the second greatest influence in his life besides his parents. He was one of four young officers sent to Schenectady, N.Y., to train men on the basics of nuclear submarine operation, and he served as a senior officer on the pre-commission crew of the nuclear submarine, Sea Wolf. While in Schenectady, Carter took courses at Union College in atomic science and technology.

#### FAMILY BUSINESS

As a result of his father's death, Carter resigned from the Navy in 1953 to return to Plains and operate the family business. Like his father, he was a shrewd entrepreneur, building onto an already profitable peanut seed firm. The entire Carter agribusiness grosses \$2.5 million per year, covers 3170 acres of farm and timber land, and has given Carter himself a yearly income that has ranged from \$45,000 to \$137,000. His personal fortune is now placed at \$814,000 and the Carter family's entire worth is close to \$5 million.

#### SCHOOL BOARD

In 1956, Carter was elected to the Sumter County School Board. Although he was probably the most progressive member of the board, and he was often branded an "integrationist," his record is enigmatic to many. In September of 1956, pressured by a white citizens group, Carter proposed moving the construction site of a new black high school to avoid the "conflicts" that might arise due to the similar paths both white and black students would have to travel to their respective schools. He rescinded the motion, not on racial grounds, but rather because of the "staggering costs involved" in moving the black school. He did not object to the common practice of the board to pass down used buses and other school equipment from the white to the black school system. Nor



did he object to the discriminatory "salary supplements" or paid sick leaves granted only to white teachers. Also, he was conspicuously mute on specific rhetoric or action concerning the implementation of the Supreme Court's "separate but equal" ruling in the Brown vs. the Topeka School Board case of 1954. As Julian Bond has recently said, this information does not reveal Jimmy Carter to be quite the liberal he claims to be.

However, Carter's apologists exhort the American people to perceive his record with respect to the times. The South was plagued by passionate racial prejudice, and the reality of the "Jim Crow" laws still haunted virtually every community. Many have accounted for his six year school board tenure by insisting that Carter realized that his mother's sort of brazen liberalism would only serve to polarize his community, damaging more than helping the plight of the educationally impoverished black children. Instead, they continue, Carter utilized the businessman's logic of defining specific and achievable goals to realize concrete benefits for Blacks in the South. Whether this rationale is correct or not, Carter's actions on the Sumter County School Board foreshadow the political expedience that Carter demonstrated during his 1970 gubernatorial campaign, as well as his 1976 Presidential campaign.

#### GEORGIA STATE SENATE CAREER

Carter's first attempt at elective office came in 1962, when, at age 37, he shyly and almost unsuccessfully ran for the Georgia State Senate. He found handshaking and campaigning to be a painful process, and at first could not even decide how to list his name on the ballot -- Jimmy or James Earl, Jr. By his own admission, Carter mounted "an amateurish, whirlwind campaign" headed mostly by his family and close friends. When original returns for the contest were in, Carter had narrowly lost a close, but shady, election. He charged that the ballot boxes in Quitman County had been stuffed and that other irregularities had occurred. He retained the services of Charles Kirbo, an Atlanta attorney and now an intimate advisor to Carter, to appeal the balloting, and although the dispute was never completely resolved, Carter won the opportunity to serve in the Senate by defeating his Democrat opponent in a write-in election. He was not opposed by a Republican candidate in the general election.

Carter served two terms (4 years) in the State Senate, and during his career he became known as a legislative advocate of education. In 1965, he was appointed Chairman of the sub-committee on higher education, and served as a member of the Agriculture, Natural Resources, Defense and Veteran Affairs and Educational Matters committees. His record was generally viewed as "progressive." Carter did not significantly distinguish himself during his brief Senate career, although he was commonly known as a bright and hard-working legislator.

#### 1966 GUBERNATORIAL CAMPAIGN

In 1966, Carter belatedly entered the race for governor against former Governor Ellis Arnall and Lester Maddox for the right to oppose Howard H. (Bo) Calloway, the Republican, in the general election. He entered the race at the last minute, caught up in somewhat of a "draft" movement,

after having first deciding to run for the U.S. House of Representatives. The leading Democrat contender, former Governor Ernest Vandiver, suffered a heart attack and dropped out of the race. Having very little state-wide name recognition, money or influence, as well as a poor campaign style, Carter faired somewhat poorly in the primary. Carter finished some 20,000 votes behind Lester Maddox, who finished second to Arnall but later went on to win the runoff and the general election. Carter reportedly wept after learning of his defeat.

Following his loss for the governorship, which he admits was a crushing blow, Carter became very despondent and dissatisfied with his life. With the help of his sistem, Ruth, Carter became a more 'deeply committed Christian and is said to have been "reborn" following a close self-examination and evaluation period. He had always been a very devout Southern Baptist and very active in the Baptist Church, but it was at this point, Carter claims, that he completely accepted Jesus Christ into his life. Shortly afterward, he took to the road as a lay minister for a brief religious outing in two Northern states.

#### 1970 GUBERNATORIAL CAMPAIGN

Almost immediately in 1967, Carter began to campaign again for the governorship, with a new determination not to fail again. Having learned his lesson in the 1966 campaign, Carter approached the 1970 campaign with a much more professional and deliberate methodology. By October of 1967, Carter was receiving an average of five invitations a week for speaking engagements, and in May of 1968, he was elected President of the Georgia Planning Commission, which afforded him another platform from which he could be seen and heard around the state of Georgia. It is reported that in the three-year period between 1967 and 1970 Carter made 1,800 speeches throughout the state. He developed a better campaign technique and an ability to better communicate with people.

The 1970 gubernatorial campaign has been reported to be the most controversial period of Carter's political career. In that race, Carter postured himself as a conservative candidate against former Governor Carl Sanders and C.B. King, a black independent candidate. Sanders was the early favorite and enjoyed widespread popularity among Georgia Blacks and the more liberal and affluent voters. To undercut Sanders' strength with the Blacks, Carter postured as a "redneck" and actively sought the support of Alabama Governor George C. Wallace and Governor Lester Maddox. Carter's campaign employed both racist tactics and "dirty tricks" to beat Sanders. He defeated Sanders by a 48.6% to 37.8% plurality in the primary and went on to defeat him by an overwhelming majority in the runoff. Carter then defeated Republican Hal Suite by a 59-41% margin in the November general election.

#### CARTER AS GOVERNOR

Almost immediately following his election, Carter began to lay the foundation of this governorship, and almost as quickly he and Lester Maddox began to feud. Although he had courted Maddox and his followers during the election campaign for obvious political reasons; Carter

abruptly abandoned Maddox and began his own programs with little input from Maddox. It was commonly accepted that Carter did what he had to do to win the election, but afterwards he quickly shed his "redneck" image.

In his inaugural address, Carter pledged that "the time for racial discrimination is over," and that he would establish a good working relationship with the state legislature. His immediate concern was that of government reorganization, a major cornerstone of his current Presidential campaign. Carter proposed that the government of Georgia be reorganized to become more manageable, more efficient and to provide a better delivery of services to the people. He gave the General Assembly a reorganization plan which allowed that any program not vetoed in the first 15 days of the following legislative session would become law, and it was by this reversal of state legislative and executive functions that Carter met his first significant challenge as Governor.

Many legislators and state government officials objected to Carter's strong-arm tactics and did little to hide their feelings. Carter became most famously known at this point as a stubborn and determined fighter for what he believed to be the proper course of action, who would settle for nothing less than his own way. Only when it became obvious that he could not have his way without compromise would Carter relent, and then most reluctantly. The difficulties between Carter and the Georgia General Assembly over reorganization set the stage for what would eventually become a running battle between Carter and the legislature, disputes which earned Carter the distinction of being almost a ruthless and heartless individual.

Many of Carter's programs and policies drew attention to him and he was hailed as one of a breed of "New South" governors along with John West of South Carolina, Winfield Dunn of Tennessee, Dale Bumpers of Arkansas and Reuben Askew of Florida. His biggest claim to national attention came in 1972, when he joined the stop-McGovern movement and placed Washington Senator Henry Jackson's name into nomination as an alternative to McGovern at the Democratic National Convention in Miami Beach. When the Jackson nomination failed, Carter made overtures to the McGovern camp to be considered on the ticket with him. That unsuccessful venture illustrated to Carter that, for the moment at least, his dive into national politics may have been somewhat premature and amateurish. Carter did not, however, intend to be so foolishly naive in the future, and if anything, this experience served as even greater incentive to run for the Presidency. By this time, Carter had met President Nixon, Vice President Spiro Agnew and a number of Democrat Presidential contenders who had trooped through Georgia courting his support, and he felt at least as capable as they, and that he could offer as much, if not more, than they could. He quietly compared himself to them and gauged their qualities against his, and concluded that he was better material.

Shortly after the 1972 convention, Carter's aides, particularly British-born psychiatrist Peter Bourne and his executive secretary, Hamilton Jordan, prepared memoranda encouraging Carter to run for the Presidency in 1976. Jordan produced a 70-plus page memorandum detailing step by step the route by which Carter could reach the White House. Amazingly, Jordan had a pre-science of the issues, the mood and the key primaries which Carter needed to capture to be successful.

### DNC CAMPAIGN CHAIRMAN

In 1973, Carter was appointed Chairman of the Democratic National Campaign '74 Committee by Robert Strauss. He moved Jordon to Washington to be executive director of the effort, and utilized this post to travel extensively for 60 candidates in 30 states throughout the country. In so doing, he built a network of political contacts, met thousands of potential supporters and laid the foundation of his national campaign effort. At the same time, he collected countless favors which he could cash in on later. During the 1974 campaign season, Carter also had access to national survey data and recruited an issue coordinator, Stuart Eisenstat, to start producing issue papers in preparation for his candidacy.

In 1973, Carter also spent a month traveling through Europe and the Middle East on official business for the state of Georgia. He visited England, Belgium, France, Germany, and Israel. Carter did not have a particularly deep interest in the affairs of Georgia after his first year or two in office. He was once quoted as saying that even though he had only been in office for a year and a half, he had already accomplished what he had set out to do. Thus, it was readily apparent that in 1972, Carter was making serious plans to enter the presidential campaign. On December 12, 1974, he formally announced his plans at a rally at the Civic Center in Atlanta.

### CARTER THE PRESIDENTIAL CANDIDATE

Beginning rather slowly, but effectively, Carter began a very detailed and aggressive campaign for the Presidency. In 1975, he scheduled approximately 250 days of campaign time on the road. Between himself and his family, Carter planned to methodically and in a very personal manner, begin to broaden his national base and establish himself as a major, serious contender. Even in late 1975, when national opinion polls showed that Carter was the favorite of only 3% of the electorate, he persisted, never once doubting that he could not emerge as the nominee and the choice of the party.

Having spent roughly eight of his last ten years in politics campaigning, Carter has become the master of personal campaigning, seeking out small crowds, visiting in homes, factory shift lines and barber shops. Although the crowds were small at first, he thrived on one-on-one, eyeball-to-eyeball campaigning. He is extremely persuasive in such situations.

Every personal and political quality that he has developed over the years comes forth on the campaign trail. Carter hates to be late, almost as much as he hates to lose. He is a perfectionist, a workaholic, and a hard driver of campaign personnel and support staff. He can not tolerate incompetence, but is willing, on rare occasions, to admit that he has erred. He can be a tough customer when he is pressed, and often gets grumpy and irritable when he lacks sleep. Although he often complains that he is overscheduled, he is not unaccustomed to 15 hour campaign days. He is hard-headed and belligerent and does not take criticism well. He often berates his staff when mistakes are made. He has a very dry sense of humor and tells horrible jokes. He tends to overreact when personally attacked, and does not hesitate to lash out at someone else. His

greatest ambition is to be elected President and he will not tolerate those who stand in his way.

Beginning with his first triumph of the season in the Iowa precinct caucuses, Carter and his staff calculated each move with precision, determining exactly how much time, money and effort to expend for each state, and making sure not to underestimate or take anything for granted. Crucial tests for Carter came in New Hampshire, Florida, Wisconsin and Pennsylvania, and he effectively put down challenges in each of those states.

Acting on the recommendations of Bourne and his staff, and relying heavily on survey data supplied by former McGovern pollster Patrick Caddell, Carter has abandoned positions such as right to work that were popular in the South. He has been specifically inspecific on issues and has postured himself to gain the broadest possible appeal among voters of all types. Although voters believe he has been vague on the issues and that his exact positions are unclear, Carter has not alienated large blocs of voters because of unpopular issue stances.

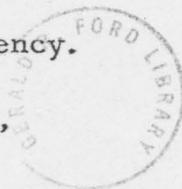
Only when California Governor Edmund G. Brown, Jr. entered the presidential race did Carter feel that someone was co-opting his territory. Brown and Senator Frank Church took Carter to task in the late primaries and proved rather effectively that Carter could be beaten for a variety of reasons: Carter had to share the "non-establishment" image with Brown; Brown criticized Carter's non-specificity on the issues and called his campaign themes meaningless catch-phrases; both Brown and Church showed Carter's weakness in the West and Northwest; both illustrated that Carter has a propensity to strike back when injured. Had the challenges from Brown and Church, or other serious contenders come earlier, Carter may have shown his tougher side, but Carter had already amassed such an overwhelming lead in delegate strength that Brown and Church could do little to harm him. They merely sidetracked his bandwagon for a brief moment.

DOMESTIC ISSUES

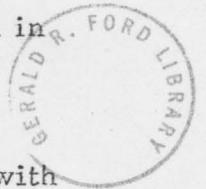
CARTER on Gerald R. Ford and the Presidency

Carter envisions a highly centralized, authoritarian Presidency. While surrounding this concept with words like "compassionate", "responsive", "sacrifice" and "candor", Carter said in the September 13, 1976 U.S. News and World Report that he would like to have "a complete authorization to reorganize the Executive Branch of Government, giving me as much authority as possible." US News 9/13

Carter is clearly uncertain about the extent of Presidential power. This is particularly clear in his plans to reorganize the Executive Branch. On the one hand, he calls for sweeping reform of such things as tax structure and welfare system, promising personal involvement, and on the other he cannot specify the nature of the reorganization or say how long it will take. In essence, he is reflecting the attitudes of many Americans on what their President the most powerful man in the world, should be able to do without acknowledging the logistical or precedential problems involved. From his point of view it is good politics to say that if we ought to be able to do something then we can do it.



Carter's concept of a forceful Presidency comes through in the following Kennedy-like quote:



"There's only one person in this country that can speak with a clear voice to the American people or set a standard of ethics or morality and excellence and greatness. There's only one person that can call on the American people to make a sacrifice when it's necessary, or explain the purpose of the sacrifice, or give answers to complicated questions or propose bold programs that are needed... or spell out defense policy that makes us all feel secure or a foreign policy that will make us proud again, and that person is the President."

Philadelphia Inquirer  
April 8, 1976

In another theme, Carter attacks the President for indecisiveness claiming that he is not only a better manager but a more decisive one. In this respect he characterizes the President as "sitting in the White House perhaps timid, fearful, afraid to lead, afraid to manage." Carter points to his Georgia State reorganization to illustrate his management ability.

Carter has attempted to show that he is better able to reflect the rhythm of the American people because:

"Only someone who has not been in Washington most of his adult life -- as the President has -- can provide the new ideas and fresh vision demanded by the times."

It is clear that a decision has been made in the Carter Camp to link the Ford Administration to the Nixon Administration, as firmly as possible. This is reflected in the following Carter statement. This theme will undoubtedly continue unless the press labels it inaccurate and/or unfair.

"I haven't seen any change in direction or an attempt to change the policies that Nixon established since Ford has been in the White House. I think Ford has been a dormant, inactive President who has enjoyed his domicile in the White House but has not addressed any of the problems that I see in the management of the Government.

