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THE WHITE HOUSE
WASHINGTON

WIRE REPORT

BY SPECIAL MESSENGER

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AM-CARTER SKED 10-4

BY CLAY F. RICHARDS

DENVER (UPI) -- JIMMY CARTER CRITICIZED PRESIDENT FORD MONDAY FOR "TOTAL LACK OF LEADERSHIP" IN HANDLING THE EARL BUTZ AFFAIR AND SAID THE AGRICULTURE SECRETARY SHOULD HAVE BEEN FIRED IMMEDIATELY WHEN HIS RACIAL REMARKS WERE FIRST PUBLICIZED.

ON THE WAY TO SAN FRANCISCO FOR HIS SECOND DEBATE WITH FORD, CARTER UNLEASHED SOME OF HIS STRONGEST WORDS OF THE CAMPAIGN AGAINST THE PRESIDENT.

"EARL BUTZ NEVER SHOULD HAVE BEEN SECRETARY OF AGRICULTURE AND HE SHOULD HAVE BEEN FIRED A LONG TIME AGO," CARTER TOLD REPORTERS AT THE DENVER AIRPORT. "I BELIEVE THE WAY THIS WHOLE EMBARRASSING AND DISGUSTING ESPISODE WAS HANDLED BY PRESIDENT FORD SHOWS A CONTINUATION OF THE TOTAL LACK OF LEADERSHIP.

"INSTEAD OF MAKING HIS DECISION ON WHAT WAS RIGHT AND BEST FOR THE COUNTRY, HE VERY CAREFULLY WAITED UNTIL HE ASSESSED PUBLIC OPINION POLLS TO SEE WHAT WAS RIGHT POLITICALLY AND WHEN THE POLITICAL PRESSURE GOT SO GREAT ON HIM FROM HIS OWN PEOPLE WHEN HE FINALLY ACCEPTED EARL BUTZ' RESGINATION.

"I THINK HE SHOULD HAVE DONE IT IMMEDIATELY."

CARTER DID NOT USE THE ROUTINE QUOTES FROM HIS STANDARD SPEECH ON FOREIGN POLICY AND DEFENSE, AS HE CONTINUED TO MAKE A MYSTERY OF HOW HE WOULD APPROACH FORD ON THOSE SUBJECTS IN WEDNESDAY NIGHT'S SECOND DEBATE.

IT HAS BEEN SPECULATED THAT CARTER WOULD TAKE A CONSERVATIVE LINE ON DETENTE AND DEFENSE IN THE DEBATE FOLLOWING HIS FOUR-HOUR MEETING SUNDAY IN PLAINS, GA., WITH FORMER DEFENSE SECRETARY JAMES SCHLESINGER. SCHLESINGER WAS FIRED BY FORD AFTER HE SAID THAT THE UNITED STATES HAD GIVEN AWAY TOO MUCH IN ARMS TALKS WITH THE RUSSIANS.

LATER, AS CARTER ADDRESSED 2,000 CHEERING PEOPLE ON A DOWNTOWN STREET CORNER, HE REFERRED REPEATEDLY TO WHAT HE SAID WERE FORD'S TIES WITH SPECIAL INTEREST GROUPS AND LOBBYISTS.

CARTER CRITICIZED FORD FOR NOT HAVING A TELEVISED NEWS CONFERENCE "WHERE HE CAN BE CROSS-EXAMINED ABOUT HIS DEALINGS WITH LOBBYISTS AND SPECIAL INTEREST GROUPS."

"WE MAKE MISTAKES -- I GIVE INTERVIEWS -- BUT THEY ARE MISTAKES OF THE HEART," CARTER SAID, REFERRING TO HIS CONTROVERSIAL SEX-AND-RELIGION COMMENTS IN PLAYBOY MAGAZINE. "I DON'T THINK DEMOCRATS HAVE BEEN THE CAPTIVE OF SPECIAL INTEREST GROUPS THE WAY REPUBLICANS HAVE."

CARTER WAS CHEERED REPEATEDLY WHEN HE SAID "SOMEBODY HAS TO LEAD THIS NATION. NOW NOBODY'S LEADING IT AND THE COUNTRY IS DRIFTING."

UPI 10-04 04:08 PED

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PM-Carter, 1st Ld, a054, 440
Precede Plains, Ga.
By LYNNE OLSON
Associated Press Writer

DENVER AP - Jimmy Carter said today that President Ford was guilty of political expediency and a lack of leadership in his handling of the controversy surrounding Secretary of Agriculture Earl Butz, who resigned from office because of a racial slur he uttered.

Word of Butz' resignation came as the Democratic presidential candidate was flying to San Francisco where he is to meet Ford Wednesday night in the second of their three scheduled debates.

During a stopover here, Carter told an airport news conference that "the way this whole embarrassing and disgusting episode was handled by President Ford shows a continuation of lack of leadership." He said that Ford, instead of "deciding what was right and best for the country, very carefully waited until he assessed public opinion polls to see what was right politically, and when the political pressure got so great on him from his own people, then he finally accepted Earl Butz' resignation."

Carter spent part of Sunday being briefed by former Secretary of Defense James Schlesinger, who was fired by Ford last year as the result of policy differences over national defense and detente with the Soviet Union.

Prior to the debate, which will deal with foreign and defense policy, he will be briefed again by Dr. Zbigniew Brzezinski, of Columbia University, Carter's top foreign policy adviser, and Rep. Les Aspin, D-Wis., who serves on the House Armed Services Committee.

The aide also said Carter would have a question-and-answer session with top staff members to prepare for the debate.

Carter acknowledged over the weekend that his campaign style is becoming more aggressive. In the past week, "I've been much more aggressive and much more specific than I have been," Carter told a group of black journalists in Washington Saturday.

"There was a time . . . when I deferred too much to Ford simply because he was in the White House," Carter added. "Now I'm looking on him as a man who's running for president for the first time as I am, a hand-picked successor to Richard Nixon, a personification of what the Republican party stands for, and an equal nominee of his party, compared to me."

Carter added he thought "the spirit of my campaign has picked up tremendously. The enthusiasm of the people has picked up."

Carter later told reporters that he planned to show more aggressiveness in the debate.

Carter said in a campaign appearance over the weekend that Ford "for all practical purposes, has removed himself from the decision-making process" in foreign affairs, with Secretary of State Henry A. Kissinger making the major decisions. It's a point he's expected to press in the debate.

But the: 14th graf
1539pED 10-04

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PM-Politics Rdup, 1st Ld - Insert, a221-a232, 80
UNDATED, To update, insert after 14th graf, which sent as 2nd graf
a232: He said . . . his comments."

Carter, arriving in Denver en route to the West Coast, said Ford had exercised political expediency and shown a lack of leadership in his handling of the Butz case, which he called an "embarrassing and disgusting episode."

Carter said Ford, rather than basing a decision on what was right for the country, "very carefully waited until he assessed public opinion polls to see what was right politically . . . then he finally accepted Earl Butz's resignation."

1501pEDom10B04e: 15th graf

A250

R W

AM-BUTZ SKED 10-4

BY RICHARD H. GROWALD

WASHINGTON (UPI) -- AGRICULTURE SECRETARY EARL BUTZ HANDED PRESIDENT FORD HIS RESIGNATION MONDAY, SAYING IT WAS THE PRICE FOR "GROSS INDISCRETION" -- A RACIAL SLUR THAT WAS BECOMING AN ISSUE IN THE 1976 PRESIDENTIAL CAMPAIGN.

BUTZ APOLOGIZED FOR HIS REMARKS ABOUT BLACKS AND SAID IN A STATEMENT, "BY TAKING THIS ACTION, I HOPE TO REMOVE EVEN THE APPEARANCE OF RACISM AS AN ISSUE IN THE FORD CAMPAIGN."

HE SAID HIS DECISION WAS ENTIRELY VOLUNTARY, AND THERE WAS "NO PRESSURE" FROM THE WHITE HOUSE.

"PRESIDENT FORD IS A DECENT MAN WITH HIGH MORAL VALUES, WHO INSISTS THAT EVERY AMERICAN BE TREATED EQUALLY AND WITH DIGNITY," SAID BUTZ. "EVERY MEMBER OF HIS ADMINISTRATION MUST AND DOES SUBSCRIBE TO THE SAME VALUES."

FORD SAID HIS DECISION TO ACCEPT BUTZ' RESIGNATION WAS "ONE OF THE SADDEST" OF HIS PRESIDENCY. HE PRAISED BUTZ' WORK IN AGRICULTURE AND CALLED HIM "A CLOSE PERSONAL FRIEND, WHO LOVES HIS COUNTRY AND ALL THAT IT REPRESENTS."

PRESIDENTIAL PRESS SECRETARY RON NESSEN SAID FORD HAD NOT YET CHOSEN A SUCCESSOR FOR BUTZ, A FORMER PURDUE UNIVERSITY PROFESSOR WHO WAS APPOINTED AGRICULTURE SECRETARY IN 1971 BY RICHARD NIXON. AGRICULTURE UNDERSECRETARY JOHN KNEBEL SAID FORD ASKED HIM TO SERVE AS ACTING SECRETARY.

FORD REPRIMANDED BUTZ FRIDAY FOR "HIGHLY OFFENSIVE" REMARKS MADE IN A CONVERSATION WITH FORMER WHITE HOUSE COUNSEL JOHN DEAN AND ACTOR PAT BOONE ON A PLANE FROM THE GOP NATIONAL CONVENTION.

DEAN REPORTED THE REMARKS IN "ROLLING STONE" MAGAZINE, ATTRIBUTING THEM TO AN UNIDENTIFIED CABINET MEMBER.

BUTZ, ASKED WHY MORE BLACKS DO NOT VOTE REPUBLICAN, SAID ALL "COLOREDS" WANT ARE THREE THINGS -- GOOD SEX, "LOOSE SHOES" AND INDOOR TOILET FACILITIES. HIS LANGUAGE WAS SO COURSE THAT MOST NEWSPAPERS AND BROADCAST STATIONS DID NOT USE HIS EXACT WORDS IN REPORTING THE REPRIMAND.

TEARY-EYED AFTER MEETING WITH FORD MONDAY, BUTZ READ TO REPORTERS HIS RESIGNATION LETTER SAYING, "I SINCERELY APOLOGIZE FOR ANY OFFENSE THAT MAY HAVE BEEN CAUSED BY THE UNFORTUNATE CHOICE OF LANGUAGE USED IN A RECENT CONVERSATION AND REPORTED PUBLICLY."

BESIDES HIS LETTER OF RESIGNATION AND HIS ORAL STATEMENT AT THE WHITE HOUSE, BUTZ ISSUED A WRITTEN STATEMENT SAYING, "THIS IS THE PRICE I PAY FOR A GROSS INDISCRETION IN A PRIVATE CONVERSATION. THE USE OF A BAD RACIAL COMMENTARY IN NO WAY REFLECTS MY REAL ATTITUDE."

THEN FORD, HIS FACE GRIM AND AIDES SHIELDING HIM FROM REPORTERS' QUESTIONS, ENTERED THE ROOM AND SAID BUTZ WAS WISE AND COURAGEOUS ENOUGH "TO RECOGNIZE THAT NO SINGLE INDIVIDUAL ... SHOULD CAST A SHADOW OVER THE INTEGRITY AND GOOD WILL OF AMERICAN GOVERNMENT BY HIS COMMENTS."

BUTZ HAD BEEN REPRIMANDED ONCE BEFORE BY FORD IN 1974 AFTER HE REPEATED A JOKE ABOUT THE POPE'S POSITION ON BIRTH CONTROL, CAUSING AN UPROAR IN THE ROMAN CATHOLIC COMMUNITY. FORD TOLD HIM THEN TO APOLOGIZE FOR COMMENTING: "HE (THE POPE) NO PLAYA DA GAME, HE NO MAKA DA RULES."

FORD HAD VALUED BUTZ IN THE CAMPAIGN BECAUSE OF THE SECRETARY'S INFLUENCE IN TRADITIONALLY REPUBLICAN MIDDLE WEST FARM AREAS, WHERE SOME FALLING PRICES AND LAST YEAR'S TEMPORARY FOREIGN GRAIN EXPORT EMBARGO WEAKENED THE PRESIDENT.

ALTHOUGH SOME FARM GROUPS HAD ASKED THE PRESIDENT TO RETAIN BUTZ DESPITE HIS REMARK ABOUT BLACKS, OTHERS WERE NOT SO FORGIVING.

SEN. EDWARD W. BROOKE, R-MASS., THE ONLY BLACK IN THE SENATE, ISSUED A STATEMENT MONDAY SAYING, "SECRETARY BUTZ' RESIGNATION IS

GOOD FOR THE COUNTRY, THE PRESIDENT, AND THE REPUBLICAN PARTY."

UPI 10-04 02:47 PED

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AM-POLITICS INSERT4THGRAF-PICKUP5THGRAF A234 10-4

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CARTER CRITICIZED FORD FOR WAITING TO ACCEPT BUTZ' RESIGNATION "UNTIL HE ASSESSED PUBLIC OPINION POLLS TO SEE WHAT WAS RIGHT POLITICALLY." HE SAID, "EARL BUTZ NEVER SHOULD HAVE BEEN SECRETARY OF AGRICULTURE AND HE SHOULD HAVE BEEN FIRED A LONG TIME AGO."

PICKUP 5THGRAF: EARLIER

UPI 10-04 03:43 PED

A239

R W

AM-BUTZ INSERT5THGRAF-PICKUP6THGRAF A230 10-4

X X X REPRESENTS."

CAMPAGNING IN DENVER, DEMOCRATIC PRESIDENTIAL CANDIDATE JIMMY CARTER SAID FORD SHOULD HAVE FIRED BUTZ "A LONG TIME AGO" AND HIS FAILURE TO DO SO SHOWED THE PRESIDENT LACKED LEADERSHIP ABILITY. "INSTEAD OF MAKING HIS DECISION ON WHAT WAS RIGHT AND BEST FOR THE COUNTRY," FORD WAITED AND ASSESSED PUBLIC OPINION UNTIL PRESSURE FROM HIS OWN CAMPAIGN AIDES GOT TOO STRONG," CARTER SAID.

