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THE WHITE HOUSE
WASHINGTON

WIRE REPORT

BY SPECIAL MESSENGER

PHILLIP BUCHEN 2

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E.O.B. 128 - RESEARCH



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9/23/76
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THE SPECIAL WASHINGTON WIRE OF UNITED PRESS INTERNATIONAL

OCT. 7, 1976

TELEPHONES: WASHINGTON, NATIONAL 8-6621; NEW YORK, MU 2-0400
UPI 10-07 08:06 AED

UP-003

THE NEWS IN BRIEF
FROM UNITED PRESS INTERNATIONAL.

SAN FRANCISCO--CARTER SAYS FORD IS CONDUCTING AN IMMORAL FOREIGN POLICY AND FORD SAYS CARTER ADVOCATES A DANGEROUS DEFENSE POLICY.

SAN FRANCISCO--FORD SAYS CARTER FAILED TO GIVE "SPECIFIC ANSWERS TO SPECIFIC QUESTIONS" IN SECOND DEBATE.

SAN FRANCISCO--CARTER SAYS HE FEELS "PRETTY GOOD" ABOUT SECOND DEBATE BECAUSE HE KEPT FORD ON THE DEFENSIVE.

CHICAGO--REACTION QUICK AND BITTER TO FORD'S DESCRIPTION OF SEVERAL EASTERN EUROPEAN COUNTRIES AS "INDEPENDENT" OF THE SOVIET UNION.

NEW YORK--NATIONAL POLL REPORTS CARTER WON SECOND DEBATE.

SAN FRANCISCO--COMMERCE TO DISCLOSE NAMES OF AMERICAN BUSINESSES WHICH HAVE AIDED IN THE ARAB BOYCOTT OF ISRAEL.

SAN FRANCISCO--FORD AND CARTER WERE IN BASIC AGREEMENT ON FOUR MAJOR FOREIGN POLICY ISSUES IN DEBATE.

WASHINGTON--UPI SURVEY SHOWS THAT REPUBLICAN GOVERNORS APPEAR LIKELY TO PICK UP ONLY ONE GOVERNORSHIP IN THE NOV. 2 ELECTIONS.

WASHINGTON--CONGRESSIONAL SOURCES SAY AGRICULTURE DEPARTMENT WANTED TO DISMANTLE ITS OFFICE OF EQUAL OPPORTUNITY.

DETROIT--GENERAL MOTORS PRESIDENT SAYS TIME-OFF PROVISION OF UAW TENTATIVE PACT WITH FORD WILL RESULT IN HIGHER CAR PRICES.

DETROIT--AMERICAN MOTORS POSTS SMALLEST PRICE INCREASE AMONG THE FOUR U.S. AUTO COMPANIES.

BRIDGETOWN, BARBADOS--MYSTERIOUS EXPLOSION SENDS CUBAN JETLINER CRASHING INTO THE SEA.

WASHINGTON--SUPREME COURT TACKLING "REVERSE DISCRIMINATION" CASE.

WASHINGTON--UPI VICE PRESIDENT SAYS WOMEN "HAVE EVERY RIGHT TO DEMAND" THE NEWS MEDIA FAIRLY PORTRAY THEIR ACHIEVEMENTS IN ALL FIELDS OF ENDEAVOR.

UPI 10-07 08:12 AED

UP-004

THE UPI DAYBOOK
THURSDAY, OCT. 7

NEWS CONFERENCE--11:00 A.M.--REP. THOMAS DOWNING, CHAIRMAN OF THE HOUSE SELECT COMMITTEE ON ASSASSINATIONS, AND COMMITTEE COUNSEL RICHARD SPRAGUE, 2318 RAYBURN BLDG.

NEWS CONFERENCE--NOON--DRUG ENFORCEMENT ADMINISTRATOR PETER BENSINGER, ROOM 423, 1405 EYE ST., NW.
SUBJECT: NATIONWIDE CRACKDOWN ON MAJOR MEXICAN BROWN HEROIN SMUGGLING ORGANIZATIONS INVOLVING 35 CITIES. PRESS CREDENTIALS REQUIRED. CONTACT: JAMES JUDGE, 382-7524.

NEWS BRIEFING--1:00 P.M.--DR. JAMES LIVERMAN, ERDA ASSISTANT ADMINISTRATOR FOR ENVIRONMENT AND SAFETY, 6128 ERDA HEADQUARTERS, 29 MASS. AVE., NW.