"I don't think Ford has continued the disreputable tragedy of Watergate attitudes that disgraced the White House. I don't attribute that sort of scandal to Ford at all. But as far as adopting what Nixon's policies were and using them, I don't think there is any doubt that there's been almost absolute continuity there."

Commenting on President Ford as an individual, Carter pushes four themes. The "Nixon link" is central to many of his observations. Lack of leadership and vision is a second theme. A third is that the President is out of touch with the country and a fourth is incompatibility with the Congress. These themes are illustrated in the following quotes:

Carter today accused what he called the "Nixon-Ford Administration" of governing by "vetoes and not vision... scandal and not stability... rhetoric and not reason... 'WIN' buttons and empty promises instead of progress and prosperity."

Washington Post  
August 4, 1976

At a news conference in Dallas, Carter said, "At this point the country's drifting because there's no leadership. We don't need a caretaker in the White House, but that's what we've got...President Ford has a great deal of experience, 35 or 40 years, I don't recall. Anything you don't like about Washington, I suggest you blame on him... He has turned over foreign affairs to Mr. Kissinger and has very little role to play in the evolution or consummation of those affairs."

New York Times  
May 1, 1976

"President Ford said to a young man in Michigan who was out of work, 'If you wanted a job, you could get one.'

"For the President to insinuate that anybody who wants a job can find one shows that he's been in Washington too long. That just because he got appointed to his job, and has been in Washington 30 or 35 years, it shows he's been out of touch with what goes on in this country."

Atlanta Constitution  
May 18, 1976

Carter said that Ford "has had a great deal of experience in Washington... he's slept alongside the issues," and has lost "the mutual respect and openness that ought to exist between President and Congress," he has "proposed no programs to correct tax inequities or welfare problems," and has shown "no inclination to manage the bureaucracy...."

Government Ethics

Carter has charged the "Nixon-Ford" Administration with a lack of ethics in governing the Nation. This "lack of ethics" concern is amorphous and plays off the Nation's concern about the excesses of Watergate. The theme that continually emerges is that the Administration lacks openness. He has called for an all-inclusive sunshine law to be implemented in Washington that would exclude what he terms "narrowly defined national security issues, unproven legal accusations or knowledge that might cause serious damage to the nation's economy." Carter feels the activities of lobbyists should be more thoroughly revealed and controlled and that the "sweetheart relationship" between regulatory agencies and regulated industries must be broken.

The openness theme continues through his promise to hold public meetings around the country to plan programs on transportation, energy, health, agriculture, education, etc. In this way he promises that people will "have a maximum part in the evolution and consummation of our domestic and foreign policies."

He feels that the people have been excluded completely from the process of policy formation and that has removed common-sense judgement from our decisions.

Carter says that conversations between staff and their superiors should be confidential and that "there would be some exclusions" in making Cabinet minutes public. He promises frequent press conferences -- "at least 20 times a year".

The instrument he would use to ensure openness is "comprehensive sunshine" law "to open decision-making meetings to the public."

On the pardon, Carter says he has ambivalent feelings. He believes the action was premature inasmuch as no formal charge had been brought against Nixon who had resigned from the Presidency a month earlier. He added that if he were President he would have delayed the action or not taken it at all but that President Ford was in the best situation to address the situation.

Speaking on Watergate, Carter said he would not use it or President Ford's pardon of Nixon as campaign issues. He added, "I don't consider Ford responsible for Watergate."

Returning Power to State and Local Government

Carter's position on this issue is, in many respects, similar to the "New Federalism". Carter has called for "the restoration of Federalism" in which Federal, State and local governments would act in a "balanced national partnership" to deal with the future. Carter emphasizes that "predictable and adequate" Federal financial support is the key to success. In a categorical statement he said: "I would not favor the Federal Government ever injecting itself between a state and a local government." This appears to conflict with his plan to "remove from the local governments as much as possible the financing of statewide programs."

Revenue Sharing

Carter's position on revenue sharing is unclear. In 1971 he said that there are "inadequate resources available to the State and municipalities" to meet fiscal difficulties and added, "we are looking forward to a general revenue sharing program, by whatever name, and regardless of which party sponsors it."

In 1972, testifying before a Senate Public Works Subcommittee, Carter said he decided "Georgia can meet its own needs through existing federal and state sources rather than through the revenue sharing concept."

On April 6, 1976, the S. F. Examiner reported that Carter would make revenue sharing "permanent".

Earlier in Atlanta, Carter said, "I think revenue sharing is a big hoax and a mistake". Atlanta Constitution 1/12/73.

The issue is further confused when Carter's pledge not to inject the Federal Government between "a state and a local government" is compared to the following: "I would give all revenue sharing money to local governments". --Carter speech to Black Caucus, Charlotte, North Carolina 5/2/76.

#### Government Reform

Carter continually refers to his reorganization of state government in Georgia when addressing this issue. His central theme is that through the use of zero-based budgeting he eliminated "all the old obsolescent programs, put into effect long range goals and planning and cut administrative costs more than 50 percent. . ."

Carter acknowledged, however, in a speech at Norfolk, Virginia on September 17, 1973 that "when I was campaigning for the job for four years, I kept making the speech about a zero-based budget. I didn't know what it meant, and after I was elected, I realized I had to do something to carry out my promise."

Referring to his proposed reorganization of the Federal Government, Carter told the Washington Post on January 27, 1976 that as President, he would undertake a 2 1/2 to 3 year study of the bureaucracy culminating in a reorganization.

He told Newsweek on May 10, 1976 that the first piece of legislation he would send to the Congress will initiate a complete overhaul of the Federal bureaucracy and budgeting systems; the second would "initiate the reorganization of our Federal bureaucratic structure."

Carter estimates that there are 1900 different agencies and departments in the Federal Government that we know about and suggests there may be 600 or 700 more that he hasn't been able to inventory.

He said to the Atlanta Constitution on August 4, 1976, "I think 200 agencies and departments would be a gracious plenty. We need to abolish about 1700 of them."

Characterizing the Washington bureaucracy as a "mess" Carter said, "I believe that my record in Georgia, with tremendous stability at the leadership level, would be a good indication of what might very well materialize in the next Administration if I'm President."

#### Proposed Regulatory Reform

Carter's central theme in this area is that regulatory agencies must not be managed by representatives of the industry being regulated. He urges that no personnel transfers between regulatory agencies and the industry should be made within a period of four years.



Carter makes these comments within the broader context of the need for greater morality on the part of Government officials.

A secondary theme Carter has used is similar to the President's de-regulation thrust. Carter said on August 10, 1976 that "controls that impede competition and raise prices should be drastically minimized." He cited examples used by the President such as interstate air travel fares.

### The Elderly

Carter has attempted to appeal to the elderly in several ways: his central themes are increased financial security and increased participation in American society.

In his platform, Carter calls for:

- a strengthened social security system through an increase in the maximum earnings base and an increase in benefits in proportion to earnings before retirement.
- strengthening the laws against age discrimination particularly in employment.
- a universal, comprehensive national health care system.
- expanded housing for the elderly under Sec. 202 of the Housing Act.
- reduced fares for the elderly on public transportation.
- develop a national senior citizens service corps.

## JUSTICE

Carter platform emphasizes six issue areas in proposing reform of the Judicial system.

- \*the judicial system should ensure that swift, firm and predictable punishment follows criminal conviction

- \*restrictions should be placed on the purchase of handguns

- \*rehabilitation programs should be upgraded

- \*a coordinated, concerted attack on drug traffic an organized crime is needed

- \*Federal assistance to local government crime prevention programs should be provided with minimal federal regulations

- \*the attack on unemployment must be stepped up.

Carter reiterated his plan in an interview with U. S.

News and World Report on May 24, 1976.

"We need judicial reform, a much better administered court system, merit selection of judges and prosecutors, briefer trial periods, recodification of the criminal codes. We need to allot crime-prevention funds in areas that can actually prevent crime, and not just to build jailhouses, or to buy helicopters, and so forth. We need to concentrate police officers in high-crime areas. We need to have full backing for police officers from all public officials. We need to have better street lighting. We need to have surer -- and perhaps briefer -- sentences for those who commit crimes, so that there's a fairly good certainty that if someone is convicted, they'll be punished. Also need to understand the major causes of increases in the crime rate. I think that the major contributing factor has been high unemployment."

In addition Carter promises to put criminal justice

"back in balance by prosecuting businessmen and bureaucrats,



congressmen and judges who violate laws. He would have an independant "blue ribbon judicial selection commissions" to recommend persons who are best qualified to fill court vacancies and would make his selection from that list subject to Senate approval.

#### GUN CONTROL

Carter favors "registration of handguns, a ban on the sale of cheap pistols, reasonable licensing procedures, a waiting period before purchase and prohibition of ownership for anyone convicted of a crime using a gun and the mentally incompetent."

Atlanta Constitution  
March 7, 1976

#### DEATH PENALTY

"My position on the death penalty was spelled out as Governor. It is retained for a few aggravated crimes like murder committed by an inmate with a life sentence. The penalty must be assessed by a jury and must be reviewed in each case by a 3-judge panel of the State Supreme Court.

#### AMNESTY

"I don't have any desire to punish anyone. I'd just like to tell the young folks who did defect to come back home, with no requirement that you be punished or that you serve in some humanitarian capacity or anything. Just come back home, the whole thing's over."

In contrast to Carter's proposals for what he would do if elected, the Georgia crime statistics speak for themselves. In 1972, a year after he was elected, Georgia supassed the

national crime rate in homicide and aggravated assault.

In 1973 the situation deteriorated sharply, Georgia surpassed the National rate in four of seven indexed crimes - homicide, forcible rape, aggravated assault and burglary.

The situation did not improve in 1974 but has dropped steadily since he left office.

## ENERGY

Carter states in his campaign literature that the "mishandling of the energy problem is a primary cause of the current economic crisis. We are the only civilized nation on earth without a national energy policy."

In a May 14, 1976 interview with the New York Times he called for a World Energy Conference under the auspices of the United Nations to "help all nations cope with common energy problems -- eliminating energy waste, and increasing energy efficiency; reconciling energy needs with environmental quality goals; and shifting away from almost total reliance upon dwindling sources of nonrenewable energy to the greatest feasible reliance on renewable sources."

### Carter's Energy Program

1. U.S. policy should include a combination of energy conservation and energy development, together with price protection for the consumer.
2. Domestic oil prices should be kept below that of O.P.E.C. oil. He opposes deregulation of the price of old oil.
3. Only natural gas not currently under contract (less than 5%) should be deregulated for a period of 5 years.
4. A 30 day reserve supply of oil should be stored. It should come from domestic and foreign sources.
5. The importation of oil should be placed under government authority.
6. Ownership of competing types energy, such as oil and coal should be illegal.
7. A single company should be restricted from owning

all phases of production and distribution of oil.

8. He would encourage mass transit to save fuel, strict efficiency standards, rigid enforcement of energy-saving speed limits, better labeling of electrical appliances, mandatory improvements in building insulation.
9. Rate structures should discourage consumption in peak periods.
10. U.S. should substantially shift its effort to the production of coal.

#### Energy Independence

\*Carter doubts that the U.S. can or should become self-sufficient "is probably impractical in terms of cost and in terms of unacceptable damage to other areas, including the quality of life."

\*Carter would minimize nuclear power as potential future energy resource and concentrate on coal.

#### Energy Conservation

On September 22, 1975 Carter told U.S. News and World Report that he would freeze oil imports at current levels and take steps to limit growth of energy needs to 2% a year. He would place oil imports under government authority, have the government allocate petroleum supplies, limit the growth of energy needs, but avoid new taxes on gasoline and oil.

Carter stated his intention to take severe measures if

the Arab states embargo oil again.

"I would continue to import oil at least at the present level. I would let the Arab countries know that if they declare another embargo on oil shipments to us, we would consider this an economic declaration of war and would respond quickly with a boycott against them."

Business Week  
May 3, 1976

Natural Gas Decontrol

Speaking to the Consumer Federation of America on January 23, 1976, Carter said:

"To deregulate the price of natural gas for a brief period of time, like four or five years, and leave those existing contracts in effect, we still maintain a tight lid on the price of natural gas. It would encourage exploration for new sources."

However, as noted earlier, Carter said we should deregulate the price of only that natural gas not currently under contract (less than 5%).

Nuclear Power Development

1. Carter said that by 1990 "we'll have to have about 30% of our electric power generated by atomic means -- we can't close down atomic power as a source."

Los Angeles Times  
March 26, 1975

2. He thinks nuclear reactors are safe.

The Nation  
May 17, 1975

3. He thinks nuclear power ought to be used as a source of energy only as a last resort.

### Coal Development

"Next, I would shift toward coal as quickly as I could, using government inducements if necessary. I would increase dramatically the amount of research and development funds that go into solar energy. I would favor strong conservation measures, including mandatory efficiency of autos, better insulation of homes, changes in the rate structure of electric power companies, I would continue to use atomic power as a last priority, and with strict conservation and safety protections required. I favor the deregulation of natural gas for a limited period of time, leaving existing contracts at the lowest price levels intact."

"I favored the strict strip-mining bill that was vetoed by President Ford, with a couple of exceptions."

"I would not favor the lowering of air pollution standards."

Business Week  
May 3, 1976

### Solar Energy

Carter said the U.S. should turn more to solar energy to fill the nation's energy needs. This would provide jobs for blue collar workers according to Carter. He would shift funds from nuclear energy research and development to stimulate solar energy development.

### Vertical Divestiture

Carter told the A.P. on April 21, 1976,

"I think I'm the only Democratic candidate who hasn't called for divestiture of the oil companies. But I am concerned about adequate competition at the retail level and competition as to ownership by oil companies of coal intests."

In January, 1976 he told the Des Moines Register:

"I support restrictions on the right of a single company to own all phases of production and distribution of oil. However, support of this proposition as worded by the Energy Action Committee would make it illegal for the same company to explore for oil and then extract that oil from the ground once it was discovered. This would clearly result in tremendous price increases to the consumer."

#### Horizonatl Divestiture

"...my belief is that the present movement of oil companies into any ownership of coal mines is not good for the country. I would favor divestiture to the extent that I felt it was needed to provide a continuing and very enthusiastic competition, and also to the extent that I thought it would encourage increased coal production. I think in some instances the oil companies, to hold up the price of oil and to hold up the price of coal. We've not had any increase in coal production in the last four or five years, and I think that's part of the problem, although it's not all of it."

Fortune  
May 1976

#### Environment

Carter says that where energy development and environment clash, "I would go with the environment." He has also emphasized the need to "derive maximum energy from coal while preserving environmental quality."

In his platform, Carter calls for a national policy dedicated to the protection of our environment.

"I do not believe that there is an incompatibility between economic progress and environmental quality. We should not be diverted from our cause by false

claims that the protection of our ecology and wild-life means the end to growth and a decline in jobs. This is not the case.

Carter has called upon the Democratic Party to:

-- Insure that the Army Corps of Engineers stops building unnecessary dams and public works projects harmful to the environment, and the Soil Conservation Service ends uncalled for channelization of our country's rivers and streams.

-- Hold fast against efforts to lower clean air requirements of the Clean Air Act. I support strict enforcement of the non-degradation of rapid transit systems which will help alleviate somewhat our continued and increased dependence on the automobile.

-- Insist on strict enforcement of anti-water pollution laws to protect our oceans, lakes, rivers, and streams from unneeded and harmful commercial pollution, and oppose efforts to weaken the Federal Water Pollution Control Act.

-- Protect against the noise pollution which our advanced technology challenges us. I opposed development of the SST on this basis, and I also opposed granting landing rights to the Concorde.

-- Assist coastal States which bear the economic and environmental impact associated with the development of the Outer Continental Shelf. Federal officials should accept the State's recommendations regarding lease sales and development plans, unless those recommendations seriously conflict with national security.