PICKUP 6THGRAF: PRESIDENTIAL

UPI 10-04 03:45 PED

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AM-POLITICS SKED 10-4

BY IRA R. ALLEN

UNITED PRESS INTERNATIONAL

PRESIDENT FORD MONDAY MOVED TO SOLVE A POLITICAL EMBARRASSMENT BY ACCEPTING EARL BUTZ' RESIGNATION AND THEN FLEW TO SAN FRANCISCO TO PREPARE FOR WEDNESDAY'S FOREIGN POLICY DEBATE WITH JIMMY CARTER.

CARTER ALSO FLEW WEST MONDAY, WITH A STOPOVER IN DENVER TO ADDRESS THE CATHOLIC CHARITIES CONVENTION, WHERE MANY PARTICIPANTS ARE UNHAPPY WITH HIS POSITION AGAINST A CONSTITUTIONAL AMENDMENT TO OUTLAW ABORTION.

THE PRESIDENT MET WITH HIS AGRICULTURE SECRETARY IN EARLY AFTERNOON AND THEN BUTZ ANNOUNCED HIS RESIGNATION, SAYING THE PRESIDENT PUT "NO PRESSURE" ON HIM TO QUIT FOR HAVING RECITED A COUPLE OF VULGARISMS ABOUT BLACK MEN'S SEX AND TOILET DESIRES.

FORD READ A STATEMENT TO REPORTERS PRAISING BUTZ' SERVICE AND CALLING HIM A "DECENT AND GOOD MAN."

EARLIER IN THE DAY, FORD DROVE TO A BLACK, LOW-INCOME AREA OF NORTHEAST WASHINGTON, D.C., TO FILM A CAMPAIGN COMMERCIAL AT A LITHOGRAPH FIRM. HE SPOKE WITH 18 BLACK AND WHITE WORKERS ABOUT A VARIETY OF TOPICS, INCLUDING BUTZ.

"THE PRESIDENT SAID BUTZ WAS MERELY TELLING A STORY FROM SOME TIME AGO. THE PRESIDENT SAID HE DID NOT CONDONE IT. THE PRESIDENT SAID HE PUNISHED HIM," ACCORDING TO ONE OF THE PARTICIPANTS.

FORD'S RUNNING MATE, ROBERT DOLE, DEVELOPED A NEW LINE OF ATTACK AGAINST CARTER MONDAY AND IT WAS A POSSIBLE PRELUDE TO THE FORD-CARTER FOREIGN POLICY DEBATE.

DOLE TOLD THE AMERICAN BANKERS ASSOCIATION CONVENTION IN WASHINGTON CARTER "IS DOWNRIGHT FRIGHTENING" IN DISCUSSING HOW HE WOULD USE NUCLEAR WEAPONS.

HE SAID CARTER'S FOREIGN POLICY IS ONE OF "WEAKNESS, UNCERTAINTY AND CONFUSION," AND THAT IF THE DEMOCRATIC CANDIDATE "IS LESS THAN REASSURING ON DISCUSSING HOW HE MIGHT USE THEM."

THE KANSAS SENATOR CITED A CARTER STATEMENT THAT SAID HE WOULD USE NUCLEAR WEAPONS IF THE NATION'S SECURITY OR EXISTENCE WAS THREATENED. "THE LIMITING WORDS 'OUR NATION' NATURALLY CREATED ANXIETY AMONG OUR ALLIES AROUND THE WORLD," DOLE SAID.

FORD AND CARTER RESPONDED TO NUCLEAR ARMS POLICY QUESTIONS PUT BY THE ARMS CONTROL ASSOCIATION AND RELEASED MONDAY.

ON WHETHER THE UNITED STATES WOULD BE THE FIRST TO USE NUCLEAR WEAPONS, CARTER SAID: "UNFORTUNATELY, WE CANNOT RENOUNCE THE FIRST USE OF NUCLEAR WEAPONS IN THOSE LIMITED SITUATIONS WHERE VITAL AND ESSENTIAL UNITED STATES INTERESTS MAY BE THREATENED BY MILITARY AGGRESSION AGAINST OUR ALLIES."

FORD SAID: "THE NUCLEAR CAPACITY OF THE UNITED STATES WILL BE USED ONLY WHEN IT IS SEEN AS ABSOLUTELY ESSENTIAL TO THE SECURITY OF THE UNITED STATES AND ITS ALLIES; FOR EXAMPLE, AN ACTUAL NUCLEAR ATTACK UPON THIS NATION."

CARTER SAID THE UNITED STATES AND THE SOVIET UNION SHOULD BAN ALL NUCLEAR EXPLOSIONS FOR FIVE YEARS.

THE WHITE HOUSE SAID A TEST BAN "WOULD BE USEFUL IN STEMMING THE TIDE OF THE ARMS RACE, FIRST BY THE BAN ITSELF, AND SECOND, BY FOSTERING A SPIRIT OF COOPERATIONS BETWEEN THE UNITED STATES AND SOVIET UNION."

UPI 10-04 03:20 PED

A243

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AM-DOLE SKED 10-4

BY LAURENCE MCQUILLAN

WASHINGTON (UPI) -- REPUBLICAN VICE PRESIDENTIAL CANDIDATE ROBERT DOLE, CLAIMING JIMMY CARTER WAS STIRRING ANXIETY AMONG U.S. ALLIES, MONDAY SAID THE DEMOCRAT WAS "DOWNRIGHT FRIGHTENING" IN HOW HE WOULD USE THE NATION'S DEFENSIVE MIGHT.

IN A SPEECH TO A BANKERS' GROUP, DOLE HAMMERED AT WHAT HE CALLED THE "WEAKNESS, UNCERTAINTY AND CONFUSION IN MR. CARTER'S POSITION ON DEFENSE AND FOREIGN POLICY MATTERS."

THE NEW TONE OF DOLE'S ATTACKS OFFERED A PRELUDE TO WEDNESDAY NIGHT'S DEBATE ON FOREIGN POLICY BETWEEN PRESIDENT FORD AND CARTER.

THE KANSAS SENATOR TOLD SEVERAL THOUSAND PERSONS ATTENDING AN AMERICAN BANKERS ASSOCIATION CONVENTION THAT IF CARTER "IS LESS THAN REASSURING ON THE QUESTION OF MAINTAINING OUR DEFENSE FORCES, HE IS DOWNRIGHT FRIGHTENING IN DISCUSSING HOW HE MIGHT USE THEM."

DOLE CITED A CARTER STATEMENT THAT SAID HE WOULD USE NUCLEAR WEAPONS IF THE NATION'S SECURITY OR EXISTENCE WAS THREATENED.

"THE LIMITING WORDS 'OUR NATION' NATURALLY CREATED ANXIETY AMONG OUR ALLIES AROUND THE WORLD," DOLE SAID.

HE ALSO BLASTED STATEMENTS BY THE DEMOCRAT THAT HE WOULD SEEK APPROVAL FROM SUCH NATIONS AS GERMANY, AUSTRIA AND FRANCE BEFORE USING NUCLEAR WEAPONS IN EUROPE.

"THESE ARE EXPRESSIONS WHICH WEAKEN THE CREDIBILITY OF OUR NUCLEAR DETERRENT," THE GOP CANDIDATE SAID.

"I AM CERTAIN OUR ALLIES WOULD PREFER TO HAVE AN AMERICAN PRESIDENT MOVE DECISIVELY TO IMPLEMENT OUR AGREED STRATEGY ... THAN THE OPPORTUNITY TO MEET AND DISCUSS THE USE OF NUCLEAR WEAPONS," DOLE SAID.

THE KANSAS LAWMAKER PRAISED THE PRESIDENT'S LEADERSHIP AND SAID THAT "FORD'S STRENGTH IN THE AREA OF FOREIGN AFFAIRS AND DEFENSE ... RESIDES IN THE FACT HE KNOWS WHAT HE'S DOING."

DOLE ALSO QUOTED CARTER AS SAYING HE DID NOT SEE COMMUNIST INVOLVEMENT IN THE ITALIAN GOVERNMENT AS "A CATASTROHE OR CAUSE FOR DESTRUCTION OF THE NATO ALLIANCE."

"LANGUAGE OF HIS KIND CAN ONLY SIGNAL OUR ALLIES THAT IN THE EVENT OF MR. CARTER'S ELECTION, THE UNITED STATES WOULD BE LESS THAN FIRM IN ITS OPPOSITION TO COMMUNIST PARTICIPATION IN THE ITALIAN GOVERNMENT," DOLE SAID.

UPI 10-04 04:15 PED

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PM-Dole, 1st Ld, a056, 380

By TOM RAUM

Associated Press Writer

WASHINGTON AP - Sen. Bob Dole said today that Secretary of Agriculture Earl Butz "made the right decision," in resigning because of his derogatory remark about blacks that had stirred a weekend furor in President Ford's election campaign.

Dole, who received the news while visiting the President Ford Committee's campaign headquarters here, told reporters he had anticipated that Butz' resignation would result from the uproar generated by what Butz had earlier described to him as the telling of "a 50-year-old joke."

"I thought the probability was great that it the resignation would happen," the Republican vice presidential candidate said.

He won applause from campaign workers when he described Ford as "a man of decency and integrity."

Dole, a long-time friend of Butz who had worked closely with him on farm legislation, was one of the first persons whose counsel Butz sought after published reports attributed to him a comment, made after the Republican convention in Kansas City last August, and subsequently quoted in two magazines. A Rolling Stone article, written by former White House aide and Watergate figure John Dean III, did not name Butz but New Times magazine identified him as the source of the remark.

Dole talked by telephone with Butz over the weekend and said he claimed that his reference to blacks as "colored," and comments about what he said were their sex preferences, "loose shoes," and bathroom habits was an attempt at humor. "He said it was a 50-year-old joke," Dole said.

But Dole claimed he had never heard of the joke and wasn't particularly swayed by Butz' explanation.

"You've got to be an idiot to say something like that," Dole said.

Asked today if he felt the episode might hurt the GOP ticket's chances, Dole said, "Secretary Butz was popular in many places, there's no doubt about it, but you have to weigh that against a very tasteless remark, one that I felt difficult to swallow."

Dole has frequently defended Butz in controversies about farm policy. In a campaign appearance last month in Grand Forks, N.D., Dole said the Democrats "can beat on Earl Butz and I'll beat on AFL-CIO President George Meany, and we'll see who wins the farm vote."

Butz attempted, 10th graf
1434pED 10-04

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PM-Politics Rdp, 1st Ld, a049, 490

By The Associated Press

President Ford today accepted the resignation of Secretary of Agriculture Earl Butz, who said he had made the decision "in the best interests of the President and his election campaign."

Meeting reporters in the White House press room after conferring with Ford, Butz gave out copies of a letter of resignation in which he offered Ford his apology for a racial slur against blacks that had become an overnight campaign issue, and said, "This is the price I pay for a gross indiscretion in a private conversation."

The announcement broke a weekend silence from both Butz and the White House over the fate of the controversial cabinet official and cleared the way for Ford to turn his attention to the upcoming debate with his Democratic opponent, Jimmy Carter, on defense and foreign policy.

Ford was to fly to San Francisco later today to complete preparations for the confrontation scheduled to take place there Wednesday evening. Carter also was to leave for the west coast, with a stopover en route in Denver.

There was no immediate comment from Ford on his acceptance of Butz' resignation, but Ford's running mate, Sen. Bob Dole of Kansas, said the Agriculture Secretary had "made the right decision."

Dole, a personal friend of Butz who had worked closely with him on farm legislation, earlier had called Butz' remark "stupid."

Butz, after remaining in seclusion over the weekend, went to see the President at the White House shortly after noon and the two conferred privately in Ford's office. Then Butz emerged with his announcement of having resigned, and was teary-eyed as he talked to reporters in the White House press room.

Shortly beforehand, Ford was quoted as telling a group of black workers at a Washington, D.C., printing plant, where he went to make a campaign ad film, that Butz was "merely telling a story from some time ago" when he made the slur during an airplane flight after the Republican National Convention in Kansas City last August.

Among those present was John Dean III, the former Watergate figure who was covering the convention for Rolling Stone magazine and reported Butz' comment anonymously. New Times magazine identified Butz as the author of the remark, which described in vulgar and derogatory terms the supposed sexual, dress and bathroom preferences of blacks.

Demands for Butz to resign or be fired mounted among both Democrats and Republicans, and an Agriculture Department source told The Associated Press that Ford had left it up to Butz himself to decide whether to resign or stay in office.

Jody Powell, Carter's press secretary, said the issue had begun to reflect on the President's leadership because he said Ford intended to decide the matter based not on what "would be right but on what the polls show and on what political reaction is."

As the second of three scheduled debates approaches - there will also be a debate between the two vice presidential candidates - various polls showed a tightening race.

A New York 9th graf

1405pED 10-04

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PM-Politics Rdp, 1st Ld, Sub, a221, 190
UNDATED, to update, sub for 5th and 6th grafs: There was . . . remark
"stupid."

Ford told reporters his acceptance of Butz' resignation was "one of the saddest decisions of my presidency." He recalled that Butz had wanted to quit two years ago but agreed to remain in office "to implement my policies of full farm production coupled with fair prices for the consumer and good income for farmers."

Butz was a personal friend but was "wise enough and courageous enough to know that no single individual, no matter how distinguished his past public service, should cast a shadow over the integrity and good will of American government by his comments."

Sen. Bob Dole of Kansas, Ford's running mate and a close friend of Butz, said the resignation was "the right decision," but hesitated to say whether he thought the episode had hurt the Republican party.

"Secretary Butz was popular in many places, there's no doubt about it, but you have to weigh that against a very tasteless remark, one that I found difficult to swallow," Dole said.

Sen. Edward W. Brooke, R-Mass., the only black member of the Senate, said he felt the resignation was good for the presidency and good for the country. Brooke earlier had been among Republicans who had joined Democrats in demanding Butz' ouster.