SUBJECT: ERDA'S ENVIRONMENTAL, HEALTH AND SAFETY PROGRAMS.
CONTACT: PHIL GARON, 376-4064.

AMERICAN ASTRONAUTICAL SOCIETY AND AMERICAN INSTITUTE OF AERONAUTICS AND ASTRONAUTICS CONTINUES SYMPOSIUM, MAIN AUDITORIUM, AIR AND SPACE MUSEUM. THURSDAY HIGHLIGHTS:

- 9:00 SATELLITE COMMUNICATIONS.
- 10:45 MANKIND'S COMMERCE: THE INDUSTRIALIZATION OF SPACE.
- 2:15 THE SPACE STATION AND SPACE INDUSTRIALIZATION;
TRANSPORTATION CONCEPTS FOR SPACE INDUSTRIALIZATION.
- 3:30 RUSSELL SCHWEICKART OF NASA, MANKIND'S RESOURCES.
- 7:00 SEN. MOSS DINNER SPEAKER; AWARDS PRESENTATIONS.
CONTACT: 751-7323.

TWO-DAY MEETING OF THE INTERIOR DEPARTMENT'S WATER RESEARCH AND TECHNOLOGY ADVISORY PANEL OPENS IN ROOM 4419 INTERIOR DEPARTMENT, 9:00 A.M.

CONTACT: GEORGE CASSADAY, 343-4608.

UPI EDITORS AND PUBLISHERS CONFERENCE CONTINUES, STATLER HILTON. THURSDAY HIGHLIGHTS:

- 9:30 FIRST WORKING SESSION, CONGRESSIONAL ROOM, FEATURING:
--DISCUSSION, "HAVE THE MEDIA PRESENTED A FAIR PICTURE OF WOMEN? WITH EILEEN SHANAHAN OF THE NEW YORK TIMES AND AUDREY COLOM OF THE CORPORATION FOR PUBLIC BROADCASTING. UPI'S H.L. STEVENSON, MODERATOR.
--ADDRESS BY REP. ANDREW YOUNG (ABOUT 11 A.M.).
- 1:30 SECOND WORKING SESSION, CONGRESSIONAL ROOM, FEATURING:
--REVERSE PRESS CONFERENCE WITH WILLIAM MILLER OF THE FORD CAMPAIGN AND REP. MORRIS UDALL QUESTIONING A PANEL: JOHN MCCORMALLY, BURLINGTON (IOWA) HAWKEYE; JACK GERMOND, WASHINGTON (D.C.) STAR; AND ARNOLD SAWISLAK, UPI SENIOR EDITOR, WASHINGTON BUREAU. MODERATOR: BILL SHRADER, BLOOMINGTON (IND.) HERALD-TELEPHONE.
- 3:00 SPECIAL TOUR OF SMITHSONIAN'S NATIONAL AIR AND SPACE MUSEUM, HOSTED BY ASTRONAUT MICHAEL COLLINS.
WORKING PRESS FACILITIES IN HOTEL'S CONTINENTAL ROOM, WITH DAN RIKER AVAILABLE TO ASSIST THE MEDIA. 393-1000.

SENATE SMALL BUSINESS SUBCOMMITTEE ON MONOPOLY CONTINUES HEARINGS ON THE SUPPLEMENTAL AIRLINE INDUSTRY. OPEN, 1114 DIRKSEN BLDG., 9:30 A.M.

BUREAU OF LABOR STATISTICS ISSUES REPORT ON WHOLESALE PRICES, S-1032 LABOR DEPARTMENT. 9:30 A.M.

COMMERCE DEPARTMENT ISSUES REPORT ON WHOLESALE TRADE.

FEDERAL RESERVE BOARD ISSUES REPORT ON CONSUMER CREDIT.

COMMERCE DEPARTMENT CONFERENCE ON YOUTH CAREER DEVELOPMENT HELD AT MAYFLOWER. HIGHLIGHTS:

10:00 COMMERCE SECRETARY RICHARDSON OUTLINES POTENTIAL FOR CONFERENCE.

NOON RICHARDSON PARTICIPATES IN PLENARY SESSION.

1:00 DUPONT BOARD CHAIRMAN IRVING SHAPIRO.

4:15 COMMERCE DEPUTY UNDER SECRETARY JOSEPH BLATCHFORD GIVES SUMMARY.