-- Support the need for better land use planning. I favor giving planning assistance to the States if they give firm assurances that these plans will be implemented and will protect critical environmental areas.

-- Support efforts to place reasonable limits on strip mining. We must require reclamation of land as a condition for strip mining.

-- Encourage solid waste disposal. We must reduce the volume of waste created, give grants to States to improve collection service, and expand research in the solid waste disposal area.

Bill Greener came to tell you  
something.

## URBAN COMMUNITY DEVELOPMENT

### Proposed Federal Cities Policy:

To alleviate "the suffering our cities are being put through by high inflation and continual recession." Carter proposes:

1. Counter-cyclical assistance for the cities. He said the \$2 Billion counter-cyclical assistance recently vetoed by the President is "essential and affordable."
2. He advocates an extension of Revenue Sharing for 5 years with an increase in the annual funding level to compensate for inflation. This appears to conflict with his earlier statements on Revenue Sharing.
3. Carter says the Federal government can help magnify limited public sector funds by engaging substantial private sector invested in the cities. He feels federal funds should be used as a catalyst to attract large amounts of additional resources. He doesn't specify how this would be accomplished.
4. He urges the Federal government to help local communities develop innovative new structures such as tax increment financing. He says this would allow a city to use growth in its property tax in a given area to stimulate needed urban investments, and joint public-private development mechanisms.
5. "The urban tax base is eroding, forcing the cities to rely heavily on property taxes. To reduce the property tax burden, I favor direct federal revenue sharing with the cities, and the elimination of current restrictions which prevent revenue sharing funds from being used for needed city services."

### Mass Transit:

Carter proposes the following steps to revitalize urban mass transit:

1. Create national policy for all modes of transportation;
2. Increase portion of transportation money available for public mass transportation; and,
3. Change current restrictive limits on use of mass transit funds by localities so spare money can be used as operating subsidies.

Speech, Conference of Mayors  
Milwaukee, Wisconsin  
June 29, 1976

New York City:

"If the Federal government gets into the business of bailing out cities, it will remove the pressure on them to get their affairs in order."

U.S. News and World Report  
September 22, 1975

Congressional Quarterly reported Carter as opposing federal aid to New York City.

Congressional Quarterly  
November 29, 1975

On aid to New York City, Carter favors giving the state aid and not the city, but when talking about revenue sharing Carter wants more aid given directly to the cities.

Washington Post  
December 1, 1975

Urban Housing:

Carter presents the following agenda to return unemployed construction workers to work and to build 2 million housing units per year.

1. Direct federal subsidies and low interest loans to encourage the construction of low and middle class

housing.

2. Expansion of the highly successful Section 202 housing program for the elderly.
3. Greatly increased emphasis on the rehabilitation of existing housing to rebuild our neighborhoods.
4. Greater attention to the role of local communities under the Housing and Community Development Act of 1974.
5. Greater effort to direct mortgage money into the financing of private housing.
6. Prohibiting the practice of redlining by federally sponsored savings and loan institutions and the FHA.
7. Encouraging more loans for housing and rehabilitation to the poor.
8. Providing for a steady source of credit at low interest rates to stabilize the housing industry.

Carter's position on ethnic neighborhoods is unclear.

Carter would not use the power and authority of government to circumvent "the natural inclination of people to live in ethnically homogeneous neighborhoods."

"Any exclusion of a family because of race or ethnic background I would oppose very strongly and aggressively as President."

Oregonian  
April 11, 1976

Carter would not force an all-white suburban township to allow construction of a federally-funded, low-income housing project if township residents did not want it.

"If they don't want Federal program money, I would not make them take it...That goes beyond my concept of what the Federal government ought to do."

Philadelphia Inquirer  
April 12, 1976



I. Major Issues

Attached in this tab are brief, factual statements in regard to the following issues which could be considered "major" items for Q & A's:

1. Reducing the Size of Government
2. Crime
3. Health Care
4. Elementary and Secondary Education
5. Agricultural Policy and Food Prices
6. Abortion
7. Child Nutrition
8. Food Stamp Program
9. National Health Insurance
10. Social Security
11. Swine-type Influenza
12. Antitrust
13. Busing
14. Gun Control
15. Neighborhood Revitalization
16. Air Quality
17. Strip Mining
18. Right to Work
19. Expansion of Commercial Nuclear Power
20. Solar Energy
21. Amtrak
22. Consumer Protection
23. Aid to New York City
24. General Revenue Sharing



Q. Mr. President, Mr. Carter has committed himself to fighting big government and to reducing its hold in Washington. Could you tell us what, if anything, you are doing about this growth in the federal government?

A. There is no doubt in my mind that government has extended itself too far into our economy, into our state and local governments and into our personal lives.

My Administration has undertaken several efforts to reduce unnecessary federal intervention in these areas and to improve the management of essential federal activities.

I have strongly supported legislation which is designed to return decision-making authority to local governments. My support of general revenue sharing and proposals of grant consolidation are examples.

I have also directed the Office of Management and Budget to work individually with agencies to improve management practices and organization. These initiatives will clarify organizational responsibilities and reduce redtape.

I might say that reorganization alone will not solve the problem of excessive government. It also takes policy and legislative actions to give decision-making back to our states and localities.

Our program which combines this type of legislative reform with management initiatives will, I believe, be most effective in the long run.

SGM  
9/7/76

1

CRIME

Q: New statistics released recently show that serious crime in 1975 increased ten percent from 1974. Mr. President, do you think that this figure is an indication of efforts on your part to restore law and order.

A: I think it is helpful to point out that in 1974, crime increased by 18 percent. So the 10 percent figure-- while far too high--represents substantial progress.

I want to see sound government, just laws, and domestic tranquility prevail in this country as much as you do. The brunt of law enforcement responsibility rests at the State and local levels of government. However, I see specific ways that I think the Federal government can, and should, provide leadership and support in the battle against crime. I have called for a standard minimum sentence for persons convicted of committing Federal offenses with a dangerous weapon. I have also called for "career criminal" programs to deal swiftly with persons convicted repeatedly of serious crimes. But Congress has not to enact these requests and others that I presented more than one year ago.

One of the highest priorities in my administration has been government with decency, honesty, integrity and adherence to the law at all levels. I started with the Executive Branch. With the help of Congress, I believe that I can continue with a program to promote domestic tranquility in this country.

HEALTH CARE

The President has pursued the goal of insuring every American's access to quality health care by taking the following actions:

- Initiating improvements in the quality of health care available in nursing home programs;
- Encouraging the expansion of the National Health Services Corps which places health professionals in critical health manpower shortage areas;
- Coordinating rural health activities to serve individuals in rural areas;
- Initiating a program of unprecedented scope to immunize all Americans against the possible outbreak of swine flu;
- Initiating a study of alternative means of providing health insurance to Americans who are not adequately insured;
- Proposing the catastrophic health insurance program that would (1) protect the elderly against the devastating cost of a serious illness and (2) hold down the inflationary surge in health costs;
- Proposing that 16 Federal health programs, including Medicaid, be consolidated into a single \$10 billion block grant to the states.

EDUCATION

By law and tradition, State and local governments have the responsibility for providing free and universal public education. President Ford has emphasized his belief that maximum decisionmaking flexibility be provided at the State and local level and that Federal funds be used to support special needs programs.

The President has initiated a series of structural and financial reforms to achieve these goals. These include:

- Signing the Education of All Handicapped Children Act of 1975, which supports equal educational opportunity for all handicapped children;
- Proposing the Financial Assistance for Elementary and Secondary Education Act, which would consolidate twenty-four existing programs into a single program and continue to target funds on populations with special needs;
- Requesting greater support for the National Institute of Education in the amount of a 28 percent increase over the 1976 appropriation;
- Requesting full funding of the Basic Education Opportunity Grants program in 1976 and 1977, which facilitates access to a post-secondary education for any student demonstrating need.

Q. Just what are the goals of your Administration's farm policies?

A. Farmers today are operating at a unique point in history, a time when the world has gone from worrying about crop surpluses to a time when we are beginning to wonder about potential food shortages. My Administration's goals are to help farmers be free to meet any future food needs that might arise.

In the years ahead, I see a world population that will grow from 4 billion people at present to between 6.5 and 7.0 billion by the year 2000. Within the next three decades alone, man must learn how to feed as many people as we have learned to feed since the dawn of history.

American farmers will play a large part in meeting that challenge. Already, they supply almost 50 percent of the world wheat exports, 55 percent of the feed grains, 50 percent of the oilseeds, almost 25 percent of the cotton, and 27 percent of the rice.

If the world is to be kept free from famine in the years ahead, the American farmer must be free to produce, free to utilize his land and management skills in the most efficient way possible and world markets will have to provide incentive prices that will cover his cost of production and allow him a reasonable profit as well.

On the other side of the coin, the goal of my Administration's farm policies is to assure American consumers of a plentiful supply of efficiently produced, reasonably priced food. Food produced at the lowest cost of production will only come from full production. Centralized government management of farms through rigid farm policies doesn't work. This nation's past programs structured along such lines, and the Russians' difficulties with such a system, proves this point dramatically.

#### FOOD PRICES

Q. Can we look forward to an easing of the increase in food prices that we've had in recent years?

A. Yes, you can. Secretary Butz has estimated food prices will increase 3 to 4 percent this year. As you know, food prices last year increased about 8 1/2 percent -- which was down from the 14 1/2 percent increases in 1973 and 1974. Over the last two years, about three-fourths of the increase in consumer food costs came after food left the farm. Our big job is to stop the inflation that caused those cost increases. This is one of the reasons why everyone has a stake in controlling inflation and government spending.

5011

ISSUE: Abortion

Administration Position

The President publicly reiterated his position in an interview with Walter Cronkite on February 3, 1976: "I am in a moderate position in that area. I do not believe in abortion on demand. I do not agree with the court decision of (1973). On the other hand, I do not agree that a Constitutional amendment is the proper remedy. I think we have to recognize that there are instances when abortion should be permitted -- the illness of the mother, rape or any of the other unfortunate things that might happen -- so there has to be some flexibility. I think that the court decision went too far. I think a Constitutional amendment goes too far. If there was to be some action in this area it is my judgment that it ought to be on the basis of what each individual State wishes to do under the circumstances. Again, I should add even though I disagree with the court decision, I have taken an oath of office and I will, of course, uphold the law as interpreted by the court. I think there is a better answer."

Interview with Walter Cronkite  
February 3, 1976

And in New Hampshire on February 8, 1976, he said: "My decision adverse to the Supreme Court decision goes back some time. I felt at the time the decision was made that it went too far. ...while I was a Member of the House of Representatives after that decision, I made a decision to oppose the Constitutional amendment that would preclude any Federal Executive, Legislative or Judicial action against abortion, and I felt then -- and it is on the record at that time -- that I favored an amendment that would permit individual State action." //

Presidential Documents  
Vol. 12, No. 7, p. 154

Administration Actions

The Department of Defense has ordered all military facilities to comply with the Supreme Court decision on abortion. DOD will provide abortions as a normal medical service in its hospitals but will not reimburse individuals for abortions performed outside of military hospitals.

The Department of Health, Education, and Welfare has ordered all Public Health Service facilities to comply with the Supreme Court decisions on abortion and to provide abortions as a normal medical procedure. The Department also reimburses states for abortions under Medicaid (Title XIX) and Social Services (Title XX).

SCM  
2/24/76

## Administration Position

I am presenting today to the Congress the Child Nutrition Reform Act of 1976. This proposal is designed to facilitate the States' efforts to feed needy children by consolidating 15 food programs -- including forty different meal subsidies -- into a single block grant.

Good nutrition is a key factor in the physical, mental and social development of the Nation's children. It is essential that children not be denied a healthful diet because of limited family resources. For this reason the Federal government has developed subsidy programs to provide lunches for needy children.

I believe that the Federal government has a responsibility to provide nutrition assistance to those most in need. At the same time, I believe that the existing Federal taxpayer subsidies for the meals of children from families able to feed themselves extends that Federal responsibility beyond the appropriate point.

Presidential Documents  
Vol. 12, No. 13, p. 478

In a speech to the U.S. Conference of Mayors on January 26, 1976, the President said, "Giving money to the families above the poverty line and depriving children from families below the poverty line -- will anybody stand up and defend that? I can't."

Presidential Documents  
Vol. 12, No. 5, p. 96

## Administration Action

On March 23, 1976, the President proposed the Child Nutrition Reform Act of 1976 to consolidate 15 child nutrition programs into a single, comprehensive block grant to provide States with increased flexibility to feed needy children.

This legislation would:

- Provide financial assistance to States based on the cost of feeding all needy children.
- Consolidate 15 complex categorical and overlapping programs into a single block grant to States, increasing their flexibility in administering these programs, and at the same time save the taxpayers nearly \$900 million in FY 1977 by reducing assistance to non-needy children.

- Remove unnecessary restrictions and red tape governing the way meals are provided to needy children.
- Give concerned organizations and individuals in each State an opportunity to be involved in the planning of child feeding programs.

SCM  
4/12/76

ISSUE: Food Stamps

Administration Position

The President has called upon the Congress to join him in an effort to restructure the food stamp program in a way that targets limited resources on assisting families truly in need, while excluding those with incomes well above the poverty level.

In sending his proposal to Congress, the President said: "My recommendations for dealing with the Food Stamp assistance program follow a fundamental principle on which I stand: The Federal Government should help, within the limits of national resources, those who are in need; but we should not give one dollar of Federal assistance to those not in need."

Presidential Documents  
Vol. 11, No. 43, p. 1186

Administration Action

The President recommended in early 1975 a 30 percent purchase requirement to reduce Federal expenditures, which was rejected by the Congress.

On October 20, 1975, the President sent to the Congress a proposal to reduce food stamp expenditures by \$1.2 billion and to concentrate benefits on the truly poor. Eligibility would be limited to those whose net income is below the poverty level.

- Costs will be reduced by \$1.2 billion.
- 24 percent of the recipients, those who are truly poor, will receive increased benefits.
- 17 percent of those currently participating will no longer receive benefits because their income is above the poverty level.

In his State of the Union message the President again called on Congress to move to reform the Food Stamp Program saying: "Let's give Food Stamps to those most in need. Let's not give any to those who don't need them."

Presidential Documents  
Vol. 12, No. 4, p. 49

On February 19, 1976, the President wrote to Senator Talmadge and Congressman Foley to inform the Congressional Agriculture Committees that "I am deeply concerned by the failure of Congress to enact seriously needed changes in the Food Stamp Program. ...But no action has yet been taken by Congress to implement real reform. Each day that goes by without enactment of the reforms which I have proposed costs the taxpayers more than \$3.25 million. ...While statutory changes by the Congress would be the most desirable course of action, we can no longer afford to wait. Since the Congress has not acted, there are only two courses open to me: to ask for more funds to continue the program as it is, or to direct the Secretary of Agriculture to proceed administratively to reform the program through changes in regulations. The first course is unacceptable to me because I believe the taxpayers have waited far too long for reform of this program. Therefore, since the Congress has not enacted Food Stamp reform, I have directed the Secretary of Agriculture to issue regulations which will set in motion the reforms needed to eliminate abuses, control costs, and concentrate benefits on those truly in need."

Presidential Documents  
Vol. 12, No. 8, P. 265

On May 7, 1976, the USDA published regulations to begin reform of the Food Stamp Program.

The Administration also continues to urge Congressional passage of the Food Stamp Reform proposal.

On July 6, 1976, the President signed S. 2853, the Emergency Food Stamp Vendor Accountability Act of 1976. The legislation ensures that persons authorized to sell food stamps promptly deposit the cash collected. Also, it minimizes the potential for abuse by providing specific criminal penalties for certain violations of the statutory requirements. The President said, "Although I am pleased to sign this measure because it represents a significant step toward improving program accountability, it falls far short of the meaningful food stamp program reforms which are needed to redirect food stamp benefits to the truly needy and to eliminate from the program persons with income substantially above the poverty level. In 1975, I submitted to the Congress a comprehensive food stamp reform proposal which was aimed at simplifying program administration and achieving program equity as well as strengthening program accountability. The Congress has been working on

program reforms, but as yet no substantive reforms have been enacted.