Butz, after, 7th graf
1458pED 10-04

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AM-AUTOS-1STLD PICKUP5THGRAF A224 10-4

BY EDWARD S. LECHTZIN

UPI AUTO WRITER

DETROIT (UPI) -- THE FORD MOTOR CO. AND THE UNITED AUTO WORKERS REACHED AGREEMENT MONDAY ON A NEW CONTRACT THAT WILL END A 20-DAY-OLD NATIONWIDE STRIKE AND GIVE WORKERS THEIR FIRST BIG STEP TOWARDS THE FOUR-DAY WORK WEEK, SOURCES SAID.

IT WAS NOT KNOWN WHEN THE AUTO FIRM AND THE UNION WOULD MAKE THE OFFICIAL ANNOUNCEMENT AT FORD WORLD HEADQUARTERS IN SUBURBAN DEARBORN. BUT LOCAL UAW OFFICIALS WHO REPRESENT THE 170,000 FORD WORKERS SAID THEY WERE BEING TOLD THAT THE AGREEMENT HAD BEEN REACHED.

"ALL THAT'S LEFT TO DO IS TO DOT THE I'S AND CROSS THE T'S," ONE HIGH UNION SOURCE SAID.

THE UNION REPORTEDLY WON AGREEMENT ON REDUCING WORKING TIME IN A PLAN THAT WILL GIVE WORKERS FOUR EXTRA PAID DAYS OFF IN THE FIRST YEAR, EIGHT DAYS IN THE SECOND YEAR AND 12 DAYS IN THE THIRD YEAR. THE UNION SAID THIS WILL FORCE THE AUTO COMPANIES TO HIRE MORE WORKERS BUT LABOR OBSERVERS SAID IT WOULD ULTIMATELY LEAD TO THE FOUR-DAY WORK WEEK, A LONGTIME GOAL OF ORGANIZED LABOR.

THE NEW AGREEMENT REPORTEDLY ALSO INCLUDES A 3 PER CENT ANNUAL WAGE INCREASE, CONTINUED UNLIMITED COST-OF-LIVING IMPROVEMENTS, FINANCIAL AID FOR RETIREES AND GREATER FINANCING OF THE SUPPLEMENTAL UNEMPLOYMENT BENEFITS FUND THAT GIVES IDLED WORKERS UP TO 95 PER CENT OF THEIR TAKE-HOME PAY.

THE LABOR DISPUTE ALREADY HAS COST FORD WORKERS MORE THAN \$150 MILLION IN LOST WAGES. IT WAS ABOUT TO ENTER ITS FOURTH WEEK WEDNESDAY AND THREATENED TO CRIPPLE FORD'S 1977-MODEL CAR INTRODUCTION IF IT WENT PAST THE ONE-MONTH MARK.

WHILE THERE HAD BEEN OPTIMISTIC PREDICTIONS THROUGHOUT THE WEEKEND, THE FIRST WORD OF THE PENDING SETTLEMENT CAME SHORTLY AFTER NOON MONDAY WHEN LOCAL LEADERS AT THE 102 FORD FACILITIES IN 22 STATES SAID THEY HAD BEEN TOLD THE AGREEMENT ALREADY BEEN INITIALED.

LEONARD HARRALL, PRESIDENT OF UAW LOCAL 919 IN NORFOLK, VA., SAID HE WAS TOLD THE AGREEMENT IN PRINCIPLE WAS WORKED OUT DURING THE INTENSIVE WEEKEND BARGAINING SESSIONS AND NEGOTIATORS WERE TRANSLATING IT INTO THE FINAL CONTRACT LANGUAGE.

JOE REILLY, PRESIDENT OF LOCAL 960 AT MAHWAH, N.J., SAID THE AGREEMENT WAS COMPLETED IN THE MORNING AND FINISHING TOUCHES WERE BEING MADE IN THE AFTERNOON.

THE STRONGEST OFFICIAL SIGN FROM THE UNION'S NEGOTIATING SUITE WAS A TELEGRAM FROM UAW PRESIDENT LEONARD WOODCOCK AND VICE PRESIDENT KEN BANNON TO THE NATIONAL FORD COUNCIL, WHICH MUST APPROVE THE AGREEMENT BEFORE IT IS GIVEN TO THE RANK-AND-FILE MEMBERSHIP.

THEY SAID THE COUNCIL WILL MEET IN DETROIT THURSDAY.

PICKUP 5TH GRAF: 'HOPEFULLY, WE

UPI 10-04 02:56 PED

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AN-ARMS SKED 10-4

BY NICHOLAS DANILOFF

WASHINGTON (UPI) -- DISPUTING PRESIDENT FORD'S ARMS CONTROL POLICIES, JIMMY CARTER SAID MONDAY THE UNITED STATES AND RUSSIA SHOULD IMMEDIATELY BAN ALL NUCLEAR EXPLOSIONS FOR FIVE YEARS.

"I SUPPORT A COMPREHENSIVE TEST BAN AGREEMENT WITH THE SOVIET UNION, COVERING BOTH WEAPONS TESTS AND SO-CALLED 'PEACEFUL' NUCLEAR EXPLOSIONS," HE SAID.

"THE UNITED STATES AND THE SOVIET UNION SHOULD CONCLUDE SUCH AN AGREEMENT IMMEDIATELY, TO LAST FOR FIVE YEARS, DURING WHICH THEY SHOULD ENCOURAGE ALL OTHER COUNTRIES TO JOIN."

THE ARMS CONTROL ASSOCIATION, A PRIVATE ARMS CONTROL STUDY GROUP, PUT A SERIES ON QUESTIONS ON ARMS POLICY TO BOTH CARTER AND FORD.

THE WHITE HOUSE SAID FORD FEELS A TEST BAN "WOULD BE USEFUL IN STEMMING THE TIDE OF THE ARMS RACE, FIRST BY THE BAN ITSELF, AND SECOND, BY FOSTERING A SPIRIT OF COOPERATIONS BETWEEN THE UNITED STATES AND SOVIET UNION."

HOWEVER, THE PRESIDENT CONSIDERS A BAN MUST BE "BACKED BY ADEQUATE SAFEGUARDS."

THE FORD ADMINISTRATION HAS ARGUED NATIONAL MONITORING SYSTEMS ARE NOT YET SOPHISTICATED ENOUGH TO ACCURATELY DISTINGUISH UNDERGROUND TESTS FROM UNDERGROUND TREMORS AND EARTHQUAKES.

BUT CARTER SAYS THE UNITED STATES IS CAPABLE OF IDENTIFYING "EVEN VERY SMALL WEAPONS TESTS" WITHOUT ON-SITE INSPECTION AND CURRENT TECHNICAL MEANS ARE SUFFICIENT TO VERIFY A COMPREHENSIVE TEST BAN.

VIEWS OF THE CANDIDATES ON OTHER POINTS:

STRATEGIC ARMS LIMITATION TALKS:

CARTER -- THE PRELIMINARY VLADIVOSTOK AGREEMENT SET "TOO HIGH" A CEILING ON THE NUMBERS OF STRATEGIC BOMBERS AND MULTIPLE-HEADED MISSILES EACH COUNTRY COULD HAVE. CARTER WOULD UNDERTAKE "A CAREFUL REVIEW" OF THE AGREEMENT AND STRATEGIC ARMS TALKS IN JANUARY 1977.

FORD -- "AS A GENERAL CONCEPT, SALT II IS INTENDED TO APPLY QUANTITATIVE LIMITATIONS ON NUMBERS OF VEHICLES, WHILE SALT III WOULD PROVIDE THE UPPER LIMITS ON QUANTITATIVE CAPABILITIES AND STABILIZE THE STRATEGIC POSITIONS OF THE TWO SUPER-POWERS."

NUCLEAR EXPORTS:

CARTER -- THE UNITED STATES SHOULD CALL ON ALL NUCLEAR NATIONS "TO ADOPT A VOLUNTARY MORATORIUM ON THE NATIONAL SALE OR PURCHASE OF ENRICHMENT OR REPROCESSING PLANTS."

FORD -- "WE MUST NOT BE QUIKOTIC IN OUR SUPPLY POLICY SINCE WE WILL DRIVE RECIPIENTS TO OTHER SOURCES OR TO DEVELOP THEIR OWN INDEPENDENT CAPACITY."

CONVENTIONAL ARMS SALES:

CARTER -- THE UNITED STATES SHOULD CONVENE AN INTERNATIONAL CONFERENCES OF ARMS EXPORTERS AND CONSUMERS -- INCLUDING THE SOVIET UNION -- TO DAMPEN BOURGEONING SALES OF CONVENTIONAL AND ADVANCED WEAPONRY.

FORD -- THE UNITED STATES MUST "RETAIN THE OPTION TO PROVIDE OUR FRIENDS AND ALLIES WITH THE WEAPONS NECESSARY TO PROTECT THEMSELVES" WHILE SELLING "ONLY TO THOSE WHO CAN DEMONSTRATE A VALID NEED."

FIRST USE OF NUCLEAR WEAPONS:

CARTER -- "UNFORTUNATELY, WE CANNOT RENOUNCE THE FIRST USE OF NUCLEAR WEAPONS IN THOSE LIMITED SITUATIONS WHERE VITAL AND ESSENTIAL UNITED STATES INTERESTS MAY BE THREATENED BY MILITARY AGGRESSION AGAINST OUR ALLIES."

FORD -- "THE NUCLEAR CAPACITY OF THE UNITED STATES WILL BE USED ONLY WHEN IT IS SEEN AS ABSOLUTELY ESSENTIAL TO THE SECURITY OF THE UNITED STATES AND ITS ALLIES; FOR EXAMPLE, AN ACTUAL NUCLEAR ATTACK UPON THIS NATION."

UPI 10-04 03:11 PED

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AM-COURT SKED 10-4

BY JAMES A. KIDNEY

WASHINGTON (UPI) -- THE SUPREME COURT MONDAY STOOD FIRMLY ON ITS RULINGS OF LAST JULY UPHOLDING CAPITAL PUNISHMENT FOR MURDER IN THREE STATES, BUT AGREED TO RESOLVE WHETHER A RAPIST CAN BE SENTENCED TO DEATH ALTHOUGH HIS VICTIM SURVIVES.

ON THE OPENING DAY OF ITS NEW TERM, THE COURT SUMMARILY REFUSED TO GRANT REHEARINGS IN CASES THAT RESULTED IN ITS DECISION LAST TERM FINDING THAT DEATH PENALTY LAWS IN GEORGIA, TEXAS AND FLORIDA DO NOT VIOLATE THE CONSTITUTION'S BAN ON "CRUEL AND UNUSUAL" PUNISHMENT.

THE COURT SAID LAST JULY ITS DECISION ONLY APPLIED TO MURDERERS, AND LEFT OPEN WHETHER THE PUNISHMENT CAN BE APPLIED WHEN A VICTIM DOES NOT DIE.

BUT ON OPENING DAY -- IN WHICH IT DISPOSED OF MORE THAN 700 APPEALS LEFT OVER FROM LAST YEAR AND FILED DURING THE SUMMER -- THE JUSTICES VOTED TO DECIDE THAT ISSUE IN AN APPEAL BY A GEORGIA RAPIST WHO CONTENDS CAPITAL PUNISHMENT IS CONSTITUTIONAL ONLY FOR MURDER.

THE COURT ALSO LIFTED A STAY OF EXECUTION, GRANTED PENDING MONDAY'S DENIAL OF REHEARING. THIS MEANS THAT NEARLY 200 CONVICTED MURDERERS ON DEATH ROWS IN FLORIDA, TEXAS AND GEORGIA MUST SEEK EXECUTIVE CLEMENCY FROM STATE GOVERNORS OR PURSUE FURTHER APPEALS ON TECHNICAL GROUNDS THAT THEIR ARRESTS OR TRIALS WERE UNFAIR.

OFFICIALS IN THE THREE STATES WERE RELUCTANT TO PREDICT WHICH MIGHT BE THE FIRST TO STAGE AN EXECUTION IN THIS COUNTRY SINCE 1967. A LAWYER FOR THE NAACP LEGAL DEFENSE FUND, WHICH BROUGHT THE DEATH PENALTY APPEALS, HAS SAID PECULIARITIES OF GEORGIA LAW MAKE THAT STATE A LIKELY CANDIDATE FOR THE FIRST EXECUTION -- BUT STATE AUTHORITIES DISPUTE THAT.

IN ANOTHER DEATH PENALTY CASE, THE COURT TOLD THE ARKANSAS SUPREME COURT TO RE-EXAMINE ITS DECISION UPHOLDING THAT STATE'S DEATH PENALTY LAW IN LIGHT OF JULY'S DECISIONS.

ALL NINE JUSTICES WERE PRESENT FOR THE NEW TERM AND IMMEDIATELY JUMPED INTO A CONTROVERSIAL APPEAL BY IOWA CONTENDING THE "MIRANDA" RULE SHOULD BE LIBERALIZED OR ABOLISHED. JUSTICE THURGOOD MARSHALL, WHO SUFFERED A HEART ATTACK DURING THE SUMMER, WAS PRESENT AND ASKED SEVERAL QUESTIONS IN THE IOWA CASE.

THE COURT AGREED TO REVIEW ONLY 25 APPEALS FROM THE HUNDREDS ACTED UPON MONDAY. AMONG THOSE GRANTED WERE:

-- A CLAIM BY TWO ARIZONA LAWYERS THAT THE STATE'S PROFESSIONAL CODE BARRING PRICE ADVERTISING FOR STANDARD LEGAL FEES VIOLATES BOTH THE ANTITRUST LAWS AND A LAWYER'S RIGHT TO FREE SPEECH. ARIZONA'S RULE IS VIRTUALLY IDENTICAL TO THOSE IN ALL OTHER 50 STATES AND COMPLIES WITH RECOMMENDATIONS FROM THE AMERICAN BAR ASSOCIATION. THE JUSTICE DEPARTMENT HAS FILED A SIMILAR LAWSUIT CHALLENGING THE ABA CODE BUT IT HAS NOT BEEN HEARD IN DISTRICT COURT.

-- THE QUESTION OF WHETHER CUSTOMS INSPECTORS MUST OBTAIN A SEARCH WARRANT BEFORE OPENING SUSPICIOUS MAIL FROM OVERSEAS. LOWER COURTS HELD THAT INSPECTORS ERRED BECAUSE THEY DID NOT OBTAIN A SEARCH WARRANT TO OPEN A BULKY LETTER IN WHICH THEY FOUND HEROIN SENT FROM THAILAND TO A WASHINGTON, D.C., ADDRESS.