CONTACT: DON BISHOP, 377-3257.

FEA ADMINISTRATOR FRANK ZARB SPEAKS AT LUNCHEON OF THE MIDDLE ATLANTIC DIVISION OF THE ASSOCIATION OF COLLEGES OF BUSINESS ADMINISTRATION, ADULT EDUCATION CENTER, MARYLAND UNIVERSITY, COLLEGE PARK, NOON.

WHITE HOUSE ECONOMIST WILLIAM SEIDMAN SPEAKS AT 7:30 P.M.

DINNER. CONTACT: GREG WALLING, 454-5236.

ANTHONY CROSLAND, BRITISH SECRETARY OF FOREIGN AFFAIRS, SPEAKS AT NATIONAL PRESS CLUB LUNCHEON, 12:30 P.M.

DEMOCRATIC CANDIDATES FROM VIRGINIA GUESTS AT THE WOMAN'S NATIONAL DEMOCRATIC CLUB LUNCHEON, 12:15 P.M.

DEPUTY ATTORNEY GENERAL HAROLD TYLER SPEAKS AT BRIEFING CONFERENCE FOR CORPORATE COUNSEL, STOUTERS NATIONAL CENTER INN, ARLINGTON, 12:15 P.M.

SUBJECT: WHITE COLLAR CRIME.

ONE HUNDRED FIFTY D.C. AREA HIGH SCHOOL CLASS PRESIDENTS PARTICIPATE IN CEREMONIES MARKING THE 34 TH ANNIVERSARY OF THE NATIONAL GUARD, HERITAGE GALLERY, NO. 1 MASSACHUSETTS AVE., NW, 2:00 P.M.

CONTACT: PAUL LYTER, 347-0341.

EXHIBIT OF PHOTOS OF THE DEMOCRATIC AND REPUBLICAN NATIONAL CONVENTIONS OPENED WITH RECEPTION BY THE WASHINGTON PRESS CLUB, SHERATON CARLTON, 6:30 P.M.

DEPUTY ATTORNEY GENERAL HAROLD TYLER SPEAKS AT AWARDS DINNER OF THE ASSOCIATION OF FEDERAL INVESTIGATORS, OFFICERS CLUB, FT. MYER, ARLINGTON, 7:00 P.M.

NATIONAL ARCHIVES OPENS NEW 22-WEEK FILM SERIES ON U.S. INVOLVEMENT IN WORLD AFFAIRS SINCE WORLD WAR I, 5TH FLOOR THEATRE OF THE ARCHIVES BLDG., 8TH AND PA. AVE., NW, 7:30 P.M.

"FROM VERSAILLES TO VIETNAM: AMERICAN AND WORLD AFFAIRS" SERIES TO BE SHOWN ON THURSDAYS AT 7:30 P.M. AND ON FRIDAYS AT NOON AND 2:30 P.M. CONTACT: 566-1231.

CITIZENS COMMISSION ON HUMAN RIGHTS HOLDS MEETING ON PROBLEMS AT ST. ELIZABETH'S HOSPITAL AND THE UNCONSTITUTIONALITY OF INVOLUNTARY COMMITMENT, MEETING ROOM, WEST END LIBRARY, 24TH AND L ST., NW, 7:30 P.M.

CONTACT: SYLVIA CAIN, 797-9839.

TAWFIG ZAYYAD, THE ARAB MAYOR OF NAZARETH, SPEAKS ON "ARABS IN ISRAEL" AT CATHOLIC UNIVERSITY'S CALDWELL AUDITORIUM, 8:00 P.M.
CONTACT: JAMES OTT, 635-5600.

PRESIDENT FORD, VICE PRESIDENT ROCKEFELLER, SEN. DOLE AND RONALD REAGAN FEATURED ON CLOSED-CIRCUIT TV LINKING "SALUTE TO THE PRESIDENT" FUND-RAISING DINNERS IN MORE THAN 20 CITIES, BEGINNING AT 10:00 P.M. EDT.

TELECASTS ORIGINATE IN LOS ANGELES (FORD AND REAGAN), CHICAGO (DOLE) AND NEW YORK (ROCKEFELLER). NOT PICKED UP ON WASHINGTON. CONTACT: BILL KLING, 484-6725.

FCC CONFERENCE, 10:00 A.M.
LICENSE RENEWAL, WXPB-FM, PHILADELPHIA, PA.