Presidential Documents  
Vol. 12, No. 28, p. 1137

Final Senate action on food stamp reform legislation on April 8, 1976, resulted in the adoption of only a few minor pieces of the President's reform package. All of the major pieces of reform legislation were either deleted or significantly altered. The Senate-passed food stamp reform bill would increase rather than decrease future program expenditures. The Department of Agriculture estimates that approval of S. 3136 would result in a cost increase of \$328.8 million annually. The House Committee on Agriculture reported H.R. 13613, introduced by Congressman Foley, on August 10, 1976. The Department estimates that approval of H.R. 13613 would save \$393.8 million annually. No action is currently scheduled on this measure. However, the Congressional Relations staff believes the Democrats in both Houses will pass a Food Stamp bill in the final days of this session and challenge the President to veto it.

#### ADMINISTRATIVE REFORM

On February 20, 1976, the President indicated that he could no longer wait for Congressional action, and directed Secretary Butz to issue regulations which would set in motion the reforms needed to eliminate abuses, control costs and concentrate benefits on those truly in need. USDA published the final regulation changes on May 7, 1976, which were scheduled for implementation on June 1, 1976. On May 26, 1976, however, the Food Research and Action Center (FRAC) joined with 26 States, several cities and U.S. Conference of Mayors, 73 food stamp households and over 100 civic, labor, religious and community organizations, in bringing suit to block implementation of the regulations. On May 28, 1976, the U.S. District Court issued a temporary order restraining the implementation of the amendments to the food stamp regulations. This was followed by a preliminary injunction on June 18, 1976, forbidding the Administration to make administrative reforms. Justice and USDA did file a Motion to dismiss the preliminary injunction or change it to a permanent one so that the judicial process could be consolidated. This Motion was denied on July 30, 1976. Justice and USDA filed a Notice of Appeal on the preliminary injunction on August 17, 1976. It normally requires about four months for the process of filing of briefs and responses by both sides before the Court of Appeals can set a hearing date. Therefore, it is likely that a ruling will not be handed down until after the first of the year.

SCJ  
9/3/76

Administration Position

The President recognizes the importance of good health and feels that all Americans should have access to quality health care. On September 4, 1975, the President said: "I had, when I was in the Congress, advocated a program that . . . would use the private sector and not a monopolistic Federal Government program. . . (that) would improve our health care facilities and institutions. But it would have imposed . . . new budget problems on the Federal Government. In my opinion, because of the deficit that we faced and the need to control fiscal deficits, that we couldn't -- at least for fiscal 1976 -- endorse or support what I had supported when I was a member of the House of Representatives."

Presidential Documents  
Vol. 11, No. 36, p. 949

On January 19, 1976, the President said in the State of the Union address, "We cannot realistically afford Federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans. But I do envision the day when we may use the private health insurance system to offer more middle income families high quality health services at prices they can afford and shield them also from catastrophic illnesses."

Presidential Documents  
Vol. 12, No. 4, p. 48

On February 13, 1976 in Fort Lauderdale, Florida the President responded to a question on national health insurance from the public by saying, "I did not recommend a Government sponsored national health insurance program. . . I don't think that a national Government sponsored health insurance program has worked very well as far as the patient is concerned in any country where it has been tried, and that is particularly true in Great Britain and several other countries, so I don't think it is the best way to improve health care . . . (Also), it would be very expensive, and I don't think we could afford it. But, the principal reason I am opposed to it is that it has not worked, and I don't think it will work. Secondly, the cost would be substantial, and the Federal budget could not afford it at the present time."

Presidential Documents  
Vol. 12, No. 8, p. 203

Administration Action

The President has asked OMB and the Domestic Council to review various courses of action.

Administration Position and Action

The Social Security system is a sound, successful program which will continue to provide Americans with income resources when they retire. However, there is a need to preserve the financial integrity of Social Security by increasing payroll contributions to the system and eliminating a "flaw" in the current law's benefit formula which overcompensates for inflation.

The President's message to the Congress on Social Security, June 17, 1976, summarized his position:

I am today submitting to the Congress a legislative proposal that will correct a serious flaw in the Social Security system. This proposal is one of three components of my 1977 budget and legislative program intended to insure a secure and viable Social Security system. My strong personal commitment to Social Security embraces both a genuine concern for the 32 million persons who currently depend on Social Security benefits for income, and an unyielding dedication to protect the financial integrity of the system for the millions of workers who will depend on it in the future.

My program to insure the integrity of the Social Security system, as outlined in January of this year, includes:

First, a full cost-of-living increase (6.4%) for all beneficiaries, scheduled to take effect in checks sent out in July of this year.

Second, an increase in Social Security payroll contributions by three-tenths of one percent for both employees and employers. This increase would remedy the immediate, short-term financing problem facing Social Security. It would stop the drain on the trust funds -- which are now expected to pay out about \$4 billion more in benefits each year than they take in. This correction would cost no employee more than \$1 per week in additional contributions. (Proposal sent to Congress on February 10, 1976.)

Third, legislation to correct a serious flaw in the Social Security benefit structure which, if left unchanged, would undermine the principles of Social Security and create severe long-range financial pressures on the system. My proposal would eliminate this flaw and be a major step towards resolving the long-range financial problem. It would help stabilize the system and permit sufficient time for careful and thorough analysis of the remaining future financial pressures.

. . . The proposal I am submitting today corrects an inadequate method of adjusting benefit payments which, over time, could mean that many new retirees would receive Social Security benefits in excess of the highest earnings they ever received. Such a result was never intended and is clearly undesirable, both from the standpoint of the individual and the excessive costs to the system.

. . . The correction of the flaw will be a major step toward bringing the system back into financial balance over the long-term (it eliminates about half the projected long-range deficit). But it is not the complete solution and we should not pretend that it is. The Social Security Trustees estimate that even with this legislation, sizeable long-term financial pressures remain.

There is sufficient time, however, to analyze this situation and to correct it. If action is taken promptly on my proposals the system will not be in jeopardy. But this should not delay our efforts to identify the further steps needed to protect the system's permanent financial integrity. Over the next few years I intend to work with the Congress in resolving these problems.

Presidential Documents

In defense of increasing the rate of payroll contributions to offset the current financial drain on Social Security, the President has said:

. . . there are three or four alternatives. You can start tapping the general fund, which I oppose. You can raise the wage ceiling which some propose. I don't think that is the best answer.

. . . the Congress in an election year has rejected that proposal, but that is only putting off the inevitable. They have got to find an answer under our current beneficiary formula. It is inevitable, something has to be done.

I thought we ought to face up to it this year even though it is an election year, and I regret that the Congress is not facing up to it. That is the honest and realistic thing to do.

Presidential Documents  
Vol. 12, No. 12, p. 403

Also, ". . . the argument is often made that that is a very regressive tax, and it can be argued that, but that is only half of the argument. Because when the benefits are paid after the person retires, that regressiveness is reversed.

The beneficiaries in the lower income spectrum get more than the people who are in the higher income area. So although they pay more, they in turn on retirement get more. So I think it is the best solution."

Presidential Documents  
Vol. 12, No. 12, p. 394

June 21, 1976

ISSUE: Swine-type influenza

Administration Position

On March 24, 1976, the President announced his plans for a nationwide immunization program against a swine-type strain of influenza. This virus was of great concern within the medical community because it is similar to the one that caused a worldwide deadly flu epidemic in 1918-19 in which 548,000 Americans died as well as 20 million around the world. The President said, "I have consulted with members of my Administration, Secretary Mathews and Dr. Cooper and leading members of the health community and public officials about the implications of this new appearance of swine flu. I have been advised that...unless we take effective counteraction, there could be an epidemic of this dangerous disease...Let me state clearly at this time no one knows exactly how serious this threat could be. Nevertheless, we cannot afford to take a chance with the health of our nation."

Presidential Documents  
Vol. 12, No. 13, p. 484

Administration Action

On March 25, 1976, the President asked the Congress for a special appropriation of \$135 million prior to their April recess to ensure the production and distribution of sufficient vaccine. "The facts that have been presented to me in the last few days have come from many of the best medical authorities in this country...The facts do suggest...that there is a need for action now... Extraordinary measures are necessary because of the short time period available to assure adequate vaccine production and to mobilize the nation's health care delivery system...I urge the Congress to act immediately to pass this special supplemental appropriation separately."

Presidential Documents  
Vol. 12, No. 13, pp. 484-85

On April 1, 1976, the President issued a memorandum for the heads of the departments and agencies to assure the completion of the nationwide influenza immunization program in an appropriate, orderly, and timely manner. He said, "The Secretary of Health, Education and Welfare, David Mathews, will take the lead in this effort, but it is essential that all federal department and agency heads give him their full cooperation in carrying out this

program." The President indicated national influenza immunization plan objectives: testing and production of sufficient quantities of vaccine to immunize the entire population; encouraging the nation's health professionals to fully support the program; ensuring public awareness for the necessity of inoculation against this type of influenza; the efficient and timely distribution of the vaccine, medical supplies and equipment throughout the country; and ongoing surveillance to determine any disease trends and additional efforts. The President stated, "Our goal is to ensure that the flu vaccine is available at public health facilities, hospitals, schools, and physicians' offices throughout the country and that a maximum number of Americans avail themselves of it."

Presidential Documents  
Vol.12, No.14, p.525

The legal problem of indemnifying vaccine manufacturers against claims for injuries arising out of the government's program initiated the need for hearings before the Rogers' Subcommittee on Interstate and Foreign Commerce on June 28, regarding the Administration's proposed legislation. The Subcommittee failed to take legislative action to indemnify manufacturers of the vaccine and advised that the legal concerns of manufacturers be resolved by agreement and contract. The President met with Secretary Mathews and Assistant Secretary Cooper on July 9 to discuss the effects of this continuing legal problem. Program justification was reemphasized and the President stated at a news conference on July 19, "We are going to find a way, either with or without the help of Congress to carry out their program that is absolutely essential, a program that was recommended to me unanimously by 25 or 30 of the top medical people in this particular field. So we are going to find a way, and I think we will eventually do it, and I expect the full cooperation of the industry and all other parties involved."

Presidential Documents  
Vol. , No. , p.

SCJ  
7/21/76

On July 23, 1976, the President sent a letter to Congressman Paul Rogers, Chairman of the Subcommittee on Interstate and Foreign Commerce addressing the problem of indemnifying vaccine manufacturers. The President urged Congressman Rogers to act immediately on his legislative proposal that would enable the government to assume a proper share of risks resulting from the program, but not those resulting from negligence of the manufacturer. "We cannot accept the fact that the health of all Americans can be placed in jeopardy by a failure to take action on this important legislation."

Presidential Documents  
Vol. 12, No. 30, p. 1204

On August 4, 1976, the President sent a letter to the Speaker of the House of Representatives and Senator Mike Mansfield urging them to enact the indemnity legislation needed to ensure that the swine flu program move ahead swiftly. "The threat of swine flu is genuine. Data from both the scientific and medical communities support the need for an inoculation program. Clinical tests conducted to date show that the vaccine is both safe and effective. There is no excuse now to let this program -- a program that could affect the lives of many, many Americans -- be delayed any longer."

Presidential Documents  
Vol. 12, No. 32, p. 1244

The President signed S. 3735, the "National Swine Flu Immunization Program of 1976" into law on August 12, 1976. The legislation will permit the Federal Government to assure appropriate liability protection for those manufacturing, distributing and administering the vaccine and will provide a claims procedure for persons who might be injured. The President stated, "I strongly reaffirm my commitment to this program and I have directed the Secretary of HEW to move as expeditiously as possible to insure that we keep our original commitment of making this vaccine available to all Americans."

Presidential Documents  
Vol. 12, No. 33, p. 1257

SCJ  
9/3/76

Administration Position

President Ford said, on February 14, 1976, in response to a question:

"On the first question, since I have become President, I have, first, appointed an outstanding Attorney General. That man has put added emphasis in the Department of Justice on antitrust activities, trying to break up monopolies or to eliminate monopolistic practices of any company and this year, again, in this budget he asked me -- the Attorney General -- for extra antitrust personnel and I recommended, as I recall, about 50 extra top-grade people to help him pursue antitrust monopolistic developments.

"So under the laws we have, you can depend that the Department of Justice will do a good job. And I might add that last year I recommended that the penalties for violation of the antitrust laws be increased. They were ridiculously low. They have been substantially increased so now that those who perpetrate monopolistic trade practices will really be penalized in dollars, as well, if it is criminal, any criminal penalties as well."

Presidential Documents  
Vol. 12, No. 8, p. 215

However, the President has expressed his objection to the concept of parens patriae in Federal antitrust laws. On March 17, 1976, in a letter to House Minority Leader John J. Rhodes, he said:

"I support vigorous antitrust enforcement, but I have serious reservations concerning the parens patriae concept . . .

"I question whether federal legislation is desirable which authorizes a state attorney general to sue on behalf of the state's citizens to recover treble damages that result from violations of the federal antitrust laws. The states have the ability to amend their own antitrust laws to authorize parens patriae suits in their own courts. If a state legislature, acting for its own citizens, is not convinced the parens patriae concept is sound policy, the Administration questions whether the Congress should bypass the state legislatures and provide state attorneys general with access to the federal courts to enforce it."

Presidential Documents  
Vol. 12, No. 12, pp. 442-3

In his State of the Union Message on January 19, 1976, the President said:

"Now, we badly need reforms in other key areas in our economy: The airlines, trucking, railroads and financial institutions.

"I have submitted concrete plans in each of these areas, not to help this or that industry, but to foster competition and to bring prices down for the consumer.

"This Administration, in addition, will strictly enforce the Federal antitrust laws for the very same purposes."

Presidential Documents  
Vol. 12, No. 4, p. 47

#### Administration Actions

President Ford signed into law a bill increasing the penalties for criminal violations of the Sherman Act from one to three years imprisonment, and from a maximum fine of \$50,000 to \$100,00 for individuals, and \$1 million for corporations.

The Administration requested increased appropriations for 83 people and approximately \$3 million for the Antitrust Division, and 95 people and \$3.1 million for the Federal Trade Commission's supporting legislation to increase the effectiveness of antitrust enforcement.

It has also secured repeal of "Fair Trade" laws and proposed a narrowing of antitrust immunities for ICC and CAB rate bureaus and collusive agreements.

Administration Position

President Ford has, on a number of occasions, made it clear that it is his intention as Chief Executive of the United States to see that the laws are faithfully executed, including court orders relating to school desegregation. He has also stated, however, that it is his personal view that there is a better way to achieve quality education for all American youngsters than through court-ordered busing to achieve racial balance.

In submitting a special message to the Congress on the busing issue, the President said:

"To many Americans busing appears the only way to achieve the equal educational opportunities so long denied them. To many other Americans busing appears to restrict their individual freedom to choose the best school for their children to attend.

"It is my responsibility and the responsibility of the Congress to seek a solution to this problem -- a solution true to our common beliefs in civil rights for all Americans, individual freedom for every American in the best public education for our children.

"Today I am submitting to the Congress legislation which I believe offers such a solution. I ask the Congress to join with me in establishing the guidelines for the lower Federal courts to follow. Busing as a remedy ought to be the last resort and it ought to be limited in duration and in scope to correcting the effects of previous violations. These legislative guidelines are drawn within the framework of the Constitution.

"I believe every American community should desegregate on a voluntary basis. Therefore, I am proposing the establishment of a committee composed of citizens who have had community experience in school desegregation and who are willing to assist other communities in voluntarily desegregating their schools.