-- ANOTHER JUSTICE DEPARTMENT APPEAL CLAIMING THAT A SEARCH WARRANT WAS NOT REQUIRED TO SEARCH A FOOTLOCKER FOUND IN A TRAIN STATION WHICH CONTAINED MARIJUANA.

-- WHETHER ILLINOIS MAY REVOKE A DRIVER'S LICENSE WITHOUT A HEARING. LOWER COURTS SAID "NO" AND ILLINOIS APPEALED.

AMONG THE CASES DENIED REVIEW WERE:

-- UNSUCCESSFUL CLAIMS BY CALIFORNIA LANDOWNERS THAT THEIR PROPERTY RIGHTS ARE VIOLATED BY A STATE REGULATION REQUIRING THEM TO ADMIT UNION ORGANIZERS ONT THEIR LAND.

-- EFFORTS BY THE U.S. COMPTROLLER OF THE CURRENCY AND FEDERALLY CHARTERED BANKS TO BYPASS BRANCH BANKING LAWS AND INSTALL ELECTRONIC TERMINALS IN GROCERIES AND OTHER RETAIL OUTLETS THAT ALLOW CUSTOMERS TO WITHDRAW FUNDS AND MAKE CREDIT PURCHASES DIRECTLY FROM THEIR BANK ACCOUNTS.

-- ANOTHER ATTEMPT BY OPPONENTS OF BOSTON'S SCHOOL DESEGREGATION PLAN TO GAIN SUPREME COURT REVIEW OF THE BUSING CASE. THE COURT TURNED DOWN THE CASE LAST TERM AND DENIED REHEARING ON THE MATTER MONDAY.

UPI 10-04 03:42 PED

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AM-TAXES SKED 10-4

BY DON PHILLIPS

WASHINGTON (UPI) -- PRESIDENT FORD MONDAY SIGNED THE LARGEST TAX REVISION BILL EVER PASSED ALTHOUGH CONGRESS DID NOT APPROVE HIS PROPOSED \$10 BILLION IN EXTRA TAX CUTS AND INCLUDED MANY PROVISIONS HE FOUND OBJECTIONABLE.

"ON BALANCE, HOWEVER, THIS LEGISLATION IS SOUND, POSITIVE AND LONG OVERDUE," SAID FORD IN SIGNING THE FIVE-INCH-THICK BILL IN AN OVAL OFFICE CEREMONY.

THE LEGISLATION CONTINUES CURRENT TAX CUTS, THUS LEAVING THE WITHHOLDING RATE UNCHANGED, BUT MAKES THOUSANDS OF OTHER TAX LAW CHANGES THAT WILL BENEFIT WORKING PARENTS, THE ELDERLY, FARMERS, SOME CORPORATIONS SUCH AS RAILROADS AND AIRLINES, AND MANY OTHER SEGMENTS OF AMERICAN SOCIETY.

IT WILL INCREASE TAXES ON SOME CORPORATIONS AND ON THE WEALTHY WHO HAVE BEEN USING SHELTERS AND TAX-FREE PREFERENCE INCOME TO AVOID TAX.

FORD SAID HE WOULD PROPOSE A NUMBER OF NEW TAX CHANGES NEXT YEAR, ASSUMING HE IS RE-ELECTED, INCLUDING AN INCREASE IN THE PERSONAL EXEMPTION OF \$750 TO \$1,000, AND "INTEGRATION" OF CORPORATE AND PERSONAL INCOME TAXES WHICH COULD LEAD TO A TAX CUT OF BILLIONS FOR EITHER CORPORATIONS OR THEIR STOCKHOLDERS.

HE ALSO SAID HE WOULD PROPOSE A FORM OF ACCELERATED DEPRECIATION FOR BUSINESSES WHICH OPEN NEW PLANTS OR BUY NEW EQUIPMENT IN HIGH UNEMPLOYMENT AREAS, AND WOULD PROPOSE A PROGRAM OF BROADENED STOCK OWNERSHIP FOR LOW AND MIDDLE INCOME AMERICANS.

FORD WAS PARTICULARLY CRITICAL OF CONGRESS' FAILURE TO APPROVE AN EXTRA \$10 BILLION IN PERSONAL INCOME TAX REDUCTIONS, A PLAN ALMOST TOTALLY IGNORED BY LAWMAKERS AFTER DEMOCRATS CLAIMED MOST OF THIS EXTRA BENEFIT WOULD GO TO UPPER INCOME PERSONS.

BUT HE SAID HE WAS PLEASED BY ACTION TO CLOSE TAX LOOPHOLES AND WAS "GRATIFIED THAT THE CONGRESS HAS ADOPTED THE PROGRAM OF ESTATE TAX RELIEF WHICH I PROPOSED AT THE BEGINNING OF THIS YEAR."

THE BILL "DOES GO A LONG WAY TOWARD PROVIDING COMMON SENSE AND EQUITY IN OUR TAX SYSTEM," HE SAID.

IN ITS FIRST FULL YEAR, 1977, THE BILL'S "LOOPHOLE CLOSING" AMENDMENTS INCREASE TAXES ON CERTAIN GROUPS BY \$3 BILLION, THE LARGEST INCREASE BEING THE \$1 BILLION INCREASE IN THE MINIMUM TAX.

THE BILL THEN GIVES AWAY \$1.4 BILLION THROUGH NEW OR EXPANDED TAX-BREAKS FOR INDIVIDUALS AND INDUSTRY, LEAVING THE BILL WITH A NET \$1.6 BILLION IN "REFORM" ITS FIRST YEAR. THIS DROPS OFF TO ABOUT \$1 BILLION A YEAR FROM 1978 THROUGH 1981 AS REDUCTIONS IN THE ESTATE AND GIFT TAX BEGIN TO TAKE EFFECT.

OTHER HIGHLIGHTS:

-- WORKING PARENTS WOULD BE ABLE TO CLAIM A TAX CREDIT OF 20 PER CENT OF EXPENSES UP TO AN \$800 TAX SAVING FOR CHILD CARE EXPENSES, REGARDLESS OF INCOME OR WHETHER DEDUCTIONS ARE ITEMIZED.

-- THE 15 PER CENT RETIREMENT INCOME CREDIT FOR THOSE OVER 65 IS SIMPLIFIED AND MADE MORE GENEROUS.

-- ALIMONY DEDUCTIONS ARE ALLOWED EVEN IF THE TAXPAYER CHOOSES NOT TO ITEMIZE.

-- THE 10 PER CENT INVESTMENT TAX CREDIT IS MADE PERMANENT.

-- THE HOLDING PERIOD FOR CAPITAL GAINS TAX TREATMENT IS INCREASED TO ONE YEAR, BUT MORE CAPITAL LOSSES MAY BE USED TO OFFSET UP TO \$3,000 OF REGULAR INCOME EACH YEAR.

UPI 10-04 03:54 PED

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AM-Debate-Preparations, Bjt, 490

SAN FRANCISCO AP - Technical problems that flawed the telecast of the first presidential debate with a 27-minute silence won't recur during the broadcast of the second debate, the man in charge of television arrangements said Monday.

"Everything is going to be just fine," said Jack Kelly, puffing on his pipe as he surveyed the flurry of activity at the Palace of Fine Arts. President Ford and Jimmy Carter will debate foreign policy and national security here Wednesday evening before a highly select live audience of 576 and a television audience of millions.

The candidates were arriving in San Francisco on Monday amid "the biggest security effort ever here," said Police Chief Charles Gain. "It's the first time we've had both a president and a presidential candidate's opponent here together for an extended stay. There will be a rescheduling of some police days off and some overtime."

Aides said Carter and Ford would spend most of Tuesday boning up for the debate. Carter will stay at the Sheraton-Palace Hotel, and Ford will stay at the home of a prominent San Francisco lawyer.

In their first debate, on Sept. 23 in Philadelphia, Ford and Carter were left standing in awkward silence after a \$1 piece of equipment failed, cutting the audio portion of the telecast.

"I'm told it was a capacitor," said Kelly, producer in charge of the pool for CBS. "It was a foul-up in the Philadelphia theater. There won't be one here."

The same blue-and-white stage set used in the first debate was being installed Monday in the 1,000-seat theater inside the ornate Palace, constructed as the architectural centerpiece of the 1915 Panama-Pacific Exposition. An apron was being erected over the orchestra pit, and a new sound and light system was being installed. Burlap bags of sand were placed on the roof to anchor antennas against stiff bay breezes, and Jim Sebastiani of Pacific Telephone Co. estimated that "four or five miles" of cable was in place.

Nine cameras - one of them a spare - were installed on the stage, and three CBS vans were parked outside the Palace. In one of them, Kelly will keep an eye on 18 monitors in the company of 11 aides, including the producer of the upcoming third debate on Oct. 22.

As in Philadelphia, the debate will not be open to the general public, but that has not daunted those seeking one of the 100 royal blue-and-white tickets allotted to the local League of Women Voters, sponsors of the debate. The remaining seats will be occupied by the press and by national League officials.

The League announced Sunday that Pauline Frederick, United Nations correspondent for National Public Radio, will moderate the debate.

Panelists will be Max Frankel, associate editor of The New York Times; Henry Trehitt, diplomatic correspondent for the Baltimore Sun, and Richard Valeriani, diplomatic correspondent for NEC News.

Use of the theater in the Palace means that an adjoining science museum, the Exploratorium, will be closed Wednesday and perhaps Tuesday - costing the city an estimated \$4,500 a day. Board of Supervisors President Quentin Kopp said he will introduce a resolution asking that the loss be made up by the League and the Ford and Carter campaigns.

1626pED 10-04

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AM-Taxes, Bjt, 3 takes, 400-1,220

By FRANCES LEWINE

Associated Press Writer

WASHINGTON AP - President Ford signed a wide-ranging tax revision bill Monday that eases the tax burden for individuals and businesses across America.

Ford signed the measure at a White House ceremony, commenting that the legislation is "sound, positive and long overdue."

Tax cuts included in the law total about \$18 billion, but workers should not look for any more money in their paychecks since these cuts are already in effect and are simply being extended.

Ford said the measure will "ensure that each taxpayer bears his or her fair share of the over-all tax burden."

But he added that the law is "far from perfect," particularly because he said it failed to include his request for deeper cuts in individual taxes. He said he will continue to work for a "better break for low and middle-income taxpayers."

Ford said he will urge the next Congress to raise the personal exemption to \$1,000 from the present \$750.

The bill is more than 1,000 pages long and was two years in the making.

Provisions in the bill affect child care, pensions for housewives, deductions for work done at home, investment and foreign tax credits and estate taxes, among other items.

The Ford administration has expressed fears that Middle East peace efforts could be harmed by a section denying certain tax breaks to U.S. companies that participate in international boycotts such as the Arab action against Israel.

Without this extension of tax cuts first introduced last year, taxes for a family of four earning \$15,000 would rise \$180 a year. A single person earning \$8,000 would pay \$182 more and a couple earning \$10,000 would face a \$204 tax increase.

Taxes of wealthy individuals will rise under the law, primarily because of an increase in the minimum income tax and new restrictions on the use of "tax shelters."

But taxes of airlines, railroads, shipping, insurance and some other companies, including those with high pollution control costs, will be reduced by other provisions.

Most of the tax changes will take effect this year or next, but some will not be phased in until later. Five years from now the bill will produce a net federal revenue increase of about \$984 million over the present law.

Here are the major provisions of the new law:

More

1510pED 10-04

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AM-Tax, Bjt, 1st add, a234, 470
WASHINGTON: tax law:

INDIVIDUAL CREDIT - Each taxpayer will be allowed to subtract \$35 for himself and for each dependent from the total tax he owes. Or, he can subtract 2 per cent of his first \$9,000 of taxable income, up to a maximum credit of \$180. This will continue through Dec. 31, 1977.

STANDARD DEDUCTION - Used by people who do not itemize their deductions, this is made permanent at existing rates, which were raised last year to a minimum of \$1,700 for single persons and \$2,100 for joint returns and a maximum of 16 per cent of taxable income, up to \$2,400 for single persons and \$2,800 for joint returns.

CHILD CARE - A new deduction for child-care expenses is introduced under which up to \$400-a-year can be subtracted from taxes owed for expenses of caring for one child, up to \$800 for two or more. This replaces a system which was weighted toward families in the upper middle-income brackets.

HOUSEWIVES PENSIONS - If a worker qualifies for a tax-deferred Individual Retirement Account, he can increase the current \$1,500 maximum annual contribution to \$1,750 to benefit his spouse if she does not work outside the home.

CREDIT FOR THE ELDERLY - The elderly receive a credit of 15 per cent on a \$2,500 base for a single persons and \$3,750 for couples. This will apply to all types of income and replaces a complicated retirement-income credit.

WORK BONUS - The special tax credit for poor, working families with children is extended through Dec. 31, 1977. The credit is available even to people who owe no taxes. It is a 10 per cent credit on the first \$4,000 of earnings and decreases from that point to phase out at the \$8,000 level.

BUSINESS IN HOME - An individual will be allowed a tax deductions for a business in his home only if he uses a portion of the home regularly and exclusively for business and if it is his main place of business.

SIMPLIFICATION - The dozen confusing, fine-print tables in the instructions on Form 1040 will be condensed into two pages of schedules. The schedules will be available to 90 per cent of taxpayers, applying to those with taxable incomes up to \$20,000.

SALE OF HOME - Up to \$35,000 of the sale price of a home will escape taxation if sold by a person 65 or older. The tax-free limit had been \$20,000.

MINIMUM TAX - Aimed generally at persons who earn more than \$50,000 a year, the minimum tax, which is based on a percentage formula, will be increased on individuals and corporations.

MAXIMUM TAX - Designed to lure investors away from tax shelters, this provision limits the tax on earned income, such as salary, to 50 per cent and extends this protection to pensions.

LEGAL SERVICES - This allows tax-free treatment of an employer's contributions to a group legal-service plan for his employees. This is already done for health-insurance plans.