FTC CONFERENCE, 10:00 A.M.:
AT&T REVISION TO TARIFF.

FTC SUBPOENA RETURN, 11:00 A.M.:
DRIVING TRAINING INSTITUTE, INC., BROOKLYN, N.Y.
UPI 10-07 08:31 AED

UP-005
R B

THE VICE PRESIDENT'S APPOINTMENTS:

4:00 DEPARTS ANDREWS AFB FOR CHICAGO AND SALUTE TO THE PRESIDENTS DINNER.

UPI 10-07 08:32 AED

UP-006
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SCHEDULE FOR ROSALYNN CARTER:

5:00 NEWS CONFERENCE, DULLES FAA CONFERENCE ROOM.

6:30 NEWS CONFERENCE AT HOLIDAY INN, 8120 WIS. AVE., BETHESDA.

6:45 ATTEND RECEPTION IN HER HONOR, FOLLOWING NEWS CONFERENCE, AND SPONSORED BY DEMOCRATIC NATIONAL COMMITTEE AND MONTGOMERY COUNTY DEMOCRATIC CENTRAL COMMITTEE, HOLIDAY INN, 8120 WIS. AVE. REPORTERS WITH WHITE HOUSE, CONGRESSIONAL OR D.C. POLICE PRESS

PASSES

WILL NEED NO FURTHER IDENTIFICATION. ALL OTHERS SHOULD CALL

BARBARA

HEINEBACK AT 530-0300, EXT. 7930, OR JOANNE SHARLACH AT 363-9079 BEFORE NOON TODAY.

UPI 10-07 08:34 AED

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PM-Debate Poll, Bjt - 2 takes, 470-980

By EVANS WITT

Associated Press Writer

RADNOR, Pa. AP - Jimmy Carter, impressing viewers with confident stands on foreign and defense policy, scored slightly better than President Ford in their second debate, a nationwide Associated Press poll found today.

The telephone survey of 1,071 registered voters made immediately after the debate Wednesday night found neither Carter nor Ford the clearcut winner.

But 38.2 per cent of those polled said Carter had won, while 34.6 gave the nod to Ford. And 27.2 per cent called it a draw or said they didn't know who won.

While Carter's margin over Ford was statistically small, the scores in his favor were consistent throughout the varied questions asked in the poll, giving strength to the poll's basic finding on who won.

The figures from this survey of scientifically selected Americans were almost exactly a reverse of those found in the AP poll after the first presidential debate, from which Ford emerged with a slight edge.

The theoretical margin of error for a sample of this size is about 2.9 per cent in either direction if the results are projected to stand for the reaction of the entire viewing audience.

Technically this means that Carter's margin over Ford could be due to variations in the sample.

But all the figures tabulated from interviews conducted for the AP by Chilton Research Services of Radnor, Pa., pointed narrowly but consistently to a Carter victory.

The Carter showing came despite predebate expectation that Ford's experience in Washington and especially his last two years in the White House would give him the edge over the former Georgia governor.

Carter's good showing was reflected by such survey results as these:

- Both men gained some support, but Carter more than Ford. Before the debate, Carter led Ford 45.8 per cent to 43.0 per cent, according to interviews with these same respondents within the past week. After the debate, Carter's margin had widened, 48.5 to 44.8.

- Carter picked up some new support among college-educated viewers, while Ford's support among this group slipped slightly.

- Ford did not strengthen his backing among those voters who consider themselves independent. This group was a major source of increased support for Ford after the first debate.

- Carter and Ford supporters were equally likely to say their candidate won the debate. This was an improvement for Carter over the initial debate, when his own backers were less likely than Ford's to say their candidate was "the winner."

- More than 40 per cent of those who said Ford won cited his experience and knowledge - or Carter's lack of knowledge - as the reason for their decision. By contrast, about a quarter of those who said Carter won cited his style, particularly his confident attitude. His stands on issues were cited by 21.8 per cent.

MORE

0538aED 10-07

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PM-Debate Poll, Bjt- 1st Add, a036, 380

RADNOR: per cent.

A panel of 1,500 respondents was contacted in the week before the debate. Their presidential preference was determined during the initial call, and they agreed to accept a telephone call after the debate. Starting at 11 p.m. EDT Wednesday, interviewers completed 1,071 calls.

As was true after the first debate, each candidate tended to solidify his support among those who watched the second debate. And after each debate, the percentage of undecided voters dropped.