"Citizens groups I have consulted on both sides of the busing issue have told me such a committee would be a welcome resource to communities which face up to the issue honestly, voluntarily and in the best spirit of American democracy.

"Concern has been expressed that by submitting this bill at this time we risk encouraging those who are resisting court-ordered desegregation sometimes to the point of violence. Let me state here and now that this Administration will not tolerate unlawful segregation. We will act swiftly and effectively against anyone who engages in violence. This Administration will do whatever it must to preserve order and to protect the constitutional rights of our citizens.

"The purpose of submitting this legislation now is to place the debate on this controversial issue in the halls of the Congress, a responsible and orderly debate within the Democratic process and not on the streets of our cities.

"I will now sign the two messages -- one to the House and one to the Senate -- which will be delivered today along with the proposed legislation."

Presidential Documents  
Vol. 12, No. 26, pps. 1079-1080

#### Administration Actions

On November 20, 1975, the President directed the Secretary of Health, Education, and Welfare and the Attorney General to work with his White House staff to develop better methods of achieving quality education within an integrated environment for all children.

The President also personally met with a number of individuals from outside of government to get the broadest possible perspective on this issue.

On June 24, 1976, the President submitted to Congress his proposal entitled "The School Desegregation Standards and Assistance Act of 1976." This Act would:

1. Require that a court in a desegregation case determine the extent to which acts of unlawful discrimination have caused a greater degree of racial concentration in a school or school system than would have existed in the absence of such acts.
2. Require that busing and other remedies in school desegregation cases be limited to eliminating the degree of student racial concentration caused by proven unlawful acts of discrimination.

3. Require that the utilization of court-ordered busing as a remedy be limited to a specific period of time consistent with the legislation's intent that it be an interim and transitional remedy. In general, this period of time will be no longer than five years where there has been compliance with the court order.
4. Establish a National Community and Education Committee which will assist, encourage and facilitate community involvement in the school desegregation process. This Committee will be composed of citizens from a wide range of occupations and backgrounds, with particular emphasis on individuals who have had personal experience in school desegregation activities. Committee members will assist on request communities which are, or will be, engaged in the desegregation of their schools by sharing ideas and recommendations for anticipating and resolving conflicts.

In addition to providing advice and technical assistance, the Committee will be authorized to provide grants to community groups for the development of constructive local participation that will facilitate the desegregation process. The Committee will be composed of not less than 50 nor more than 100 members. Ten of those, appointed by the President for fixed terms, will serve as an Executive Committee and will appoint the balance of the Committee.

ISSUE: GUN CONTROL



Administration Position

In his special message to the Congress on Crime on June 19, 1975, President Ford said:

"Criminals with handguns have played a key role in the rise of violent crime in America. Hundreds of policemen have been killed in the past decade through the use of handguns by criminals. The most effective way to combat the illicit use of handguns by criminals is to provide mandatory prison sentences for anyone who uses a gun in the commission of a crime.

"In addition, the federal government can be of assistance to state and local enforcement efforts by prohibiting the manufacture of so-called "Saturday Night Specials" that have no apparent use other than against human beings and by improving Federal firearms laws and their enforcement.

"At the same time, however, we must make certain that our efforts to regulate the illicit use of handguns does not infringe upon the rights of law-abiding citizens. I am unalterably opposed to federal registration of guns or the licensing of gun owners. I will oppose any effort to impose such requirements as a matter of Federal policy."

Presidential Documents  
Vol. 11, No. 25, pp. 658-659.

The President recommended a four-part program in this area, consisting of:

1. legislation requiring the imposition of a mandatory minimum term of imprisonment for any person convicted of using or carrying a handgun in the commission of Federal offenses;
2. legislation banning the importation, domestic manufacture and sale of cheap, highly concealable handguns -- known as "Saturday Night Specials" -- which have no apparent use other than against human beings;
3. legislation strengthening current law to strike at the illegal commerce in handguns and to emphasize the responsibility of gun dealers to adhere to the law; and

4. expansion, by the Bureau of Alcohol, Tobacco and Firearms, of its firearms investigative efforts in the nation's ten largest metropolitan areas through the immediate employment and training of an additional 500 firearms investigators.

In his State of the Union Message of January 19, 1976, the President said:

"Another major threat to every American's person and property is the criminal carrying a handgun. The way to cut down on the criminal use of guns is not to take guns away from the law-abiding citizen, but to impose mandatory sentences for crimes in which a gun is used, make it harder to obtain cheap guns for criminal purposes, and concentrate gun control enforcement in high crime areas.

"My budget recommends 500 additional Federal agents in the 11 largest metropolitan high crime areas to help local authorities stop criminals from selling and using handguns."

#### Administration Actions

The President has submitted to the Congress legislation implementing all of his recommendations for enhanced Federal handgun control. The Administration has requested an additional 500 investigators from the Congress and has begun to step up its investigation of illegal firearms transactions in the following cities: Boston, Chicago, Detroit, Dallas-Fort Worth, Los Angeles, New York, Philadelphia, Pittsburgh, St. Louis, San Francisco and Washington, D. C.

The President, when he spoke to a Joint Session of the California Legislature on September 5, 1975, again addressed himself to the need to impose mandatory minimum sentences of incarceration on persons using handguns in the commission of criminal acts.

Situation

Many urban neighborhoods have suffered decline and decay. The inhabitants of these areas, who are largely ethnic or minority groups, have had difficulty in gaining the support of local or Federal officials in their efforts to preserve their neighborhoods. Very often diverse Federal programs with conflicting goals have contributed to this disruption. Recently the leaders of these groups have become more vocal about the need for a national policy for neighborhood revitalization.

Administration Position

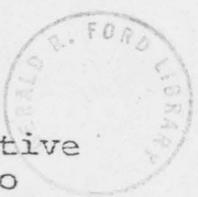
The Ford Administration is committed to working with State governments, locally elected officials, community leaders and private industry to restructure Federal programs affecting urban areas to enhance the economic and fiscal viability of cities and promote the revitalization of their neighborhoods.

Administration Action

President Ford has hosted a series of White House meetings with ethnic and minority leaders on the subject of neighborhood regeneration. On June 30, 1976, he established the President's Committee on Urban Development and Neighborhood Revitalization, an interagency committee which is charged with the responsibility of analysis, urban problems and developing recommendations to improve Federal programs in order to revitalize urban areas and their neighborhoods. Specifically the Committee will be responsible for:

1. Conducting a comprehensive review of all major Federal programs which have an impact on the cities and their neighborhoods and reporting results to the President;
2. Seeking the perspectives of local officials and neighborhood groups on Federal programs which affect them;

- 3. Developing recommendations to the President and the Congress for changes in Federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise this authority, and to provide for better coordination and delivery of Federal programs.



On May 5, the President remarked to assembled ethnic leaders:

"A sense of community has been eroded in some of our largest cities. A sense of neighborhood, a sense of belonging, of cultural identification, are threatened. I can appreciate your deep concern for the future of institutions which you work so very hard to establish. The ethnic church, the school, the credit union, the fraternal lodge, and an increasingly centralized Government in Washington, which has grown more and more powerful and very impersonal is a big part of the problem.

It is time to begin de-emphasizing the bureaucracies in Washington and re-emphasizing the community, the efforts that we can make to improve our American way of life. One way to do this is by extending the general revenue sharing program, which over the past five years has turned the flow of power away from Washington and towards your own cities and your own States.

Another way is through the vigorous enforcement of the anti-redlining bill, which discourages credit discrimination based on neighborhood location and in mortgage and home improvement loans. I signed the law prohibiting that discrimination, and I intend to see it stopped."

FLM  
7/21/76



ISSUE: AIR QUALITY

President Ford stated on July 3, 1975:

..."We all breathe the same air, - or smog. And it is up to us (to solve pollution problems).

"I am convinced that an active partnership between the Federal, State and local agencies is the proper formula for assuring the future success of our environmental efforts. ...Nearly 80 percent of all major stationary sources of air pollution--utility plants, factories, large buildings--are now complying with emission regulations or are meeting an abatement schedule..."

"The result of these and other clean air regulations is very apparent. The citizens of many, many great cities have already benefited from the life-giving improvement in the purity of their air..."

"There is much more to be done, but let us not be indifferent to what already has been accomplished..."

Presidential Documents  
Vol. 11, No. 27, p. 702

Administration Actions

The President, on June 27, 1975, recommended an extension of the current auto emission standards until 1981, on grounds that such action would achieve the best balance among his directives in energy, environment and economy without compromising public health needs.

On May 30, 1975, Administrator Train reported on the progress of air quality improvement since passage of the Clean Air Act in 1970, including a 25 percent reduction nationwide in sulfur dioxide concentration, a 14 percent reduction in the national average for particulate matter and improvements for photochemical oxidants (smog) in those areas where data are sufficient to define a trend.

Both the Senate and House Committees have approved amendments which are a compromise between the current law and the 1975 Administration position on both the auto emission and the stationary source provisions.

ISSUE: AIR QUALITY (cont'd.)

On May 23, 1976, in a letter to Senator Randolph, the President expressed his support for the so-called Dingell-Train compromise amendment to change auto emission standards to those proposed by EPA in 1975. The President continued to question the desirability of several other proposed amendments. Administration officials are defining specific positions related to House and Senate versions.

ISSUE: STRIP MINING

Administration Position

President Ford stated on May 20, 1975: "The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

"I favor action to protect the environment, to prevent abuses that have accompanied surface mining of coal, and to reclaim land disturbed by surface mining. I believe that we can achieve those goals without imposing unreasonable restraints on our ability to achieve energy independence, without adding unnecessary costs, without creating more unemployment and without precluding the use of vital domestic energy resources."

Presidential Documents  
Vol. 11, No. 21, p. 536

Administration Actions

In February, 1975, the President sent an Administration bill to Congress, but Congress instead passed H.R. 25, the "Surface Mining Control and Reclamation Act of 1975", which the President vetoed on May 20, 1975. His veto was sustained by the House on June 10, 1975. No further Administration legislation has been proposed and there are no present plans to take the initiative in this area.

Legislation to reform laws and procedures for Federal coal resources is under consideration in both Houses. A new proposal was reported out in February by the House Interior Committee, but failed to obtain a rule for floor consideration. New Department of the Interior regulations for coal on public lands were published in April 1976, although attacked by environmental groups. Both EPA and CEQ supported the regulations which are more stringent than previous drafts.

Currently, there is another new bill in the House Interior Committee. The Administration has recommended against enactment, stating in a June 22, 1976 letter that, "the Administration remains firmly convinced that imposition of a major new all-embracing Federal surface mining program could have a devastating effect on coal production..."

ISSUE: Right to Work

Administration Position

The President has stated "I think if a State wishes to have the right to work, as 19 States do, ... that is a right that they ought to be able to exercise..."

Presidential Documents  
Vol. 12, No. 15, p. 567

Administration Actions

No specific action is necessary, but if an effort were mounted to repeal Sec 14(b) of the Taft-Hartley Act, the President has announced he would vigorously oppose it.

Presidential Documents  
Vol. 12, No. 15, p. 567

WMD/4/21/76

ISSUE: Expansion of Commercial Nuclear Power

Administration Position

On June 26, 1975, the President said in his message to the Congress on uranium enrichment:

"The energy consumer also stands to benefit (from expanded use of nuclear power). The production of nuclear power now costs between 25 and 50 percent less than electricity produced from fossil fuels.\* It is not vulnerable to the supply whims or unwarranted price decrees of foreign energy suppliers. And based on the past fifteen years of experience, commercial nuclear power has an unparalleled record of safe operation."

Presidential Documents  
Vol. 11, No. 26, p. 684

In his 1976 State of the Union Message, the President said:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to . . . expedite clean and safe nuclear power production."

Presidential Documents  
Vol. 12, No. 4., p. 47

In his February 26, 1976 Energy Message, the President said:

"Greater utilization must be made of nuclear energy in order to achieve energy independence and maintain a strong economy. It is likewise vital that we continue our world leadership as a reliable supplier of nuclear technology in order to assure that worldwide growth in nuclear power is achieved with responsible and effective controls.

At present, 57 commercial nuclear power plants are on line, providing more than 9 percent of our electrical requirements, and a total of 179 additional plants are planned or committed. If the electrical power supplied by the 57 existing nuclear power plants were supplied by oil-fired plants, an additional one million barrels of oil would be consumed each day."\*\*

Presidential Documents  
Vol. 12, No. 9, p. 291

\* Current estimates are that nuclear power is 5 to 35% less expensive than electricity from fossil fuel.

\*\*As of August 1, 1976, there were 59 licensed and 2 operable ERDA-owned nuclear power plants plus 177 additional plants planned or committed.

In addition, the 1976 National Energy Outlook, published by FEA, affirms the need for expanded nuclear power plus expanded use of other domestic fuels and effective conservation to avoid increasing reliance on foreign oil.

In testimony on the California nuclear initiative before the California State Assembly Committee on Resources, Land Use, and Energy, May 14, 1976, Frank Zarb said:

"We remain convinced that any action effectively eliminating nuclear power, and making California dependent solely upon new oil and coal-fired generating capacity to meet increased electricity demand, could result in shortages of electricity and, despite reasonable conservation measures, severe adverse economic and social consequences."

#### Administration Actions

The President signed an Executive Order activating, effective January 19, 1975, the Nuclear Regulatory Commission (NRC was authorized by legislation signed by the President in October 1974). The NRC is an independent regulatory agency which took over the functions of licensing and regulating commercial nuclear power formerly vested in the AEC.

The Administration's energy legislation package included:

- legislation, now enacted, to extend for another ten years sections of the Atomic Energy Act which provided for financial protection to the public, up to \$560 million in the unlikely event of a serious nuclear accident (Price-Anderson).
- legislation, now enacted, to increase the investment tax credit for electric generating plants.
- legislation to expedite the licensing process for nuclear power plants, still awaiting Congressional action.
- legislation to assure timely expansion of capacity in the U.S. to produce enriched uranium to meet domestic and foreign needs, through establishing a competitive private uranium enrichment industry at little or no cost to the taxpayer. Legislation acceptable to the President has been reported out by the JCAE.

On July 27, 1976, the President announced that he had called for a review of nuclear policies with particular attention to nuclear exports and proliferations, reprocessing, and waste management. He created a special review team under the full-time direction of Robert Fri (who normally serves as Deputy Administrator of ERDA) to lead the review. All Federal agencies having responsibilities affecting nuclear power are participating in the review.



The Federal Government is pursuing opportunities to improve even further the safety and acceptance of nuclear power plants. The President's FY 1977 Budget would provide:

- \$89 million in outlays for ERDA and the NRC for nuclear reactor safety programs (a 49 percent increase over FY 1976 and a 75 percent increase over FY 1975).
- \$81 million for ERDA for development of improved environmentally sound technology for management of radioactive wastes from commercial nuclear plants (a 49 percent increase over FY 1976).
- \$27 million in outlays for ERDA to develop and demonstrate improved methods for safeguarding nuclear materials from theft (an 85 percent increase over FY 1976).
- \$10 million for ERDA to encourage industry to improve the reliability and reduce the construction time of commercial nuclear power plants.
- \$36 million for funds to identify new uranium resources.

In addition, the President has directed ERDA to work with private industry to determine what additional actions are needed to initiate a commercial nuclear fuel reprocessing and recycling industry. ERDA is preparing a program based on ERDA responses from industry as to their plans and needs for government assistance.

On May 10, 1976, the Energy Resources Council issued a joint 6 agency paper on radioactive waste, which stated that 'it is scientifically and technologically feasible to manage these radioactive wastes in a safe manner.' The paper also concluded that 'even substantial costs that could be required for careful disposal of such wastes will not have a substantial impact on the cost of electricity.'