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1521pED 10-04

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AM-Tax, Rjt - 2nd add, a234-236, 350

WASHINGTON: insurance plans.

INVESTMENT CREDIT - Corporations that purchase equipment will be allowed to deduct 10 per cent of the cost from taxes owed. This existing credit is continued through 1980. A corporation can increase the credit to 11 per cent by agreeing to use the extra to purchase company stock to be owned by employees.

BUSINESS TAX CUTS - The tax cuts approved last year to aid small businesses continue through 1977. This sets a 20 per cent tax rate on the first \$25,000 of income, 22 per cent on the second \$25,000 and 48 per cent on all other income.

ESTATE AND GIFT TAXES - Previous law exempted from inheritance and gift taxes \$90,000 of each estate. In addition, half the estate was exempt if willed to the surviving spouse. The new law changes the exemption to a credit, which gradually will increase to the equivalent of a \$176,625 exemption by 1981. If the estate is willed to the spouse, half the value or \$250,000, whichever is larger, will be tax free. The law also increases income taxes on inherited property that subsequently is sold by the heirs.

EXPORTS - About one-third of the \$1.5-billion-a-year subsidy for exports is eliminated. Generally this subsidy will be available only for increases in export levels.

FOREIGN TAX CREDIT - Taxes on U.S. firms doing business abroad will be increased by ending an escape clause, known as the per-country limitation, in the foreign tax credit.

FOREIGN INCOME - The amount of annual income earned by an American abroad that could escape taxation is cut from \$20,000 to \$15,000.

CAPITAL GAINS - The tax on capital gains, increases in the value of property such as stocks or real estate, increases by \$11 million in 1977 and \$134 million a year by 1981.

SICK PAY - The law allowing a sick worker to avoid taxes on up to \$100-a-week in pay from his employer is repealed and replaced with a \$5,200-a-year tax exemption for permanently, totally disabled retirees under 65.

BOYCOTTS - American firms that participate in the Arab boycott of Israel and Jewish businessmen will lose millions of dollars a year in tax benefits.

1528pED 10-C4

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AM-SPAIN SKED 10-4
BY ARTHUR HERMAN

MADRID, SPAIN (UPI) -- A CLOSE ADVISER TO KING JUAN CARLOS AND THREE BODYGUARDS DIED MONDAY IN A GUERRILLA SUBMACHINEGUN ATTACK FOR WHICH BASQUE SEPARATISTS CLAIMED RESPONSIBILITY.

JUAN MARIA DE ARALUCE VILLAR, 59, A MEMBER OF THE COUNCIL OF THE REALM, SPAIN'S HIGHEST ADVISORY GROUP, WAS HIT BY 15 TO 20 BULLETS, POLICE SOURCES SAID. THE TERRORISTS' SUBMACHINEGUN SALVOS SPRAYED AT LEAST 15 CARS IN THE ATTACK.

THE ATTACK WAS THE MOST SERIOUS GUERRILLA ACTION IN SPAIN SINCE THE ASSASSINATION THREE YEARS AGO OF PREMIER LUIS CARRERO BLANCO. PREMIER ADOLFO SUAREZ CALLED AN EMERGENCY MEETING OF THE GOVERNMENT.

AT THE TIME OF THE ATTACK ARALUCE WAS RIDING THROUGH SAN SEBASTIAN, A BASQUE PROVINCIAL CAPITAL WHICH HAS BEEN PRESSING FOR AUTONOMY FROM THE CENTRAL GOVERNMENT. HE WAS ON THE WAY TO LUNCH WITH TWO OF HIS NINE CHILDREN AT HIS HILLSIDE HOME OVERLOOKING THE ATLANTIC.

THREE BODYGUARDS RIDING IN A POLICE ESCORT CAR DIED IN THE VOLLEY OF GUNFIRE AND ARALUCE'S CHAUFFEUR SUFFERED HEAD WOUNDS. POLICE SOURCES SAID 10 PASSERSBY WERE INJURED.

SHORTLY AFTER THE ATTACK, AN ANONYMOUS TELEPHONE CALL TO THE SAN SEBASTIAN NEWSPAPER VOZ DE ESPANA SAID THE SEPARATIST GROUP ETA (BASQUE HOMETLAND AND LIBERTY) CLAIMED CREDIT FOR THE DEATH OF ARALUCE AND "HIS GUARD DOGS."

POLICE IMMEDIATELY SET UP ROADBLOCKS THROUGHOUT THE REGION AND VIRTUALLY SEALED OFF THE NEARBY BORDER WITH FRANCE.

THE ASSASSINATION CAME AS PROBLEMS MOUNTED FOR SPAIN'S DIFFICULT TRANSITION FROM THE AUTHORITARIAN FRANCO SYSTEM TO DEMOCRACY.

THE SUAREZ REFORM PROGRAM HAS COME UNDER FIRE FROM BOTH THE RIGHT AND LEFT AND THE KILLINGS GAVE NEW AMMUNITION TO ULTRA-CONSERVATIVES WHO CLAIM THAT DEMOCRATIZATION MEANS CHAOS.

THE ATTACK FOLLOWED THE PATTERN OF ETA SLAYINGS. THE SEPARATIST GROUP HAS KILLED DOZENS OF POLITICAL ENEMIES SINCE 1968, USUALLY BY SUBMACHINEGUNNING THEM FROM A CAR. CARRERO BLANCO, HOWEVER, WAS SLAIN BY A BOMB WHICH ETA GUERRILLAS BURIED UNDER A MADRID STREET.

ARALUCE, A BASQUE REGION NATIVE WHO WAS ALSO PRESIDENT OF THE PARLIAMENT OF GUIPUZCCA PROVINCE, WAS CONSIDERED A POLITICAL MODERATE. HE WAS CRITICIZED NOT ONLY BY BASQUE SEPARATISTS BUT ALSO BY RIGHT-WINGERS WHO OPPOSED HIS SUPPORT FOR LIMITED BASQUE AUTONOMY.

POLICE SOURCES SAID AT LEAST ONE GUNMAN, WHO WAS DRESSED IN A BROWN LEATHER JACKET AND DARK JEANS, DASHED INTO THE STREET AND FIRED FIRST ON THE POLICE ESCORT CAR, THEN ON ARALUCE'S VEHICLE.

UPI 10-04 03:29 PED

A237

THE WHITE HOUSE
WASHINGTON

WIRE REPORT

BY SPECIAL MESSENGER

PHILLIP BUCHEN 2
JAMES CAVANAUGH
JIM CANNON
FOSTER CHANOCK
JIM CONNOR
MIKE DUVAL
MAX FRIEDERSDORF
ALAN GREENSPAN
ROBERT HARTMAN
JERRY JONES
JOHN O. MARSH
TERRY O'DONNELL
BOB ORBEN
BIRGE WATKINS
E.O.B. 128 - RESEARCH



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PM-DEATH 3TAKES 10-4

BULLETIN

WASHINGTON (UPI) -- THE SUPREME COURT TODAY DECLINED TO RECONSIDER ITS DECISIONS UPHOLDING CAPITAL PUNISHMENT LAWS FOR MURDER IN GEORGIA, TEXAS AND FLORIDA, BUT AGREED TO DECIDE WHETHER THE GEORGIA DEATH PENALTY CAN CONSTITUTIONALLY BE APPLIED TO RAPISTS.

MORE

UPI 10-04 10:11 AED

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PM-DEATH 1STADD A080 10-4

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X X X RAPISTS.

THE HIGH COURT ALSO TOLD THE ARKANSAS SUPREME COURT TO TAKE ANOTHER LOOK AT THAT STATE'S DEATH PENALTY LAW IN LIGHT OF LAST JULY'S DECISIONS UPHOLDING SOME DEATH PENALTY STATUTES.

IN THOSE RULINGS, WHICH WERE DENIED FURTHER REVIEW TODAY, THE COURT STRUCK DOWN MANDATORY DEATH PENALTY LAWS BUT UPHELD THOSE WHICH GIVE JURIES SOME OPPORTUNITY TO EXERCISE MERCY AND ALLOW STATE SUPREME COURTS TO REVIEW THE SENTENCE OF DEATH IN COMPARISON WITH OTHER CAPITAL CASES.

THE ARKANSAS LAW LISTS SPECIFIC CRIMES CALLING FOR THE DEATH PENALTY BUT ALLOWS THE JURY TO FIND MITIGATING CIRCUMSTANCES, LIST THOSE CIRCUMSTANCES IN WRITING AND RETURN A VERDICT OF LIFE IN PRISON. HOWEVER, THE ARKANSAS SUPREME COURT IS NOT SPECIFICALLY GIVEN THE POWER TO REVIEW THE SENTENCE, EVEN IF IT IS DEATH.

THE JULY DECISIONS SPECIFICALLY LEFT OPEN WHETHER CAPITAL PUNISHMENT IS CONSTITUTIONALLY ACCEPTABLE WHEN NO ONE DIES AS A RESULT OF THE CRIME, AS IN FORCIBLE RAPE. THE COURT WILL DECIDE THAT QUESTION IN THE GEORGIA CASE ACCEPTED FOR REVIEW TODAY.

BUT BY REFUSING TO RECONSIDER ITS JULY DECISIONS, THE COURT BRINGS NEARLY 200 MEN AND WOMEN IN THE GEORGIA, FLORIDA AND TEXAS DEATH ROWS FAR CLOSER TO EXECUTION. A STAY GRANTED OVER THE SUMMER BY JUSTICE LEWIS F. POWELL WAS LIFTED TODAY WHEN THE JUSTICES DECLINED TO REHEAR THOSE CASES.

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UPI 10-04 10:18 AED

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PM-DEATH 2NDADD A080 10-4

X X X CASES.

THEIR ONLY CHANCES TO AVOID DEATH NOW HINGE ON STATE COURTS AND GOVERNORS. THE CONDEMNED COULD FILE ADDITIONAL MOTIONS FOR NEW TRIALS ON OTHER GROUNDS AND SEEK EXECUTIVE CLEMENCY. IN FLORIDA, THEY CAN FILE A MOTION FOR A REDUCED SENTENCE.

SOURCES AT THE NAACP LEGAL DEFENSE FUND, WHICH ORIGINALLY CHALLENGED CAPITAL PUNISHMENT LAWS AS CRUEL AND UNUSUAL IN VIOLATION OF THE EIGHTH AMENDMENT, SUGGESTED THAT GEORGIA MIGHT BE THE FIRST STATE TO STAGE AN EXECUTION SINCE LUIS MONGE DIED IN THE COLORADO GAS CHAMBER JUNE 2, 1967.

THE SOURCES NOTED THAT UNDER GEORGIA LAW, EXECUTION MUST TAKE PLACE 10 TO 20 DAYS AFTER RESENTENCING. RESENTENCING DATES WILL DEPEND PRIMARILY ON HOW FAST THE GEORGIA SUPREME COURT REMANDS THE CAPITAL CASES BACK TO TRIAL COURTS.

GEORGIA OFFICIALS SAID LAST WEEK THEY DID NOT KNOW WHEN THE FIRST EXECUTION MIGHT OCCUR. OFFICIALS IN FLORIDA AND TEXAS ECHOED THAT SENTIMENT.

MANY OF THOSE FACING EXECUTION ARE POOR. THEIR RIGHT TO COURT-APPOINTED COUNSEL HAS PASSED, AND UNLESS LAWYERS VOLUNTEER TO CONTINUE THEIR FIGHT, PROCEDURAL POSSIBILITIES FOR DELAYING OR AVOIDING EXECUTION MAY NOT BE TAKEN ADVANTAGE OF, AN LDF SPOKESMAN SAID.

THREE GEORGIA RAPE CASE ARE PENDING AT THE HIGH COURT, BUT THE JUSTICES GRANTED REVIEW OF ONLY ONE. THE REMAINING TWO WILL REMAIN ON THE DOCKET UNTIL THE CASE IS DECIDED LATER THIS TERM.

THE GRANTED APPEAL WAS BROUGHT BY EHRlich ANTHONY COKER, WHO WAS SENTENCED TO DEATH FOR THE RAPE OF A WOMAN AT HER WAYCROSS, GA., HOME.

THREE HOURS EARLIER HE HAD ESCAPED FROM THE WARE CORRECTIONAL INSTITUTION WHILE ATTENDING THE PRISON'S ALCOHOLICS ANONYMOUS MEETING. COKER WAS SERVING LIFE SENTENCES FOR MURDER, TWO PRIOR RAPES, KIDNAPING AND AGGRAVATED ASSAULT.

UPI 10-04 10:25 AED

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AM-Scotus-Rape, 290

By W. DALE NELSON
Associated Press Writer

WASHINGTON AP - The Supreme Court today agreed to decide whether death is a constitutional penalty for a rape in which no human life is taken.

The court will review a death sentence given to a convicted rapist in Georgia.

The court ruled July 2 that the Georgia capital punishment law and others like it, which provide standards for judges and juries to go to in individual cases, are constitutional at least for murder.

In a footnote to that decision, however, the court added:

“We do not address here the question whether the taking of the criminal's life is a proportionate sanction where no victim has been deprived of life - for example, when capital punishment is imposed for rape, kidnaping or armed robbery that does not result in the death of any human being.”

A spokesman for the NAACP Legal Defense Fund, which is leading the fight against the death penalty, said about half a dozen men are under sentence of death in Georgia and Florida for rapes in which the victim did not die. Georgia and Florida are the only states in which rape is a capital offense, except for some states whose laws were invalidated by the Supreme court ruling.

The case submitted to the court was that of Ehrlich Anthony Coker.

Coker was convicted of raping a Waycross, Ga., woman on Sept. 2, 1974, after escaping from the Ware Correctional Institution during an Alcoholics Anonymous meeting. The woman was abducted from her home in the family car.

Coker was arrested while attempting to elude a police roadblock near Waresboro, Ga., after abducting Mrs. Elnita Carver. Her husband, David, whom Coker had tied up, got loose and called the police. The couple had a three-week-old son.

1100aED 10-04

By W. DALE NELSON
Associated Press Writer

WASHINGTON AP - The Supreme Court today refused to reconsider its decision to stand aside from the controversy over court-ordered busing in the racially troubled Boston public schools.