Ford's strength among the college-educated viewers slipped slightly less than a percentage point after the debate Wednesday. Carter's backing in this group - while less than Ford's - moved up from 38 per cent to 43.5 per cent.

After the first debate, Ford picked up significant strength among independent voters, boosting his backing to about 53 per cent of that group, with Carter having the support of about 33 per cent.

Neither candidate's support in this group of voters who do not identify themselves with either party increased significantly after the second debate.

Among those who were definite supporters of each candidate, the same percentage of Carter backers and Ford backers - about 69 per cent - said their man won. This contrasts with the first debate when just over 69 per cent of Ford's supporters said he won, but only about 61 per cent of Carter's supporters said he won.

Experience was the major factor among those who said Ford won the second debate.

Nearly 22 per cent of those who said Ford won cited what they said were his more knowledgeable answers to questions. His over-all experience in government was cited by 9.7 per cent, and 8.9 per cent said they thought Ford won because Carter lacked knowledge of foreign policy and defense.

For those who said Carter won the second debate, issues were the major reason cited by about 22 per cent. Carter's confident attitude was mentioned by 11 per cent of those who said he won. His sincerity, better appearance and style and his concern for the "average person" were each cited by about 5 per cent.

More than half of those who watched the second debate said it would have a great deal of influence or some influence on their decision of whom to vote for for president.

0600aED 10-07

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PM-Debate Poll, Bjt - Sub, a036, 90

RADNOR: Sub for 6th and 7th grafs: "the theoretical .. the sample."

In that survey after the Sept. 23 debate, 34.4 per cent of those polled said Ford won, while 31.8 per cent said Carter was the victor.

A draw or "don't know" response came from 33.8 per cent.

The theoretical margin of error for samples of the size used in these surveys is about 2.9 per cent in either direction if the results are projected to stand for the reaction of the entire viewing audience.

Technically, this means that Carter's margin over Ford in the second debate could be due to variations in the sample.

But all: 8th graf

0604aED 10-07

a365

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AM-Ford, 1st Ld - a258, 400

By HOWARD BENEDICT

Associated Press Writer

SAN FRANCISCO AP - President Ford, his head and shoulders spotted with flecks of confetti, mingled Wednesday night with exuberant supporters in a hotel ballroom after his debate with Jimmy Carter and predicted "a great victory for the American people."

Before the President attended a Republican gathering in the St. Francis Hotel, he spoke by telephone with his wife, Betty, in Los Angeles, and with Secretary of State Henry A. Kissinger, who was in Washington.

He told reporters that Mrs. Ford said she thought he had won the debate. When asked if he agreed, Ford replied: "I seldom disagree with my wife and I don't on this." "

Earlier, as he left the Palace of Fine Arts where the debate was held, Ford said he was not the best judge of who had won, "but I felt comfortable and as good as I did after the first debate."

Kissinger, Ford said, "felt we had taken the offensive and had talked affirmatively about our successes."

Minutes after the debate, the White House press office issued a statement saying, "We're more confused now than we ever were about Carter's position." Official said the statement referred to Carter's claim early in the debate that the United States was no longer strong and his later assertion that no nation is stronger militarily.

The statement also said Ford's debate negotiators would insist on altered ground rules for the third debate, Oct. 22, "so candidate Carter will respond to the questions." "

But at a later briefing, Mike Duval, Ford's counsel for the debates, called the proposal to change the ground rules a "rhetorical ploy," by press secretary Ron Nessen and said there was no serious plan to try to change the format.

At the hotel rally, Ford said: "Let me ask you, let me ask you, two questions: Who won the debate tonight?"

The crowd roared back: "Ford," and "you,"

"Who's going to win the election Nov. 2?" he asked.

"Ford," the crowd yelled.

"Before Nov. 2 we've got a lot of work to do and we've got to do it fast and well and Nov. 2 will be a great victory for the American people," he said.

Earlier in the day, just hours before the debate, Ford likened Earl Butz' racial slur to Carter's primary campaign remark about "ethnic purity."

Ford also: 2nd graf

0122aED 10-07

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AM-Debate, Insert, a348, 50

SAN FRANCISCO to update insert after 7th graf: The White House . . .
televised confrontations.

Later, Mike Duval, the President's chief debate consultant, laughed and called the White House statement a "Nessen amendment," referring to White House Press Secretary Ron Nessen.