ERDA has the Federal responsibility to provide safe long-term management of radioactive waste from commercial nuclear power reactors. The ERDA waste management program covers terminal storage (geologic isolation), waste processing, research and development, and supporting studies and evaluations.

On June 15, 1976, the ERC issued a joint 6 agency paper on uranium reserves, resources and production which concluded that "there are sufficient economically recoverable uranium resources on which to base an expanding nuclear program. The adequacy of uranium to provide fuel (over the 30-year life-time for all existing, planned and additional reactors which may be placed into service by 1990) is a reasonable national planning assumption."

ISSUE: Solar Energy

Administration Position

On February 25, 1975, at the White House Conference on Domestic and International Affairs in Florida, the President said:

"Our 1976 energy program also includes an accelerated solar energy effort far larger than anyone ever imagined several years ago. . . .

"The program we are now advocating is designed to help develop technologies for solar heating and cooling, by converting solar energy to electricity, by producing power economically from the wind, and (by) exploring the potential of other solar techniques."

Presidential Documents  
Vol. 11, No. 9, p. 216

The President said in his 1976 State of the Union Message:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to . . . accelerate development of technology to capture energy from the sun and the earth, for this and future generations."

Presidential Documents  
Vol. 12, No. 4, p. 47

The President in his February 26, 1976 Energy Message to Congress, indicated:

"I envision an energy future for the United States free of the threat of embargoes and arbitrary price increases by foreign governments . . . I envision . . . significant technological breakthroughs in harnessing the unlimited potential of solar energy and fusion power, and a strengthened conservation ethic in our use of energy."

Presidential Documents  
Vol. 12, No. 9, p. 293

Administration Actions

The President's 1977 Budget provides \$160 million in budget authority for Federally-sponsored solar energy research and development and demonstration activities. This is a 39 percent increase over FY 1976, and an approximately four-fold increase over the \$42 million of budget authority in FY 1975.

The President signed the Public Works appropriations bill which included \$290 million in budget authority for solar energy R&D. However, no decision has yet been made on whether some of the Congressional add-on funding may be proposed for deferral (on the grounds that such a large increase cannot be effectively utilized in FY 1977).

On March 15, 1976, ERDA requested proposals from any responsible organization, including non-profit, commercial or state and local governmental entities, for the proposed Solar Energy Research Institute (SERI), with an option for a larger site in the future. On July 15, 1976, ERDA announced receipt of 20 proposals, acceptable for comprehensive evaluation, for a manager-operator for SERI. ERDA will evaluate proposals and ERDA expects a selection in December 1976.

In June 1975, ERDA submitted to the President and the Congress a report outlining the Federal portion of a "National Solar Energy Research, Development and Demonstration Program" which described current and prospective Federally-funded programs in the areas of solar heating and cooling, solar electric systems, wind power and ocean thermal power and fuels from biomass. (ERDA-49)

In October 1975, ERDA submitted to the President and the Congress a report outlining the Federal portion of a National Program for Solar Heating and Cooling (for residential and commercial applications) which describes programs underway or contemplated (ERDA-23A). The use of solar energy for space heating and hot water heating is the most nearly economic application at this time.

The General Services Administration has under construction two buildings (one in Manchester, N.J., the other in Saginaw, Michigan) which are designed to demonstrate energy conservation and which also will include large solar collectors, scheduled for completion in 1976. In addition, ERDA and GSA and other Federal agencies are exploring the feasibility of installing solar collectors on new Federal buildings and retrofitting existing Federal buildings with solar collectors.

The Department of Defense is installing solar hot water and space heating on a demonstration basis in 15 existing and 35 new Department of Defense owned residential housing units.

The Department of Housing and Urban Development and the National Bureau of Standards have issued standards for residential solar heating and cooling units which must be met to qualify for solar demonstration grants that will be available through HUD.

On July 8, 1976, ERDA demonstrated the first significant production of electric power from a solar driven turbogenerator at a test facility near Albuquerque, New Mexico that is designed also to use waste heat from the process for heating and cooling of laboratory buildings.

In March 1976, FEA (Frank Zarb) announced:

"FEA is assessing the feasibility of implementing, along with ERDA and the Department of the Interior, a cooperative venture to assure substantial utilization of solar electric power generation in the greater Southwest area. This program would be known as the 'Southwest Project,' would cover eight states, including Arizona, and could be underway by late summer or fall of this year. . . ."

FEA has been developing, in conjunction with other agencies, a "Solar Energy Government Buildings Project" that would utilize a portion of the vast inventory of Federal buildings to provide a substantial early market for solar heating and hot water systems and thus assist in the accelerated development of a solar heating industry infrastructure.

The Energy Conservation and Production Act which the President signed into law August 14, 1976, authorizes \$3 million for solar commercialization activities.

GRS  
9/3/76

Administration Position

On February 14, 1976, the President stated: "When I was in the Congress, I voted for the Amtrak concept. I think it is important for us, for a wide variety of reasons, including saving energy, and in certain areas saving time, to develop, or to maintain or to expand rail passenger service.

We certainly need it in the Northeast Corridor, from Boston to New York to Washington, and I am sure there are other equally important areas throughout the country. Unfortunately, however, there are some cases where the Congress has added -- just pure pork barrels -- in adding or requiring Amtrak to run passenger service where, it cannot, under any circumstance, be justified.

Now if they keep doing that, it will destroy the basic concept which is sound for Amtrak. So, I just hope we show some restraint and good judgment because we need a good passenger rail system in certain parts of the country, but we can't afford to run it all over the country and strain the taxpayers pocketbook.

Remarks of the President  
and Question and Answer Session  
Ft. Myers Exhibition Hall  
2/14/76

On April 21, 1976 the President met with a group of newspaper people and said: " in Fiscal Year 1976, I recommended and Congress approved -- \$328 million for Amtrak, a little more, but that is the rough figure. In fiscal year 1977, I recommended a \$50 million increase up to \$378 million. I understand that the head of Amtrak, despite that \$50 million increase, is now saying that there will have to be 19 reductions in the many Amtrak programs they have . . ."

"Now, it seems to me that rather than eliminate any of these ongoing Amtrak schedules that Amtrak ought to do one of two things: Increase their efficiency, improve their operating capability so their costs are less; or, if they are incapable of increasing their efficiency I think they have no choice but to do something about their rate structure."

"It seems to me that the better emphasis for them to do to avoid any cutback in any of the 19 cases, then, Amtrak ought to improve its efficiency. I am certain they can do it but, if they can't, then I think they have the other alternative."

". . . but, I can't believe that Amtrak can't do a more efficient job, particularly when we gave them or recommended \$50 million for the next fiscal year over the current fiscal year. We have not cut back anything. We have added \$50 million related to \$328 million -- that is 15, 16 percent. That is an increase. We have not reduced anything for Amtrak."

Interview with the President  
Texas Reporters April 22, 1976

#### Administration Actions

The Presidential budget proposes \$378 million in operating subsidies for Amtrak in FY '77 as compared to \$328.8 million in FY '76. The President's budget for FY '77 would reduce Amtrak's capital grant program from \$110 million in FY '76 to \$105.7 million in FY '77.

On March 9, 1976, at the National Press Club, Secretary Coleman stated that after giving \$50 million more to Amtrak, Amtrak made the decision to eliminate certain lines, all of which just happened to run through influential politicians' districts.

On March 18, 1976, Secretary of Transportation Coleman recommended to the Conferees on H. Joint Res 801 (Miscellaneous Railroad Appropriations) that Amtrak should lease, not purchase, the Northeast corridor lines.

JRH  
4/30/76

ISSUE: Consumer Protection

Administration Position

President Ford said on April 17, 1975: "I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving on the underlying structure."

Presidential Documents  
Vol. 11, No. 16, p. 396

On September 4, 1975, he said: "I am going to veto the bill."  
(Agency for Consumer Protection)

Presidential Documents  
Vol. 11, No. 36, p. 950

The President said on November 4, 1975: "I am convinced we can resolve by better administration what Congress is attempting to accomplish by new laws and a costly new government agency. The steps we have taken will prove to be responsive to the needs of the American consumer and the concerns of the American public."

Presidential Documents  
Vol. 11, No. 45, p. 1242

On May 3, 1976, the President said: "I am basically opposed to the concept of *Parens Patriae* (H. R. 8535, S. 1284) particularly as it originally appeared in the House version. It's thrust would give to the 50 states' Attorney Generals the right to sue on the basis of Federal law. I think the Federal authorities ought to handle any antitrust action predicated on Federal law. I want it excluded - if not excluded, significantly modified."

On April 23, 1976, the President said: "I have said that I would veto that legislation (a Consumer Protection Agency bill). I think it is totally unnecessary. I think we can handle the legitimate claims of consumers without establishing another bureaucracy -- no, I am opposed to it."

On May 13, 1976, the President said: "my administration has made the reform of government regulation one of its highest priorities. At the same time, we have moved toward a more open and vigorous free market in which consumers have available a wider range of goods and services to choose from and where businessmen have a greater opportunity to run their own businesses."

#### Administration Actions

1. President Ford on April 17, 1975, asked agency heads to examine the efforts they were making to represent the consumer in their agencies' decisions and activities and to work with his Special Assistant for Consumer Affairs in improving their efforts.

Departmental Consumer Representation plans were then drawn up by seventeen Federal agencies and published in the Federal Register on November 26. White House Conferences on the plans were held in nine cities across the country in January to seek suggestions and ideas for ways to make the agencies more responsive to public concerns.

(The Agency for Consumer Advocacy -- S. 200, H. R. 7575 -- passed the Senate on May 15 by a 61-48 vote. The House bill passed by a slim nine-vote margin of 208-199, on November 6. The bill has not been scheduled for conference yet.)

2. On July 10, 1975, the President met with the Commissioners of the ten independent regulatory commissions to discuss the importance of regulatory reform and to urge the commissions to increase the representation of consumer interests in the agency proceedings.

3. The President issued Executive Order 11821, calling on all Executive Branch agencies to conduct inflation impact analyses of all their proposals for major legislation and regulations.

4. On August 11, 1975, President Ford signed into law the extension of the Council on Wage and Price Stability through Fiscal Year 1977.

5. The President endorsed and signed legislation on December 12, 1975, to repeal the "fair trade" laws which govern many retail prices and prevent consumers from benefiting from discount prices and real competition.



6. The President has resubmitted the Financial Institutions Act which would provide for more competitive returns on savings accounts to small savers and more diversified services to all customers.

7. The President signed into law the Securities Act Amendments on 1975 on June 4, 1975, to abolish fixed commission rates among stock-brokers and to establish a national market system.

8. President Ford submitted and signed into law the Railroad Revitalization Act of 1976. In 1975, he also submitted the Aviation Act and the Motor Carrier Reform Act. These bills would increase pricing flexibility, encourage competition, and lower costs in the above industries.

9. On February 27, 1976, President Ford signed the State Taxation Depositories Act (P. L. 94-222) extending and clarifying several credit-related subjects. It extended the Negotiable Order of Withdrawals (NOW) accounts to all Northeastern States, allowing customers to draw checks on interest-bearing savings accounts. Also, amended the Truth-in-Lending Act to clarify how retailers can offer discounts to cash-paying customers. Law prohibits imposition of a surcharge on credit card customers for 3 years.

10. On March 23, 1976, President Ford signed P. L. 94-239, which expands the Equal Credit Opportunity Act so that, beginning next year, it will be illegal for creditors to discriminate against consumers on the basis of race, color religion, sex, marital status, age, national origin or receipt of public assistance.

The creditor is also required to notify consumers as to exactly why they were denied credit.

11. On March 23, 1976, the President signed P. L. 94-24 into law, the Consumer Leasing Act of 1976. The Act, which goes into effect on March 23, 1977, gives the consumer more information regarding the leasing of products.

12. On April 8, 1976, the President met with members of the 10 regulatory agencies, as well as administrative officials, to discuss progress being made in and present status of regulatory reform.

13. On April 19, 1976, President Ford refused import relief for the footwear industry and workers, stating that such a move would not

be in the interest of the American consumer and retailer since import restraints would increase shoe prices for consumers. It was the President's feeling that the impact upon the consumer was too great to balance the gains to the industry.

14. The President signed the Animal Welfare Act on April 22, 1976, making it illegal to treat animals inhumanely, including promoting animal fighting and selling stolen animals. The Act further required Department of Agriculture safety regulations to be issued requiring humane handling of research animals or pets being maintained or shipped by air or ground transportation.

15. On April 22, 1976, the President signed legislation clarifying the role of the FDA in regulating vitamins. The law allows FDA to set minimum potency levels for vitamins and minerals, and overrules an FDA proposal that would have given the agency authority to declare some vitamins to be drugs and to ban other combinations of vitamins and related ingredients if FDA believed they were nutritionally useless.

16. On Tuesday, May 11, 1976, the President signed into law the Consumer Product Safety Improvement Act of 1976. The Act would expand the Consumer Product Safety Commission's authority by permitting the issuance of preliminary injunctions to prohibit the preemption of State product safety laws in certain circumstances.

17. On May 13, 1976, the President sent to Congress the proposed "Agenda for Government Reform Act" which would establish a timetable for the President and Congress to make comprehensive and fundamental changes in Government regulatory activities which affect the American economy.

18. On May 28, 1976, President Ford signed into law the Medical Device Amendments of 1976 which gives FDA new authority to assure the safety and effectiveness of medical tools before they are used by consumers, effective immediately. FDA will also have authority to require manufacturers to notify it 90 days before a new product is put on the market; quickly ban a device which is deceptive or presents an unreasonable risk of illness or injury; and require manufacturers to repair or replace defective devices or give consumers a refund.

19. On June 23, 1976, the President signed National Consumer Health Information and Health Promotion Act of 1976. It expands health education and information programs across the country and strengthens existing communicable disease and lead-based paint poisoning programs. The Act also establishes the Office of Health Information and Health Promotion in HEW, which will act as a national information clearinghouse for health matters.

ISSUE

Aid to New York City

Administration Position

The President stated on November 26, 1975: As you know, I have been steadfastly opposed to any Federal help for New York City which would permit them to avoid responsibility for managing their own affairs. I will not allow the taxpayers of other States and cities to pay the price of New York's past political errors. It is important to all of us that the fiscal integrity of New York City be restored and that the personal security of eight million Americans in New York City be fully assured.

"...Only in the last month, after I made it clear that New York would have to solve its fundamental financial problems without the help of the Federal taxpayer, has there been a concerted effort to put the finances of the City and the State on a sound basis.

"...Because the private credit markets may remain closed to them, representatives of New York have informed my Administration that they have acted in good faith but that they still need to borrow money on a short-term basis for a period of time each of the next two years in order to provide essential services to the eight million Americans who live in the Nation's largest city.

"Therefore, I have decided to ask the Congress when it returns from recess for authority to provide a temporary line of credit to the State of New York to enable it to supply seasonal financing of essential services for the people of New York City. There will be stringent conditions.

Presidential Documents  
Vol. 11, No. 48, p. 1318

Administration Actions

President Ford suggested and signed a bill (PL 94-143) that allowed the federal government to loan New York up to \$2.3 billion a year through mid-1978 to cover the city's seasonal cash flow problems. The loans would have to be repaid with interest each year by the city.

For the year ending June 1976, New York City had paid back all monies borrowed for that period plus interest. New York City is presently in the process of drawing down monies for the year ending June 1977.

PJD  
8/4/76

Administration Position

The President stated on April 25, 1975: "There could be no more practical reaffirmation of the Federal compact which launched this country than to renew the program which has done so much to preserve and strengthen that compact -- General Revenue Sharing .... I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans."

Presidential Documents  
Vol. 11, No. 17, p. 439

In the 1976 State of the Union Address the President said: "Last year I strongly recommended a five-year extension of the existing revenue sharing legislation which thus far has provided \$23.5 billion to help State and local units of Government solve problems at home. This program has been effective with decision-making transfers from the Federal Government to locally elected officials.