The justices let stand their order of last June 14 declining to review the federal court decree under which Boston children are being bused.

In its petition for rehearing, the Boston Home and School Association urged the court to reconsider in the light of its decision June 28 in another busing case which arose in Pasadena, Calif.

In the Pasadena case, the court ruled that school boards may not be required to continually re-draw attendance zones to keep up with a “quite normal pattern of human migration,” which results in changes in the racial makeup of schools.

The committee argued that this was consistent with its argument that the Boston order should not have been applied to 110 schools in which it said the racial composition resulted, to begin with, from “normal . . . human migration.”

The committee also argued that it had been harmed by publicity about the decision of the Justice Department not to intervene in the case after disclosures that it was considering doing so.

It said the principal reason for the department's decision appeared to have been Atty. Gen. Edward Levi's concern that entering the case “would have been misconstrued as a vindication of the violence which has accompanied desegregation in Boston.”

“This fear appears to have over-riden the department's original consideration of the strict legal merits of our petition,” the committee said.

The committee said Solicitor Gen. Robert H. Bork had made it clear, both in arguments in the Pasadena case and in a meeting with the committee's lawyers, that the Justice Department considered the committee's view legally correct.

1052aED 10-04

a088

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PM-Ford-Ads, 70

WASHINGTON, AP - President Ford went by motorcade today to a plant in northeast Washington to make some filmed campaign advertisements. He arrived at the door of Moore & Moore Inc., lithographers, at 9:45 a.m. and quickly went inside. A pool of reporters and photographers were not permitted to follow while Ford attended to campaign business in the firm's photo offset premises.

He made the 15-minute drive in a tan limousine from the presidential fleet, with police escort.

1024aED 10-04

a089

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PM-Butz, 1st Ld, a035, 100

By JAMES H. RUBIN

Associated Press Writer

WASHINGTON, AP - An obscene racial slur by Agriculture Secretary Earl L. Butz is heating up as a campaign issue, with Jimmy Carter's camp saying President Ford displayed a lack of leadership by not firing Butz.

An Agriculture Department source told the Associated Press today that the President has left it solely up to Butz himself as to whether the embattled secretary stays on the job. According to the source, Butz was asked to make up his own mind, then let the President know.

A White House spokesman declined to confirm, however, that the decision had been left entirely in Butz's hands. Another presidential aide, asked whether the President and Butz might huddle on the issue today, replied there was nothing scheduled.

An aide: 2nd graf a035.

1046aED 10-04

A072

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PM-BUTZ-STEVE 10-4
CHEYENNE, WYO. (UPI) -- STEVE FORD SAYS THE LANGUAGE USED BY AGRICULTURE SECRETARY EARL BUTZ IN RECENT DEROGATORY REMARKS ABOUT BLACKS DOES NOT BELONG IN HIS FATHER'S ADMINISTRATION, BUT HE PRAISED THE SECRETARY'S WORK TO HELP FARMERS.
THE PRESIDENT'S 20-YEAR-OLD SON SAID SUNDAY BUTZ HELPED FARMERS AND RANCHERS TO PRODUCE MORE AND SHOULD BE PRAISED FOR HIS ATTEMPTS TO REMOVE FEDERAL CONTROLS ON THE AGRICULTURE INDUSTRY.
HOWEVER, "THAT TYPE OF LANGUAGE AND PHILOSOPHY SHOULD NOT HAVE BEEN USED IN MY FATHER'S ADMINISTRATION," THE YOUNGEST SON OF THE PRESIDENT TOLD A CHEYENNE NEWS CONFERENCE.

DUPLICATE TO B-WIRE
UPI 10-04 09:24 AED

(BUTZ BRIEFS)

BASCOM, OHIO (UPI) -- SENECA COUNTY, OHIO, REPUBLICANS LAST NIGHT STOOD AND APPLAUDED AGRICULTURE SECRETARY EARL BUTZ WHO CANCELED AN APPEARANCE AT THEIR ANNUAL DINNER BECAUSE OF GROWING TROUBLE OVER HIS JOKE ABOUT BLACKS.

MEMBERS OF THE AUDIENCE SUGGESTED THE STANDING OVATION AS A SHOW OF SUPPORT AND ONE OBSERVER QUIPPED THAT BUTZ COULD HAVE REPEATED THE NOW-INFAMOUS RACIAL SLUR AT THE DINNER AND STILL HAVE BEEN APPLAUDED.

UNDER SECRETARY OF AGRICULTURE JOHN KNEBEL FILLED IN AS SPEAKER FOR HIS BOSS AFTER BUTZ NOTIFIED REPUBLICAN OFFICIALS SUNDAY AFTERNOON HE COULD NOT ATTEND.

KNEBEL SAID THAT HE DID NOT THINK BUTZ HAD ANGERED HIS AGRICULTURAL CONSTITUENCY WITH HIS COMMENTS AND THAT HE HOPED BUTZ STAYS AT HIS POST.

KNEBEL SAID HE HAD NO COMMENT ON WHAT THE SECRETARY SAID. HE SAID BUTZ HAD OFFERED AN APOLOGY AND IS NOW TAKING STOCK BEFORE HE TALKS WITH PRESIDENT FORD AGAIN.

-2-

WINSTON-SALEM, N.C. (UPI) -- FORMER TREASURY SECRETARY JOHN CONNALLY SAYS HE DOESN'T EXPECT PRESIDENT FORD TO OUST AGRICULTURE SECRETARY EARL BUTZ FOR MAKING A CONTROVERSIAL JOKE ABOUT BLACKS.

CONNALLY, IN NORTH CAROLINA DURING THE WEEKEND TO CAMPAIGN FOR THE REPUBLICAN TICKET, SAID ALL FORD COULD DO WAS REPRIMAND BUTZ FOR HIS REMARK.

CONNALLY SAID IF BUTZ DOES RESIGN BECAUSE OF HIS COMMENTS, THEN JIMMY CARTER SHOULD WITHDRAW FROM THE PRESIDENTIAL RACE BECAUSE OF HIS RECENT STATEMENTS IN A PLAYBOY MAGAZINE INTERVIEW.

-2-

DEKALB, ILL. (UPI) -- REP. JOHN ANDERSON, R-ILL., IS REPEATING HIS CALL FOR EARL BUTZ TO RESIGN.

SPEAKING AT THE ILLINOIS NEWS BROADCASTERS ASSOCIATION SUNDAY, ANDERSON SAID BUTZ' REMARKS WERE "THE IDEA AND THE EXPRESSION OF ONE MAN ALONE."

HE SAID IT WOULD BE WRONG IF THEY WERE IMPUTED IN ANY WAY TO PRESIDENT FORD WHO "HAD NOTHING TO DO WITH BUTZ' APPOINTMENT."

-2-

LOVEJOY, GA. (UPI) -- SEN. HERMAN TALMADGE, CHAIRMAN OF THE SENATE AGRICULTURE COMMITTEE, SAYS EARL BUTZ PROBABLY WILL BE FORCED TO RESIGN BECAUSE OF HIS DEROGATORY REMARKS ABOUT BLACKS.

"IN MY JUDGMENT, HIS USEFULNESS AS SECRETARY OF AGRICULTURE HAS ENDED AND THE PRESIDENT PROBABLY WILL ACCEPT HIS RESIGNATION," THE GEORGIA DEMOCRAT SAID SUNDAY.

TALMADGE, A LONGTIME CRITIC OF BUTZ' POLICIES, SAID HIS REMARK "WAS ENTIRELY INAPPROPRIATE, RUDE, COARSE" AND RECALLED, "I DIDN'T VOTE FOR HIS CONFIRMATION AT THE OUTSET."

ASKED WHETHER BUTZ SHOULD RESIGN, TALMADGE SAID, "THAT IS A MATTER FOR HIM AND THE PRESIDENT TO DETERMINE."

-2-

SAN FRANCISCO (UPI) -- BLACK LEADERS IN THE SAN FRANCISCO BAY AREA HAVE JOINED THOSE DEMANDING THE RESIGNATION OF EARL BUTZ.

OAKLAND SCHOOL SUPERINTENDENT RUTH LOVE SAID SATURDAY THE REMARKS WERE "TOTALLY INTOLERABLE." SHE ADDED:

"I WAS PERSONALLY STUNNED BY HIS STATEMENTS AND PLAINLY VERY ANGRY. IF IT CAME FROM SOMEONE COMPLETELY UNEDUCATED, YOU COULD UNDERSTAND, BUT THIS CAME FROM ONE OF THE LEADERS OF THE LAND."

OF PRESIDENT FORD'S REPRIMAND OF BUTZ, THE BLACK SCHOOL SUPERINTENDENT SAID:

"I THINK PRESIDENT FORD REACTED STRONGLY, BUT I'M WONDERING IF THAT WILL BE SATISFACTORY TO THE CONSTITUENTS."

OAKLAND CITY COUNCILMAN JOSHUA ROSE SAID, "IT CERTAINLY ISN'T A WAY TO WIN BLACK VOTERS."

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CHEYENNE, WYO. (UPI) -- STEVE FORD SAYS THE RECENT LANGUAGE USED BY EARL BUTZ DOES NOT BELONG IN HIS FATHER'S ADMINISTRATION, BUT HE PRAISED THE SECRETARY'S WORK TO HELP FARMERS.

THE PRESIDENT'S 20-YEAR-OLD SON SAID SUNDAY BUTZ HELPED FARMERS AND RANCHERS TO PRODUCE MORE AND SHOULD BE PRAISED FOR HIS ATTEMPTS TO REMOVE FEDERAL CONTROLS ON THE AGRICULTURE INDUSTRY.

HOWEVER, "THAT TYPE OF LANGUAGE AND PHILOSOPHY SHOULD NOT HAVE BEEN USED IN MY FATHER'S ADMINISTRATION," THE YOUNGEST SON OF THE PRESIDENT TOLD A CHEYENNE NEWS CONFERENCE.

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FRANKFORT, KY. (UPI) -- LARRY VAN HOOSE, KENTUCKY REPUBLICAN EXECUTIVE DIRECTOR, SAID SUNDAY "WHAT AMERICA NEEDS IS A SENSE OF HUMOR" AND EARL BUTZ SHOULD NOT BE FORCED TO RESIGN FOR HAVING ONE.

"SO HE TOLD AN OFF-COLOR STORY ON AN AIRPLANE TWO MONTHS AGO, SO WHAT," SAID VAN HOOSE. "HE'S BEEN CONTROVERSIAL, BUT I'M SURE HE HAS SUPPORT AMONG THE FARMERS."

"IT'S JUST RIDICULOUS," SAID VAN HOOSE. "HE SHOULD REMAIN ON THE JOB. LET'S GET TO THE IMPORTANT BUSINESS AND CONSIDER A JOKE A JOKE."

"IF THE PRICE OF TOBACCO WOULD FALL, THAT'S SERIOUS BUSINESS, BUT DON'T TAKE UP THE MAN'S TIME WITH THINGS THAT ARE NOT IMPORTANT," THE KENTUCKY REPUBLICAN LEADER SAID. "BUTZ DOES HAVE A GOOD SENSE OF HUMOR."

-0-

INDIANAPOLIS (UPI) -- THE INDIANAPOLIS STAR, LARGEST NEWSPAPER IN EARL BUTZ' HOME STATE, SAID TODAY THE AGRICULTURE SECRETARY SHOULD NOT BE FIRED FOR TELLING ETHNIC JOKES IN PRIVATE.

"THE FULL-CRIED PURSUIT OF EARL BUTZ BY HIS LIBERAL ENEMIES AND EASTERN NEWSPAPERS IS NOTHING MORE THAN AN ELECTION YEAR PLOY," THE STAR SAID IN AN EDITORIAL.

"TELLING AN ANCIENT JOKE ABOUT BLACKS -- PRIVATELY -- WEEKS AGO MAY HAVE BEEN POLITICALLY UNWISE. UNDOUBTEDLY IT HAS BEEN OFFENSIVE TO SOME. BUT IT IS NOT THE SAME THING AS TELLING A JOKE PUBLICLY OR, FOR THAT MATTER, TELLING IT TO PLAYBOY MAGAZINE."

"JOKES ABOUT ETHNIC AND RELIGIOUS GROUPS HAVE BEEN PART OF THE AMERICAN SCENE FOR GENERATIONS," THE STAR SAID.

UPI 10-24 11:14 AED

UP-239

R B

THE WHITE HOUSE
WASHINGTON

WIRE REPORT

BY SPECIAL MESSENGER

PHILLIP BUCHEN 2
JAMES CAVANAUGH
JIM CANNON
FOSTER CHANOCK
JIM CONNOR
MIKE DUVAL
MAX FRIEDERSDORF
ALAN GREENSPAN
ROBERT HARTMAN
JERRY JONES
JOHN O. MARSH
TERRY O'DONNELL
BOB ORBEN
BIRGE WATKINS
E.O.B. 128 - RESEARCH



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A213

B W

PM-BUTZ 2NDLD-MULTITAKES-PICKUP6THGRAF A202 10-4

BULLETIN

WASHINGTON (UPI) -- SECRETARY OF AGRICULTURE EARL L. BUTZ RESIGNED TODAY AFTER MAKING A DISPARAGING RACIAL REMARK WHICH EMBARRASSED PRESIDENT FORD'S ADMINISTRATION.

MORE

UPI 10-04 01:09 PED

A214

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PM-BUTZ 2NDLD1STADD A213 10-4

URGENT

X X X ADMINISTRATION.

BUTZ, 67, ENDED HIS FIVE-YEAR TENURE AS A CABINET MEMBER AFTER MEETING WITH FORD AT THE WHITE HOUSE. POLITICIANS FROM BOTH PARTIES HAD URGED FORD TO FIRE BUTZ, BUT MANY FARM LEADERS SAID THE AGRICULTURE SECRETARY SHOULD REMAIN ON THE JOB.

BUTZ TOLD A WHITE HOUSE NEWS CONFERENCE HE DECIDED TO STEP ASIDE "IN THE BEST INTERESTS" OF FORD'S ELECTION CAMPAIGN AND ADMINISTRATION.

"I HAVE JUST SUBMITTED MY LETTER OF RESIGNATION AND THE PRESIDENT HAS ACCEPTED IT," BUTZ SAID.