Congress must act this year or State and local units of Government will have to drop programs or raise local taxes."

Presidential Documents  
Vol. 12, No. 4, p. 50

Addressing the Congressional-City Conference on March 14, 1976, the President stated: "It is just too important to your cities. It is just too important to your States. It is just too important to America's future. The General Revenue Sharing bill must pass this year. You know that failure to renew this program would weaken the fiscal stability of your cities. You know that expiration of this program, or a reduction of the payments you now receive, would mean cut-backs in essential services, increased public and related private sector unemployment, or the imposition of more taxes. Maybe this is what some partisans want. But I don't."

Presidential Documents

## Administration Actions

An inter-agency Task Force was established to conduct an exhaustive review of the existing General Revenue Sharing program and to make recommendations to the President with respect to the program's renewal.

President Ford affirmed support for the General Revenue Sharing Program in the State of the Union Address on January 15, 1975.

President Ford sent a special message to the Congress on April 25, 1975, calling for early action on his proposed legislation to extend and revise the General Revenue Sharing program. The President's proposal calls for a five and three-quarter year extension of the program maintaining the basic features of the existing legislation while offering several significant improvements.

Treasury Department and Office of Revenue Sharing officials testified before the Revenue Sharing Subcommittee of the Senate Committee on Finance in support of the President's proposed legislation on April 16, 1975.

Treasury Department and Office of Revenue Sharing officials testified before the Intergovernmental Relations and Human Resources Subcommittee of the House Government Operations Committee in support of the President's proposed legislation on September 25, 1975.

Treasury Department and Office of Revenue Sharing officials testified before the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee in respect to Civil Rights Compliance efforts of the Office of Revenue Sharing on October 8, 1975.

The President met on November 6, 1975, with key Members of the House Government Operations Committee who have a major role in continuation of the General Revenue Sharing program. At this meeting, the President expressed his concerns and the need for timely Congressional action on renewal legislation.

Treasury Department and Office of Revenue Sharing officials testified before the House Select Committee on Aging concerning impact of General Revenue Sharing program on November 18, 1975.

Treasury Department and Office of Revenue Sharing officials testified before House Government Operations Subcommittee on Intergovernmental Relations on December 2, 1975, the final day of House hearings on legislation to renew the General Revenue Sharing program, providing additional information on the Administration's proposed legislation and urging favorable Congressional action at an early date.

President Ford, in his State of the Union Address on January 19, 1976, urged Congress to act this year to extend the General Revenue Sharing program "or state and local units of government will have to drop programs or raise local taxes."

Fiscal Year 1977 Budget proposed by the President provides for General Revenue Sharing outlays of \$6.6 billion.

On January 29, 1976, the President spoke to a group of mayors at the White House, expressing his concern about Congressional inaction on his bill to extend the General Revenue Sharing program and the need for State and local government officials to intensify their efforts on behalf of this legislation.

The President and Vice President held a White House press briefing on the General Revenue Sharing legislative situation on February 3, 1976. The President stressed the effectiveness and efficiency of the program and his concern over Congressional delay in acting on his proposed renewal legislation.

On February 7, 1976, the President conducted a budget briefing for elected officials in New Hampshire in which he stressed the impact of General Revenue Sharing on the State and its local jurisdictions. The President responded to many questions on the program and Congressional opposition to and inaction on his proposed renewal legislation.

On February 13, 1976, the President met with locally elected officials from Broward, Dade and Palm Beach counties, Florida, and discussed the importance of General Revenue Sharing. The President also spoke of his concerns about this program in a subsequent Florida visit on February 28-29, 1976.

President Ford, addressing the mid-winter meeting of the National Governors' Conference in Washington, D. C., on February 23, 1976, urged the Nation's governors to help him "move the mountain known as Capitol Hill" to get General Revenue Sharing renewal passed by the Congress.

On March 4, 1976, the President met with the Chairman and Ranking Minority Member of the House Government Operations Committee to urge the expeditious mark-up of General Revenue Sharing renewal legislation which has been pending in that Committee for eleven months.

The President advocated renewal of the General Revenue Sharing program in speeches and answered citizen questions about the program in Illinois on March 6, 11 and 12, 1976 and in North Carolina on March 13, 1976.

On March 14, 1976, the President addressed 2,000 mayors and city officials at the annual Congressional-City Conference in Washington, D. C. The President criticized the Congress for its failure to act on General Revenue Sharing renewal legislation and re-affirmed his commitment to secure an extension of this important program.

The President discussed his proposal to renew General Revenue Sharing and the current legislative situation with members of the National Newspaper Association on March 19, 1976. He urged the editors to help gain prompt Congressional approval "because otherwise, your communities will not be getting the money that they have gotten for five plus years and they will either have to cut back on services or increase taxes at the local level."

On March 27, 1976, the President discussed his position on General Revenue Sharing at a press conference in Wisconsin.

The President discussed General Revenue Sharing at a Business Management Briefing in Texas on April 9, 1976.

On May 3, the President briefed local elected officials for Indiana on the General Revenue Sharing program.

On Wednesday, May 5, the President discussed General Revenue Sharing renewal legislation with the Republican Congressional Leadership. At that time, he expressed his strong support of General Revenue Sharing and his hope for quick and favorable consideration of the Administration's proposal to revise and extend the program.

The President discussed the General Revenue Sharing program during his trip to Indiana and Georgia on April 23, 1976, and Louisiana on April 27, 1976. At that time, the President expressed his concern about Congress' delay in moving renewal legislation and the serious fiscal consequences for State and local governments if the Congress failed to extend the program.

At the request of the New Coalition, the President convened a meeting on June 3, 1976, of governors, mayors and other locally elected officials and the bi-partisan leadership of the House of Representatives to discuss the future of legislation to extend the General Revenue Sharing program. The President indicated his concern for both early enactment and the nature of a bill reported by the House Government Operations Committee. He urged both the State and local officials and the Congressmen to work for adoption of a bill more consistent with his earlier recommendations.

On June 10, 1976, the House of Representatives finally passed a bill to revise and extend the General Revenue Sharing program. The House, in passing the bill (H. R. 13367), deleted many features unacceptable to the Administration. The President, in a statement on that day, noted that: "I am extremely pleased that the House of Representatives has finally passed a bill to extend the General Revenue Sharing program. While the bill which passed the House does not contain many of my proposals for renewal of this critical domestic program, it does preserve the revenue sharing concept and incorporates certain changes I have proposed. I am hopeful that the Senate will proceed to consider this legislation quickly and will examine my recommendations to improve the program. The re-enactment of this legislation is urgently necessary in order to avoid serious economic and fiscal problems for many states and units of local governments".

Representatives of the Treasury Department testified at a Senate Finance Committee hearing on August 25, 1976, to review the House-passed bill to extend the General Revenue Sharing program. Treasury officials urged the Committee to amend this bill to include provisions requested by the President to strengthen and improve the program and delete those sections of the House bill which would place unnecessary "strings" and other unduly burdensome requirements on State and local governments.





## II. Fifteen Key Issues

### 1. Expanded Housing

Issue: What can be done about the problems encountered by the average family which would like to own a home?

Comment: OMB is developing a proposal.

### 2. Quality Health Care

Issue: Does every American have the right to health care regardless of income?

Comment: President has proposed plans for assuring quality health care to the poor and the aged and controlling the costs of health care.

### 3. Elementary and Secondary Education

Issue: What is the appropriate Federal role in elementary and secondary education?

Comment: The President has proposed reducing substantially Federal interference in our schools while maintaining Federal support and gradually increasing it over the year.

### 4. Crime

Issue: What can be done to make our streets, schools, homes and communities safe?

Comment: President has initiated major efforts to combat crime including mandatory sentences for:

- federal offense with a dangerous weapon.
- kidnapping or hijacking.
- dealing in hard drugs.
- "career criminal" who habitually cause personal injury.

### 5. Recreation and Parks

Issue: What can be done to preserve and improve our recreation areas?

Comment: President has \$1.5 billion program.

6. Busing

Issue: Whether or not court ordered busing can be used to desegregate our schools.

Comment: President sent to Congress a proposal to limit court ordered busing to those instances where it is constitutionally required.

7. Abortion

Issue: Do you oppose or support abortion?

Comment: President has indicated his personal opposition to abortion and his support for a Constitutional amendment to permit the States to control abortions as their citizens see fit.

8. Social Security

Issue: What can be done to preserve the integrity of the Social Security System?

Comment: President has proposed a slight increase in the payroll tax to ensure future retirees of the benefit they have earned.

9. Energy

Issue: Energy costs increase our dependence on foreign oil grows -- we are without a consensus of opinion on what our national energy policy should be.

Comment: In his first State of the Union and ever since the President has been moving this country toward an energy policy aimed toward

- halting the growing dependence on imported oil.
- reducing consumption.
- developing new resources and technologies.

10. Higher Education

Issue: Can a family afford to send its children to college?

Comment: Building on the principle that aid for higher education should go to individuals not institutions, the President has fully funded the Basic Educational Opportunity Grants which provide up to \$1,400 per year for college costs.

11. Reducing Government

Issue: What is being done to reduce the size, complexity and involvement of the Federal government?

Comment: President has set forth an agenda for Government Reform establishing a four year program of fundamental reform of all the regulatory activities of the Federal government.

12. Environment

Issue: What is being done to combat pollution and preserve and improve our environment?

Comment: President has been committed to achieving a balance between our environmental needs and the need for a growing economy. He has increased by 60 percent federal funds for waste water treatment plants.

13. Welfare Reform

Issue: What is being done to end the waste and abuse of our welfare programs?

Comment: President has proposed authority for the Executive Branch to make specific improvements in existing programs to eliminate abuses. He also proposed a complete overhaul of the Food Stamp program to concentrate benefits on those truly in need, eliminate benefits to those with incomes well above the poverty level and end abuses and wastage. His proposal would have saved \$1 billion this year.

14. Urban Problems

Issue: Can anything be done to save our cities from financial collapse?

Comment: The President has maintained that the solutions to the problems of the cities must first be identified by and a responsibility of the citizens of that city. The Federal government provides financial assistance through a number of major programs such as General Revenue Sharing, Community Development Block Grants, LEAA, and Sewage Treatment Plant financing.

15. Agriculture

Issue: What is the Administration's Agricultural policy?

Comment: The President's market oriented, full production policy has increased net farm income from an average of \$24 billion in 1972/73 to a \$26 billion average during the past two years.

16. Consumer Protection

Issue: What is this Administration's Consumer Protection program?

Comment: The best consumer protection program is to reduce inflation. The President has succeeded in cutting inflation in half. More specifically, the President has opposed the creation of another massive bureaucratic agency to "protect" consumers but his instructed every federal agency to establish on its staff a consumer representative.

17. Privacy

Issue: What is being done to stem the illegal invasion of privacy in both government and private sector activities?

Comment: The President has been a leader in protecting individual privacy by:

-- supporting and signing landmark Privacy Act of 1974.

- reorganized U.S. intelligence activities to limit intrusions into private lives of Americans.
- restricted White House access to income tax returns of American citizens.

18. Small Business/Farms

Issue: What is being done to protect and encourage small businesses and farms?

Comment: The President has proposed legislation to raise the estate tax exemption, reduced paper work reporting requirements on Small Businesses by 12% saving these businesses a total of \$18 billion a year, and advocated a 33% increase in SBA loan guarantee program.



### III. Key Points President Should Make



#### 1. Restoring the Integrity of the Social Security System

I have put before Congress a major program to assure the future integrity of the Social Security System. The system is sound and successful but in order to assure future retirees that they will receive the benefits they have earned we must take the difficult course of acting now to increase the payroll tax by a slight -- three tenths of one percent -- amount.

#### 2. Returning Power to Local Communities

I am proceeding with the common sense agenda of returning power to local communities to deal with their problems as they see fit rather than as some faceless bureaucracy determines I have

- led the fight to extend General Revenue Sharing which would return nearly \$40 billion to State and local governments over the next 5 years.
- proposed eliminating 59 categorical programs with 4 new proposals to retain Federal support but remove Federal interference in the areas of health, education, child nutrition, and social services.
- increased the portion of the Federal budget which is returned to State and local governments by 24 percent over the last two years to a total of \$61.9 billion.

#### 3. Crime

I have made it my business to see that the Federal government does everything it can to combat crime. In particular, I have personally directed a major increase in our efforts against illegal drugs and have proposed that for crimes in which guns are used there be clear and certain application of mandatory sentences.

4. Health Care

I have proposed sweeping revisions in our programs to provide health care to the poor and the aged. For the poor I propose a single, simple grant program to replace the scandal ridden Medicaid program. For the aged I propose catastrophic health insurance so that no one covered by Medicaid would ever have to fear bills of more than \$500 for hospitals and \$250 for doctors in any one year.

5. Parks

I have proposed that this Nation, here and now, make a commitment to more than double our heritage of national parks, recreation areas, wild life sanctuaries and historic sites. I have submitted a \$1.5 billion ten year plan to enhance and expand upon the more than \$3 billion we will spend through the Land and Water Conservation Fund over this same period.

Question: Do you favor a Constitutional Amendment to require a balanced budget?

Answer: No. I believe it would be very difficult to design language of such an amendment that would still provide appropriate authority if we were to have a sudden National emergency that required a deficit for a short period of time. In my judgment, the Constitution provides all the language we need to achieve a balanced budget. All we need to do is elect representatives and Senators, who are as frugal with the taxpayers money as they are with their own money -- people who understand that ultimately the taxpayer pays through higher taxes or inflation or both for every spending vote they cast.

Question: You say you are for further tax reduction, but at the same time you have advocated higher social security and unemployment insurance taxes. Wouldn't the effect of your recommendations be to place a heavier tax burden on low and middle income people while making the load lighter for higher income people?

Answer: No. I have advocated a further cut in taxes of \$10 billion because many people have been hit twice by inflation. First, by having to pay higher prices and second, by having to pay higher taxes. This has happened because as people have gotten some wage increases to try to keep pace with inflation, they have been pushed into higher tax brackets and therefore have to pay more taxes. This is why I have advocated a further tax cut of \$10 billion.

At the same time I have proposed that we restore the integrity of the Social Security fund by raising contribution rates somewhat. The maximum increase for anyone, and that means someone making \$16,500 a year or more, would be less than \$1 per week. I believe most people understand that we have to pay for what we want and I believe most people include in that a strong social security system.

Q. Mr. President, Mr. Carter has committed himself to fighting big government and to reducing its hold in Washington. Could you tell us what, if anything, you are doing about this growth in the Federal government?

A. There is no doubt in my mind that government has extended itself too far into our economy, into our state and local governments and into our personal lives.

My Administration has undertaken a number of efforts to reduce unnecessary Federal intervention in these areas and to improve the management of essential Federal activities.

Specifically, I have:

-- Spearheaded efforts to re-enact General Revenue Sharing, a program that would provide \$39.85 billion to state and local governments over the next five years. The current program expires at the end of 1976, and many state and local government units are already hard-pressed in planning their future budgets.

-- Submitted to the Congress four new block grant proposals that would consolidate 59 categorical programs in the areas of health, education, child nutrition, and social services.

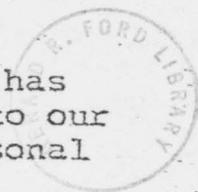
-- Signed the Funding Simplification Act which cuts down the red tape for state and local governments seeking government grants.

-- Sought and obtained the participation of state and local government officials in the preparation of the Federal budget each year.

-- Reversed the growth in bureaucracy so that in June of this year, the number of full-time permanent Federal employees had been reduced to the lowest level since 1973.

-- Appointed a Special Assistant for Intergovernmental Affairs at the White House.