MORE

UPI 10-04 01:12 PED

A215

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PM-BUTZ 2NDLD2NDADD A213 10-4

X X X SAID.

BUTZ, HIS EYES WATERING, READ ALOUD HIS LETTER OF RESIGNATION, IN WHICH HE APOLOGIZED FOR HIS RACIAL JOKE THAT LED TO DEMANDS THAT HE BE FIRED.

IN HIS BRIEF LETTER, BUTZ SAID:

"DEAR MR. PRESIDENT:

"I HEREBY SUBMIT MY RESIGNATION AS SECRETARY OF AGRICULTURE.

"I SINCERELY APOLOGIZE FOR ANY OFFENSE THAT MAY HAVE BEEN CAUSED BY THE UNFORTUNATE CHOICE OF LANGUAGE USED IN RECENT CONVERSATION AND REPORTED PUBLICLY.

"IT HAS BEEN A HIGH PRIVILEGE TO SERVE AS A MEMBER OF THE FORD ADMINISTRATION. AMERICAN FARMERS WILL ALWAYS BE GRATEFUL TO YOU FOR YOUR SOLID SUPPORT OF OUR EFFORTS TO RAISE THEIR INCOMES AND TO PERMIT THEM TO MANAGE THEIR FARMS WITHOUT EXCESSIVE GOVERNMENTAL REGULATION.

"I SHALL ALWAYS BE YOUR ARDENT SUPPORTER.

"SINCERELY YOURS,

"EARL L. BUTZ."

MORE

UPI 10-04 01:18 PED

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PM-BUTZ 2NDLD3RDADD A213 10-4

X X X BUTZ."

BUTZ' OFFENDING REMARK TOOK PLACE ON AN AIRLINER LEAVING KANSAS CITY AFTER THE REPUBLICAN NATIONAL CONVENTION IN AUGUST AND CONCERNED A VULGAR LISTING OF WHAT PLEASED BLACKS.

BESIDES HIS LETTER OF RESIGNATION AND HIS ORAL STATEMENT TO REPORTERS AT THE WHITE HOUSE, BUTZ ISSUED A WRITTEN STATEMENT SAYING, "THIS IS THE PRICE I PAY FOR A GROSS INDISCRETION IN A PRIVATE CONVERSATION. THE USE OF A BAD RACIAL COMMENTARY IN NO WAY REFLECTS MY REAL ATTITUDE."

"BY TAKING THIS ACTION, I HOPE TO REMOVE EVEN THE APPEARANCE OF RACISM AS AN ISSUE IN THE FORD CAMPAIGN," THE STATEMENT SAID.

"PRESIDENT FORD IS A DECENT MAN WITH HIGH MORAL VALUES, WHO INSISTS THAT EVERY AMERICAN BE TREATED EQUALLY AND WITH DIGNITY. EVERY MEMBER OF HIS ADMINISTRATION MUST AND DOES SUBSCRIBE TO THE SAME VALUES," BUTZ' STATEMENT SAID.

FORD HAD VALUED BUTZ IN THE CAMPAIGN BECAUSE OF THE SECRETARY'S RESPECT AND INFLUENCE IN THE TRADITIONAL REPUBLICAN MIDWEST FARM AREAS WHERE SOME FALLING PRICES AND LAST YEAR'S TEMPORARY FOREIGN GRAIN EXPORT EMBARGO WEAKENED THE PRESIDENT.

BEFORE BUTZ ANNOUNCED HIS RESIGNATION, SEVERAL FARMS GROUP HAD SAID THEY STILL SUPPORTED THE AGRICULTURE SECRETARY.

PICKUP 6THGRAF: ALLAN
UPI 10-04 01:25 PED

a211

b w bylzvtzvt
PM-Butz, 4th Ld, a207, 20
BULLETIN

WASHINGTON AP - Secretary of Agriculture Earl L. Butz, embattled over voicing an obscene racial slur, resigned today.
1312pED 10-04

a212

u w bylzvtbyl
PM-Butz, 4th Ld - 1st Add, a211, 90
WASHINGTON: resigned today.

Butz himself announced his departure after meeting with President Ford in the Oval Office at the White House.

"I have just submitted my letter of resignation to the President, and he has accepted," Butz told reporters in the press room.

"This was completely my own decision," he said. "It is what I and Mrs. Butz felt would be in the best interests of the President and his election campaign."

Butz declared that this was "the price I pay for a statement . . . used in a private conversation."

More
1319pED 10-04

u w bylzvtwyf
M-Butz, 4th Ld - 2nd Add, a211-a212, 160
WASHINGTON: private conversation."
Butz emphasized that at no time was pressure put on him by the White House to resign.
He then released a statement in which he said "this is the price I pay for a gross indiscretion in a private conversation. The use of a bad racial commentary in no way reflects my real attitude."
The explosive remarks were made on an airplane after the Republican National Convention in August. Their subsequent publication landed Butz in hot water last Friday, when he was officially reprimanded by Ford, and triggered numerous calls for his ouster.
Democratic presidential contender Jimmy Carter charged that Ford's failure to fire Butz on the spot displayed a lack of leadership.
In his statement today, Butz said that "by taking this action, I hope to remove even the appearance of racism as an issue in the Ford campaign."
"President Ford is a decent man with high moral values, who insists that every American be treated equally and with dignity," Butz said.
More
332pED 10-04

a216

u w bylzvtvyx
M-Butz, 4th Ld - 3rd add, a211-212-215, 200
WASHINGTON: Butz said.
In his brief, four-paragraph letter of resignation, Butz told the president:
"I sincerely apologize for any offense that may have been caused by the unfortunate choice of language used in a recent conversation and reported publicly."
Asked what he would do now, Butz replied, "Campaign for President Ford."
He said the resignation should not be taken as a sign that the administration's farm policies could change.
"That is why farmers should support Gerald Ford in the election," he said. "That is why I will continue to work tirelessly for his election."
Butz declined to answer any other questions.
Before going, 4th graf a207
337pED 10-04

a217

URGENT
By HOWARD BENEDICT
Associated Press Writer
WASHINGTON AP - President Ford today signed a sweeping tax reform bill that he said was "sound, positive and long overdue."
The measure, which will effect every American taxpayer and corporation, continues present individual and business tax cuts through 1977 and makes hundreds of changes in the tax laws.
The individual cuts total more than \$18 billion.
In a signing ceremony in the Oval Office, Ford said the bill will close many tax loopholes and "ensure that each taxpayer pays his or her share of the over-all tax program."
He said he was disappointed in a few of the provisions, including Congress' failure to add an additional \$10 billion to the tax cut as he proposed.
"Accordingly I again will urge Congress again next year to increase the individual withholding exemption from \$750 to \$1,000."
"And I will continue to work for a better break for low and middle income taxpayers," the President said.
He also called attention to the size of the tax bill, about five inches thick as it sat on his desk.
The Ford, 3rd graf

a206

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AM-Debate-Defense, Bjt - 2 takes, 460-910

Campaign '76: The Issues

By FRED S. HOFFMAN

AP Military Writer

WASHINGTON AP - The second Ford-Carter debate Wednesday may crystallize defense policy differences which are now vague on certain key issues.

Democratic presidential candidate Jimmy Carter has disagreed with President Ford on defense budget cutting, the B1 bomber, deployment of U.S. forces in South Korea, foreign arms sales and the state of the military reserves.

But Carter has spoken in largely general terms on a number of the issues, and in some cases his positions do not appear very far apart from Ford's.

Carter has not yet spelled out what he would do differently than Ford to maintain a "rough equivalency," he uses Ford's term with the Soviet Union in military power.

Carter also has yet to offer any proposals to change basic U.S. nuclear weapons strategy. However, he has hinted at reservations about Ford's policy which contemplates possible limited strikes at selected military-related targets in Russia in event of an attack on Western Europe.

The Ford administration contends this policy gives presidents a wide choice of options less severe than massive retaliation, but critics argue it makes nuclear war "thinkable," and, thus, more likely.

Ford's defense policies are a matter of extensive public record after his more than two years in the White House.

The President has met Carter's relatively mild criticisms of those policies with some fairly harsh words.

Among other things, Ford has said that if Carter's proposed budget cuts were carried out, "it would be impossible to have a defense adequate to maintain our freedom and the freedom of our friends."

Carter's plan to trim military spending by \$5 billion to \$7 billion would be applied to an expected defense budget of more than \$121 billion next year.

When asked how he would achieve his proposed military budget savings, Carter has promised to "cut the fat and frills," eliminate inefficiency and "get back to a defense establishment designed to fight."

In broad terms, he has spoken of "change in the deployment of our armed forces, reduction in troops overseas, a change in personnel policies." He has suggested that he would do something about "the heavy overburden of excessive rank in the military forces."

But Carter has not suggested any reduction in the nearly 2.1 million men and women in uniform, nor has he proposed cutbacks in major and costly weapons systems.

Even on the B1 bomber, Carter has stopped short of favoring cancellation of the project.

More

1254pED 10-04

a209

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AM-Debate-Defense, Bjt - 1st Add, a206, 450

WASHINGTON: the project.

While Carter said he opposes production of the advanced bomber "at this time," he said "we ought to keep the B1 bomber as a potential weapon, and not authorize its construction until it is obviously needed."

Accordingly, Carter is on record as supporting continued research and development work on the B1, which would add to the more than \$2 billion the Pentagon already has spent on this phase of the project.

Ford takes the position that an early production decision should be made and his top defense aides contend any delay will only add to the currently forecast \$21.6 billion total cost.

The Democratic challenger and the President are clearly at odds over whether to bring home substantial numbers of the 42,000 U.S. troops now stationed in Korea.

Carter said "we could very well," withdraw U.S. Army ground troops from South Korea over a four- or five-year period. But he said he would keep U.S. Air Force squadrons there to maintain what he termed "adequate air cover" for South Korea, so he is not urging a total disengagement of U.S. military forces from the Korean peninsula.

Yet, Ford has responded to Carter's stand by attacking what he calls "the voices of retreat," and declaring himself against any "unilateral phased withdrawal."

The condition of the National Guard and the military reserves is another point of difference between Ford and Carter.

The Democratic presidential candidate, a former Georgia governor, said the guard and reserve are "shot through with politics," inadequately trained and equipped and unprepared to fight.

In reply, Ford has said that the National Guard "has never been stronger or better prepared to meet any challenge to this nation's safety and freedom," and has pledged that "I intend to keep it that way."

Carter's differences with Ford on sales of arms abroad appear to be mainly a matter of degree.

"I believe very strongly . . . that the next president should move to reduce arms sales abroad," Carter has asserted.

The Democratic presidential candidate said arms sales should be assessed on a nation-by-nation basis.

"If we think the sale of arms can better preserve peace, in a portion of the world, and carry out our committed foreign policy, then let the arms sales be made on that basis alone," Carter said.

Ford administration spokesmen have defended foreign arms sales on precisely those grounds.

1308pED 10-04

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PM-DOLE 1STLD-PICKUP5THGRAF A047 10-4

WASHINGTON (UPI) -- REPUBLICAN VICE PRESIDENTIAL CANDIDATE ROBERT DOLE MONDAY ACCUSED JIMMY CARTER OF WEAKNESS AND UNCERTAINTY IN DEFENSE AND FOREIGN POLICY.

THE NEW LINE OF ATTACK FOR DOLE CAME TWO DAYS BEFORE CARTER AND PRESIDENT FORD DEBATE FOREIGN POLICY.

HE SAID CARTER'S POSITION ON POSSIBLE COMMUNIST PARTICIPATION IN THE ITALIAN GOVERNMENT WOULD SHOW THE UNITED STATES "LESS THAN FIRM." DOLE QUOTED CARTER AS SAYING SUCH A DEVELOPMENT WOULD NOT BE "A CATASTROPHE."

"LANGUAGE OF HIS KIND CAN ONLY SIGNAL OUR ALLIES THAT IN THE EVENT OF MR. CARTER'S ELECTION, THE UNITED STATES WOULD BE LESS THAN FIRM IN ITS OPOSITION TO COMMUNIST PARTICIPATION IN THE ITALIAN GOVERNMENT.

"IN CONTRAST TO THE WEAKNESS, UNCERTAINTY AND CONFUSION IN MR. CARTER'S POSITION ON DEFENSE AND FOREIGN POLICY MATTERS, WE HAVE THE RECORD OF PRESIDENT FORD," DOLE SAID IN REMARKS PREPARED FOR THE CONVENTION OF THE AMERICAN BANKERS ASSOCIATION.

DOLE WENT ON TO PRAISE FORD'S LEADERSHIP AND SAID THAT "FORD'S STRENGTH IN THE AREA OF FOREIGN AFFAIRS AND DEFENSE ... RESIDES IN THE FACT HE KNOWS WHAT HE'S DOING.

DURING A WEEKEND CAMPAIGN SWING THROUGH NEW ENGLAND, DOLE, THE TRAVELING SALESMAN FOR THE GOP TICKET, TRIED TO SOW SEEDS OF DOUBT ABOUT CARTER.

"IT'S GOING TO BE A TOUGH ELECTION," HE TOLD THE NEW HAMPSHIRE GOP CONVENTION SUNDAY. "BUT THERE IS MOVEMENT."

PICKUP 5THGRAF: THE SENATOR

UPI 10-04 12:26 PED

A205

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PM-POLITICS INSERT2NDGRAF-PICKUP3RDGRAF A014 10-4

X X X FRANCISCO."

GOP VICE PRESIDENTIAL CANDIDATE ROBERT DOLE ALSO SIGNALLED DEBATE STRATEGY WHEN HE TOLD THE AMERICAN BANKERS ASSOCIATION CONVENTION TODAY CARTER'S FORIEGN POLICY IF ONE OF "WEAKNESS, UNCERTAINTY AND CONFUSION," PARTICULARLY ON THE MATTER OF COMMUNIST PARTICIPATION IN THE ITALIAN GOVERNMENT.