-- Proposed budgets which have increased the total amount of funding for state and local governments from \$49.7 billion to an estimated \$61.9 billion in FY 77 -- an increase of 24 percent over two years.



have these changes made a practical difference for state and local governments? The record speaks for itself--two years ago, a local government seeking grant assistance for community development had to fill out an application that averaged 1,400 pages in length; today that same application is 25 pages in length; the length of processing for this application dropped from 31 to 8 months; and the regulations governing the program have dropped from 2,600 pages to 50.

IIA.

ZERO-BASED  
Budgeting/Sunset Legislation

ISSUE: Should the Federal Government adopt "Zero-Based Budgeting" and "Sunset" legislation?

Our Position: Under President Ford, all Federal programs have been systematically reviewed to determine whether they should be continued or reformed. This is the essence of the ideas in zero-based budgeting and sunset legislation. As a result of this review the President recommended that the rate of growth in Federal spending be cut in half and that many programs be completely restructured.

There is no reluctance on the part of the executive branch to practice zero-based budgeting and a sunset approach; it is being done and has been since the day the President took office.

The problem that has been encountered is that the Democratic controlled Congress doesn't want to stop funding or reform anything. When we give them evaluations, they ignore them.

If legislation can be devised to force the Congress to face these issues as the President has, it would be welcomed by the executive branch.

Carter's Position: Zero-based budgeting is a revolutionary approach to government spending that achieved great success in Georgia and can be applied with similar results in the Federal Government. The problem with the current Federal budgeting process is that it never questions what has been funded in past years; it only questions the increases that are being asked for. Zero-based budgeting overcomes this problem by forcing decision makers to look at all spending.

FACTS: During Carter's term as Governor, State employment rose 24 percent and the budget increased 58.6%. (Source: Philadelphia Inquirer, 9/6/76)



## II B. Spending Priorities

ISSUE: Do we have the correct balance between Defense and other spending priorities?

Our Position: As a result of the President's leadership, we have reversed the erosion of our National Security capability. At the same time, over the last several years a dramatic reversal of Federal spending priorities has taken place. In 1969, 43.5% of the Federal Budget went for national defense; 34.5% for human resources programs. In FY 1977, under the President's budget proposals, 25.6% of the budget would go for national defense; 52.1% for human resources. In dollar terms, national defense spending has grown from \$80 billion to \$101 billion while human resources spending has grown from \$63.5 billion to \$205.3 billion.

Carter's Position: Defense spending should be cut by \$5-7 billion; more spending is needed for education, health, public service jobs.

### FACTS:

- 1) If Carter attempted to reduce defense spending by \$5-6 billion through personnel cutbacks, 450,000 people would have to be taken out of our military forces.
- 2) If Carter attempted to reduce defense spending by \$5-6 billion by reducing pay, he would have to, for example, cut the pay of 600-700,000 enlisted personnel from the current average pay of \$11,000 to the poverty line.

(Note: If all general grade officers in all services were eliminated, the annual savings would be \$50 million.)

ISSUE: Carter says government reorganization should be a key priority.

Our Position: Government organization and reorganization has been a key priority of the Ford Administration in the most meaningful sense. For example, proposals have been sent to the Congress to consolidate 24 education programs into one program; to consolidate 15 child nutrition programs into one; to consolidate 16 health programs into one. But it should be clear these proposals do far more than simply put a number of program offices together -- these proposals would completely restructure Federal assistance programs in these areas. In the process they would:

- eliminate the maze of rules and regulations that have grown up around the existing programs;
- distribute the funds to States on a formula basis related to the relative need in each State, thus providing fairness to the distributed funds;
- return control of spending decisions to people of the State and local level;
- permit a reduction in the number of Federal employees.

These are real reorganization reforms. Shifting the boxes around on the organization chart is no real answer. Putting 10 bad programs in one box on the organization chart simply gives you one colossal bad program. The people want and deserve real government organization reform.

Carter's Position: The Federal Government has 1900 different agencies. Under my administration I would reduce this to 200.

NOTE: No one has been able to come up with a list of 1900 Federal agencies. The Governor should supply his list. And since he already knows that he is going to reduce the number to 200, he should tell us the names of the 1700 he will eliminate and the 200 that will remain.

III.

Have carefully designed tax and spending policy recommendations to:

- 1) - lighten the tax load on low and middle income tax payers;
- 2) - put the economy on a stable growth path that we can sustain;
- 3) - provide incentives to the private sector to invest and thereby create more real, rewarding, lasting jobs;
- 4) - insure our national security;
- 5) - meet the needs of those who cannot help themselves; especially the aged, blind and disabled;
- 6) - achieve a balanced budget for fiscal year 1979 (to be submitted to the Congress in January 1978).

Reputation

trickle down  
needed overview  
future shock

Economic Goals

1. We want jobs for all of the nation's able workers. A job for every American who wants to work is essential not only for each individual worker but also for our society. Americans deserve useful, productive employment, not temporary make-work jobs. The absence of a productive job deprives the individual of an opportunity to achieve self-fulfillment. The overwhelming majority of Americans want to contribute their talents and to participate in the work of America and in improving the quality of life in our country. To enjoy the kind of society we all desire requires that we create the conditions that will sustain lasting, satisfying, productive jobs.
2. We want to achieve sustained economic growth without inflation.
3. We want a distribution of incomes and wealth that fairly rewards effort and initiative, and that provides a decent wage for every employed person.
4. We want to create equal opportunity for all to achieve economic success.
5. We want to restrict unnecessary and excessive government interference in our daily lives.
6. We want to enlarge the freedom of choice for each of our citizens whether as a consumer, as a worker, or as an investor.

## INFLATION

When I came into office inflation was raging at an annual rate of over 12 percent. Our policies have been successful in cutting the inflation rate to 5.5 percent. This rate is still too high and we must reduce it even further.

Inflation erodes the purchasing power of those who can afford it least -- the aged, the poor, those on limited fixed incomes. It causes great uncertainty in planning the family budget. Inflation also creates chaos in mortgage markets and deprives middle income Americans of the opportunity to own a home. It forces businessmen to adopt inefficient inventory and production practices which reduce the rate of economic growth.

It is often said that we must choose between inflation and unemployment. Nothing could be further from the truth. I yield to no one in my concern and compassion for the unemployed. My goal is to move as rapidly as possible toward full employment. What has been clear in recent years is that inflation has caused consumers to restrain expenditures and business to curb its investment. Thus inflation itself is a major cause of recession.

I categorically reject the notion that we can buy more employment by taking our chances with inflation. There is no.

simple trade-off whereby we can have less unemployment at the cost of higher inflation. On the contrary it has become clear that inflation is a major job destroyer. I emphasize reducing inflation because it is a necessary condition for stable growth and full employment.

## Budget Strategy

The Budget for 1977 reflects my strong desire to impose some discipline on Federal spending. My budget provided for reducing the excessive growth of Federal Government spending, and therefore I was able to propose an additional \$10 billion cut in individual and corporate income taxes from 1975 levels.

Unfortunately, the Congress rejected most of my proposals for greater efficiency in Government. In their Budget Resolution, they voted for higher spending and higher taxes than I recommended, thus depriving the typical family of four of over \$200 in income tax relief.

Why does the Congress wish higher spending and more taxes? The answer is not clear. It is certainly not because they are more compassionate. Many of my programs would have improved the efficiency with which benefits are delivered to the poor. For example, my proposed reforms in the Child Nutrition Program would have made it possible to serve the 700,000 children from families below the poverty line that are now ignored by the program. Granted that \$900 million would have been saved in the process by ending the school lunch subsidies to the middle class, but what sense does it make to tax the middle class in order to subsidize the middle class.

This proposed reform and many others, such as the proposed increase in social security contributions necessary to restore

the integrity of the trust fund, received only perfunctory review by the Congress. However, I have not ended my efforts to make government more effective. I will present a balanced budget for fiscal year 1979.

The stakes are high. We must achieve fiscal responsibility to reduce the extent to which Government draws savings out of the private sector to finance its deficits. Only then, will we have the capital necessary to achieve the widely shared national goals of improving the environment, reducing our energy dependence on foreign nations, and encouraging the private economic growth so vital to our future prosperity.

### The August Unemployment Rate

The rise in the unemployment rate during the summer was disappointing. However, the sharp increase in new jobs -- 500,000 in the last two months -- is encouraging. In fact, four million more Americans are at work today than were employed a year and a half ago when the economic recovery began.

This dramatic increase in the labor force reflects renewed confidence on the part of people seeking the new job opportunities being created by the vigorous recovery.



## Vetoes

I have used my veto power 55 times since the beginning of my Administration. Often these vetoes have not been politically popular. It is not easy to say "no" for one risks being accused of lacking compassion or favoring a "do nothing" policy. But, my view of the Presidency is that the general interest must not be sacrificed for narrow political gain. The fact is that a judicious use of vetoes, however unpopular, is essential to the general interest.

For example, I did not veto the Public Works Bill because I am against public works or against creating jobs in the economy. I did veto the Public Works Bill because it provided for excessive and potentially counterproductive expenditures. The fact is that my Budget for 1977 recommends a 17.3 percent increase in spending for public works on other physical facilities. At some point, one must ask "How much is enough?" If the Government keeps adding one spending program after another, we run the risk of a surge of inflation which could undermine our healthy economic recovery. Programs that appear to be designed for job creation may actually result in job destruction.

If we can restrain Government spending, we can cut taxes. Lower taxes will spur investment, increase production of goods and services, and provide useful, long-lasting jobs.

## The Pause in the Recovery

The recovery has been remarkably strong. Real gross national product has risen by 7 percent over the past year. Since the recession low of March 1975 total employment has increased by nearly 4 million people to a record high of 88 million. Following a sharp recession, such as the one of 1974-75, a sharp recovery is typical. Taking into account the extremely difficult circumstances of 1974-75 this recovery has been very strong -- stronger in fact than most forecasters expected.

But, as usually happens in an economic recovery, the pace of growth is uneven. This does not mean that the economic expansion is coming to an end. In fact, employment and income are rising strongly. Personal savings are still at high levels. Price increases have moderated and consumers are still confident about the future.

The pause in the strong pace of consumer spending during the summer ended in August. Business investment is now increasing. Recent data on nondefense capital goods orders (up over 30 percent since the start of the year), the value of plant and equipment projects started (up 10 percent in the last quarter), and new capital appropriations (up 13 percent in the last quarter) suggest sharp gains in capital spending in the months ahead. Consequently, we are confident that the recovery is solid and that it will be sustained at an above average pace over the next year or so.

## Wage and Price Controls

I oppose wage and price controls because they are ineffective tools for reducing inflationary pressures and because they interfere with an efficient allocation of economic resources.

Controls deal with the results of inflation rather than the causes. Our experience with controls in 1972-73 indicated that controls were ineffective in holding down inflation. Where controls did in fact suppress prices and wages, they created severe distortions. In some of our basic industries like steel and paper, as profits were squeezed down by controls, expansion plans were cut back, setting the stage for later shortages of these essential products. Ironically, controls thus eventually increased the pressures on prices rather than lessened them.

Controls, in summary, distort investment decisions and the allocation of resources, distort markets and exports, keep natural forces from reacting against economic defects, and give a false impression of action which delays truly effective remedial action.

Moreover, standby wage and price controls tend to fuel inflation because management and labor seek higher settlements and prices in anticipation of controls actually being imposed.

## Investment and Jobs

Increasing investment in plants and equipment is necessary to achieve full employment in productive and meaningful jobs. We need to create 10 million new jobs by 1980. This will require over \$30,000 worth of net investment for each new worker.

We need more capital investment to create the necessary jobs for our growing labor force, restrain inflation, improve productivity, protect our environment, develop our energy resources and maintain our international competitive position. In short, capital investment is essential if we are to achieve our national goals. It is obvious that we cannot forever eat our seed corn or use our fence posts for firewood.

Fiscal responsibility by the Federal Government is essential if we are to have adequate investment. Larger Federal deficits mean the Federal Government must borrow more from the pool of savings leaving less for private investment in plants and equipment. In addition to seeking to reduce the size of the Federal deficit, I have proposed a number of specific measures including making permanent the investment tax credit, elimination of the double taxation of dividends, and special incentives for investment in plants and equipment in high unemployment areas.

The Ford Job Creation Record



A solid and well balanced economic recovery is underway. Production, employment and incomes have risen rapidly and we expect these gains to continue in the coming months. Since the recession low of March 1975, total employment has increased by nearly 4 million to a record high of 88 million. More jobs have been created in the last year and a half than in any other 18 month period in the nation's history.

The rise in unemployment over the summer does not indicate that the recovery has stalled or that there is a need to change our course. During the past year and a half unemployment has declined significantly. In the past several months the rise in employment has been offset by an extraordinary increase in the labor force. In the last year and a half the labor force has grown by approximately 200,000 per month. Yet in the last eight months the labor force has increased at a rate of almost 300,000 per month. It is the dramatic rise in the labor force which has prevented unemployment from declining even more substantially.

It is very important to distinguish between a rise in the unemployment rate that results from workers losing their jobs and a rise in unemployment caused by an unprecedented increase in the labor force.

The recent increase in the unemployment rate is not the result of a decline in employment. Indeed, one half million new

workers have been added to payrolls during the past two months, an exceptionally large figure. We believe that the extraordinary rise in the labor force growth is coming to an end and we expect continued strong growth in new jobs will soon sharply reduce the unemployment rate.

## The Ford Approach to Unemployment

My approach to the unemployment problem has four parts.

First, to return the economy to a pattern of sustained growth without inflation. There can be no lasting job security in a period of soaring inflation. We have learned that inflation destroys jobs. I have emphasized reducing inflation because it is a necessary condition for stable growth and full employment.

Second, alleviating the economic hardship for those who are unemployed through temporarily extending unemployment insurance coverage to 12 million additional workers and temporarily extending the period of time individuals may receive unemployment insurance benefits from 39 to 65 weeks.

Third, providing increased funds for established Federal programs including the Comprehensive Employment Training Act (CETA) summer youth employment, and public service employment.

Fourth, the creation of productive, long-lasting jobs in the private sector through increased capital investment. This requires curbing the growth in Federal spending, eliminating obsolete, unproductive Federal regulation, reducing individual and corporate income taxes, and encouraging increased investment in America's future through a series of tax incentives.



IV.

a.

- 1) We will fight inflation by putting people back to work.
- 2) Steady growth, full employment, and stable prices will enable us to achieve competent government with a balanced budget by 1980.
- 3) We will establish a comprehensive program to fight the many causes of inflation:
  - through increased productivity,
  - by anticipating bottlenecks and capacity shortages and moving in advance to prevent them,
  - by following a strategy that expands supply rather than restricting demand,
  - by creating agricultural policies which will maintain farmers income and ensure stable food prices,
  - through a vigorous anti-trust policy,
  - by eliminating governmental regulations which drive up prices and only serve to protect the regulated industries.
- 4) Unlike the current administration, we see no conflict between a government which is responsive and compassionate and one which is efficient and careful in its use of the people's money.
- 5) Carefully coordinated and sensible budget and credit policies, that will permit lower interest rates, will enable us to build the homes, schools, and plants that are part of the good life we seek.

b.

- 1) The economy is producing \$150 billion less than in normal prosperity.
- 2) Starting with a 5.5% rate of unemployment in August 1974, the unemployment rate jumped up to 8.9% in just nine months. that's a record.

- 3) Under Mr. Ford's budget, the public debt will rise \$210 billion. That exceeds the increases under his five predecessors and amounts to more than 1/3 of the public debt amassed during the history of our country.
- 4) The deficit for the year just ended was \$65 billion. That is the largest deficit in our entire history.
- 5) The interest charges alone on the \$210 billion public debt created in the last eight years will amount to \$19 billion per year. That is a perpetual charge of \$350 a year, every year, for every family in the country.