PICKUP 3RDGRAF: FORD HAD

UPI 10-04 12:33 PED

A206

DR W

A202

R W

PM-BUTZ 1STLD-PICKUP3RDGRAF A044 10-4

BY DEAN REYNOLDS

WASHINGTON (UPI) -- PRESIDENT FORD SAID TODAY HE HAD "PUNISHED" AGRICULTURE SECRETARY EARL L. BUTZ FOR MAKING A DISPARAGING RACIAL REMARK AND THE HEAD OF AN INFLUENTIAL FARMERS GROUP URGED BUTZ TO REMAIN AT HIS JOB.

POLITICANS FROM BOTH PARTIES CALLED ON FORD OVER THE WEEKEND TO FIRE BUTZ AND REPORTS CIRCULATED THAT BUTZ WAS PREPARED TO RESIGN. BUT A DEPARTMENT SPOKESMAN SAID TODAY BUTZ "HAS APOLOGIZED AND THAT'S IT."

THE PRESIDENT TALKED ABOUT THE CONTROVERSY WITH EMPLOYEES AT A LITHOGRAPH PLANT WHERE HE WENT TO FILM A POLITICAL COMMERCIAL.

"THE WORKERS SAT IN A CIRCLE WITH MR. FORD AND ASKED HIM ABOUT TAXES, CRIME AND BUTZ," ACCORDING TO MRS. REGIS CUPPLES, WHOSE HUSBAND OWNS THE LITHOGRAPH PLANT.

FORD TOLD THE WORKERS "HE PUNISHED HIM VERY SEVERELY AND HE DOES NOT CONDONE IT (TELLING THE RACIAL "JOKE.")

ALLAN GRANT, PRESIDENT OF THE AMERICAN FARM BUREAU FEDERATION, ISSUED A STATEMENT FROM PARK RIDGE, ILL., TODAY EXPRESSING SUPPORT FOR BUTZ.

"I KNOW THAT SECRETARY BUTZ IS NOT A RACIST," GRANT SAID. "HE HAS ALREADY SUFFERED GREAT DISTRESS BECAUSE OF HIS UNFORTUNATE REMARKS MADE IN PRIVATE, AND HE HAS MADE A PUBLIC APOLOGY FOR THEM."

"IT WOULD BE A TRAGEDY IF THIS DISTINGUISHED AND COMPASSIONATE MAN SHOULD BE FORCED FROM OFFICE BECAUSE OF AN UNWISE COMMENT WHICH IS TOTALLY OUT OF KEEPING WITH HIS BASIC CHARACTER," GRANT SAID.

"AMERICAN FARMERS AND RANCHERS SHOULD NOT BE MADE THE LOSERS BECAUSE OF THIS REGRETTABLE INCIDENT IN THE CAREER OF A TRULY DISTINGUISHED MAN."

PICKUP 3RDGRAF: A NUMBER

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REPUBLICAN LEADERS AND OFFICIALS OF FORD'S IOWA CAMPAIGN CALLED FOR BUTZ TO BE FIRED. BUT SOME FARM ORGANIZATION SPOKESMEN DISAGREED.

"THE PRESIDENT CANNOT BE ADVISED BY PEOPLE WHO HARBOR THOSE THOUGHTS," SAID MARVIN POMERANTZ, FORD'S IOWA CAMPAIGN MANAGER.

"THERE'S JUST NO ROOM FOR THAT KIND OF THINKING."

BY CONTRAST, SEVERAL FARM LEADERS SAID ALTHOUGH BUTZ' COMMENT WAS "INEXCUSEABLE," HIS FIRING AT A TIME WHEN THE MARGIN BETWEEN FORD AND CARTER IS THIN MAY HURT THE REPUBLICANS IN RURAL AREAS MORE THAN IT WOULD HELP.

"LETTING BUTZ GO IS NOT GOING TO SOLVE THE PROBLEM," SAID ROY KEPPY, NATIONAL CHAIRMAN OF FARMERS FOR FORD. "POLITICS IS KIND OF A DIRTY GAME. IT'S UNFORTUNATE AND IT SHOULDN'T HAVE BEEN SAID, BUT MOST PEOPLE ARE GUILTY OF TELLING ETHNIC JOKES AT ONE TIME OR ANOTHER."

IN EAST ST. LOUIS, ILL., MARGARET BUSH WILSON, CHAIRMAN OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, CALLED FOR BUTZ' RESIGNATION.

MRS. WILSON SAID SHE SENT A TELEGRAM TO FORD OVER THE WEEKEND URGING THAT BUTZ RESIGN.

"IF THE OBSCENE REMARKS REPORTEDLY MADE BY BUTZ ARE TRUE, THEN HIS USEFULNESS IN THE CABINET SHOULD NO LONGER BE DEBATED," SHE SAID.

PICKUP AS BEFORE 3RDGRAF: A NUMBER

UPI 10-04 12:48 PED

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PM-FORD 1STLD-PICKUP5THGRAF A046 10-4

WASHINGTON (UPI) -- PRESIDENT FORD TODAY FILMED A POLITICAL COMMERCIAL AT A LITHOGRAPH PLANT AND TOLD A GROUP OF EMPLOYEES HE HAD "PUNISHED" AGRICULTURE SECRETARY EARL L. BUTZ FOR MAKING A RACIAL JOKE.

MRS. REGIS CUPPLES, WHOSE HUSBAND OWNS THE LITHOGRAPH PLANT USED FOR THE COMMERCIAL SETTING, TOLD REPORTERS FORD TALKED WITH 18 PLANT WORKERS.

"THE WORKERS SAT IN A CIRCLE WITH MR. FORD AND ASKED HIM ABOUT TAXES, CRIME AND BUTZ," SHE SAID.

"THE PRESIDENT SAID BUTZ WAS MERELY TELLING A STORY FROM SOME TIME AGO," SHE SAID. "THE PRESIDENT SAID HE DID NOT CONDONE IT. THE PRESIDENT SAID HE PUNISHED HIM."

FORD LEFT THE WHITE HOUSE AT MID-MORNING TO FILM THE TELEVISION COMMERCIAL IN A LOW-INCOME SECTION OF WASHINGTON. HE ALSO CONDUCTED STAFF MEETINGS ON CAMPAIGN STRATEGY. LATER TODAY, HE WILL BEGIN A CAMPAIGN SWING INTO THE WEST, HIGHLIGHTED BY HIS TELEVISED DEBATE REMATCH WITH JIMMY CARTER WEDNESDAY NIGHT IN SAN FRANCISCO.

BUTZ GOT A "SEVERE REPRIMAND" FROM FORD LAST WEEK AFTER NEWS BROKE OF DISPARAGING RACIAL REMARKS HE MADE ABOARD AN AIRLINER AFTER THE REPUBLICAN NATIONAL CONVENTION IN AUGUST. POLITICIANS FROM BOTH PARTIES URGED FORD TO FIRE BUTZ OR BUTZ TO VOLUNTARILY RESIGN.

A WHITE HOUSE SPOKESMAN SAID TODAY "TO MY KNOWLEDGE" NO RESIGNATION HAS BEEN SUBMITTED.

FROM BUTZ OFFICE CAME THE WORD THAT THERE IS "NOTHING NEW."

THERE WERE VARYING REPORTS THAT BUTZ HAD OFFERED TO RESIGN, AND OTHERS THAT HE WOULD TRY TO RIDE OUT THE STORM. THE AGRICULTURE SECRETARY IS POPULAR WITH SOME FARM GROUPS WHO SUPPORT HIS RETENTION IN THE CABINET.

BUTZ HAS SAID HE WOULD LEAVE THE CABINET AT THE END OF THE YEAR, EVEN IF FORD IS ELECTED.

ON SUNDAY, FORD AVOIDED REPORTERS AS HE LEFT CHURCH SERVICES AND DID NOT INVITE PHOTOGRAPHERS TO A FOREIGN POLICY BRIEFING WITH SECRETARY OF STATE HENRY KISSINGER.

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PA-Business Mirror, Adv. 05, 2 takes, 480-730

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For Release Tues PMS Oct 5

By JOHN CUNNIFF

AP Business Analyst

NEW YORK AP - A businessmen's organization says it believes it has won a commitment from Jimmy Carter that he would seek the expansion of "the small, independent business sector," relative to big business and government.

The National Small Business Association said Carter's position was made in response to a request to him and President Ford for statements regarding what it claims is an erosion of the power of small and medium-size companies.

Ford impressed the group by advocating the development of a network of University Business Development Centers to cooperate with government in aiding small and medium-size businessmen.

Both candidates supplied the association with statements expressing support for the expansion of independent business, but Carter said he would use statistical yardsticks to measure the growth.

In his response, Ford reiterated a statement made earlier that "it is time you got back to working for your customers rather than the government. It is time the government minded its own business and let you run yours."

Milton Stewart, president of the politically independent Washington-based organization, said it was the first time it had obtained statements from both candidates in a presidential election.

"The two candidates have already given small business problems more attention than any others in recent memory," he said, but added that "we hope they become specific enough so that small business can choose between them."

The association, made up mainly of manufacturers and distributors in every state, describes as small or independent almost any company not included in the 1,000 largest industrial firms or the 300 largest finance and service concerns.

It maintains that the very largest corporations, unions and government have grown at the expense of what it calls the independent sector, partly because of "mistaken federal tax, spending, regulatory and other policies."

The No. 1 priority of the organization, "the ultimate test of the success of the next four years," it said, will be whether the independent sector has a larger share of assets and jobs than it does now.

Neither candidate specifically endorsed that view, but Stewart said he interpreted Carter's promise of statistical measurements as indicating endorsement.

Carter's original statement was revised last week to add that "I would introduce and support concrete proposals which would have as high priority the expansion of the independent small business sector of the economy."

"To measure the success of these proposals, my administration would develop specific statistical yardstick formulas to measure the relative growth of small business in relationship to other sectors of the economy."

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NEW YORK: the economy."

Both candidates invoked the name of former president Harry Truman, Carter declaring that if elected he would be the first small businessman since Truman to hold the top elective office.

Speaking of the need to restrain government spending, Ford said, "Harry Truman, himself a former small businessman, saw the wisdom of this principle when he used the presidential veto an average of 35 times each year he was in office."

The candidates also expressed sympathy with the NSBA view that federal regulatory policy imposes a severe and sometimes needless burden on small businessmen, and both suggested streamlining.

Said Ford: "We need a top-to-bottom overhaul." Carter, stating that 82 regulatory agencies put out more than 45,000 pages of regulations in 1975, promised to reduce red tape, paperwork and unnecessary reporting requirements.

The candidates said they favor strict enforcement of antitrust laws. Carter stated specifically that he would seek "tough" enforcement of the Robinson-Patman Act, which outlaws discriminatory price-cutting.

Antitrust is a particular concern of the NSBA, which states that "more and more during the past 20 years small business and the rest of the independent sector have been squeezed into a shrinking segment of the economy by the growth of government on the one hand and big business and labor on the other."

The result, it maintains, has been a diminishing of entrepreneurship, risk-taking, innovation and freedom.

End Adv Tues PMS Oct 5 Sent Oct 4

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PM-BUTZ 3RDL-D-PICKUP6THGRAF A213 10-4

BY RICHARD H. GROWALD

WASHINGTON (UPI) -- SAYING HE HAD TO PAY THE PRICE FOR HIS "GROSS INDISCRETION," A TEARY-EYED SECRETARY OF AGRICULTURE EARL L. BUTZ RESIGNED TODAY BECAUSE OF HIS DISPARAGING RACIAL REMARK.

"THIS IS THE PRICE I PAY FOR A GROSS INDISCRETION IN A PRIVATE CONVERSATION," BUTZ TOLD WHITE HOUSE REPORTERS. "THE USE OF A BAD RACIAL COMMENTARY IN NO WAY REFLECTS MY REAL ATTITUDE."

FORD TOLD REPORTERS, "THIS (ACCEPTING BUTZ' RESIGNATION) HAS BEEN ONE OF THE SADDEST DECISIONS OF MY PRESIDENCY."

BUTZ, 67, SERVED FIVE YEARS AS AGRICULTURE SECRETARY UNDER PRESIDENTS RICHARD NIXON AND FORD. BEFORE THE ANNOUNCEMENT WAS MADE, BUTZ MET WITH FORD AT THE WHITE HOUSE.

"BY TAKING THIS ACTION, I HOPE TO REMOVE EVEN THE APPEARANCE OF RACISM AS AN ISSUE IN THE FORD CAMPAIGN," BUTZ SAID IN A WRITTEN STATEMENT.

SEN. EDWARD W. BROOKE, R-MASS., THE ONLY BLACK SENATE MEMBER, IMMEDIATELY ISSUED A STATEMENT SAYING, "SECRETARY BUTZ'S RESIGNATION IS GOOD FOR THE COUNTRY, THE PRESIDENT, AND THE REPUBLICAN PARTY."

BUTZ HAD CALLED BROOKE ON THE TELEPHONE OVER THE WEEKEND TO EXPLAIN HIS REMARK, BUT BROOKE TOLD HIM HE WASN'T "FIT TO SERVE IN THE PRESIDENT'S CABINET."

"MY RESIGNATION MUST IN NO WAY BE INTERPRETED AS SIGNALLING A CHANGE IN THE FARM POLICIES OF THE FORD ADMINISTRATION," BUTZ' STATEMENT SAID.

"IT IS IMPORTANT THAT THE AGRICULTURAL PROGRAM OF THIS ADMINISTRATION BE CONTINUED ... THAT IS WHY I SHALL CONTINUE TO WORK TIRELESSLY FOR HIS ELECTION," THE STATEMENT SAID.

BUTZ, HIS EYES FILLED WITH TEARS AND HIS VOICE BREAKING, TOLD REPORTERS HE AND HIS WIFE DISCUSSED THE RESIGNATION AND PRAYED FOR GUIDANCE.

FORD PRAISED BUTZ' WORK AND SAID, "YET EARL BUTZ IS ALSO WISE ENOUGH AND COURAGEOUS ENOUGH TO RECOGNIZE THAT NO SINGLE INDIVIDUAL, NO MATTER HOW DISTINGUISHED HIS PAST PUBLIC SERVICE, SHOULD CAST A SHADOW OVER THE INTEGRITY AND GOOD WILL OF AMERICAN GOVERNMENT BY HIS COMMENTS."

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UPI 10-04