Duval dismissed it as a "rhetorical ploy," and said there is no serious plan to try to change the format.

Carter said: 8th graf, which also 3rd graf a349

0124aED 10-07

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PM-EASTEURO SKED 10-7

EDITORS: NOTE CONTENTS

BY ELIZABETH WHARTON

UNITED PRESS INTERNATIONAL

STANLEY MICHALAK OF CHICAGO SAYS PRESIDENT FORD IS "A FOOL" IF HE CONSIDERS POLAND FREE OF RUSSIAN DOMINATION. THOMAS JOHNSON OF CLEVELAND SAYS "I THINK HE'S FULLA ..."

AFTER THE SECOND TELEVISED DEBATE BETWEEN FORD AND JIMMY CARTER, REACTIONS WERE QUICK AND BITTER TO FORD'S DESCRIPTION OF SEVERAL EASTERN EUROPEAN COUNTRIES AS "INDEPENDENT" OF THE SOVIET UNION.

MICHALAK, AN ENGINEER WHOSE PARENTS IMMIGRATED TO CHICAGO FROM WARSAW, WAS ANGERED BY THE REMARKS.

"THE MAN'S A FOOL IF HE THINK'S POLAND IS FREE OF RUSSIAN CONTROL," HE SAID. "I DON'T THINK ANYBODY WHO THINKS EASTERN EUROPE IS FREE HAS ANY BUSINESS BEING PRESIDENT OF THE UNITED STATES. HE SOLD OUT EASTERN EUROPE IN HELSINKI, THEN COMES ON TV AND SAYS EASTERN EUROPE IS FREE. HE'S A LIAR OR AN IDIOT."

JOHNSON, WHO MARRIED INTO A POLISH FAMILY, SAID: "I THINK HE'S FULLA S---. WHEN YOU SPEAK OF POLAND YOU CANNOT SPEAK OF AN INDEPENDENT NATION."

DR. LEV E. DOBRIANSKY, CHAIRMAN OF THE NATIONAL CAPTIVE NATIONS COMMITTEE AND PROFESSOR OF ECONOMICS AT GEORGETOWN UNIVERSITY IN WASHINGTON, SAID HE WAS "SHOCKED TO HEAR PRESIDENT FORD STATE AND EVEN TRY TO DEFEND THIS PREPOSTEROUS STATEMENT ..."

"IN MY JUDGMENT AND THAT OF MILLIONS OF AMERICANS THAT STATEMENT WAS INCREDIBLE," HE ADDED.

FORD'S REMARK CAME AFTER DEMOCRAT JIMMY CARTER CRITICIZED HIM FOR CEDING RUSSIAN CONTROL OVER EASTERN EUROPE WHEN HE SIGNED THE HELSINKI ACCORDS LAST YEAR.

"I DON'T BELIEVE ... THAT THE YUGOSLAVS CONSIDER THEMSELVES DOMINATED BY THE SOVIET UNION," FORD SAID. "I DON'T BELIEVE THAT THE ROMANIANS CONSIDER THEMSELVES DOMINATED BY THE SOVIET UNION. I DON'T BELIEVE THAT THE POLES CONSIDER THEMSELVES DOMINATED BY THE SOVIET UNION. EACH OF THOSE COUNTRIES IS INDEPENDENT OR AUTONOMOUS."

NONE OF THE EARLY REACTION UPHELD THAT VIEW, HOWEVER. AND GEN. BRENT SCOWCROFT, FORD'S CHIEF INTERNATIONAL SECURITY ADVISER, TOLD REPORTERS THE RUSSIANS HAVE FOUR DIVISIONS OF TROOPS IN POLAND -- ALTHOUGH HE SAID THAT DID NOT CONTRADICT THE PRESIDENT'S THESIS.

MRS. ROSE WOZJECOWICZ OF CHICAGO, WHO HAS BEEN IN THE UNITED STATES 25 YEARS, SAID FORD WAS "VERY WRONG."

"IT'S NOT TRUE." SHE SAID. "POLAND IS LITTLE RUSSIA. EVERYTHING IS RUSSIA, RUSSIA. THERE IS NO MORE POLAND. ONLY THE NAME, THE POLISH LANGUAGE, BUT NO POLAND."

ONE RECENT POLISH IMMIGRANT, ASKING NOT TO BE IDENTIFIED, SPOKE IN POLISH:

"NOBODY IS FREE FROM RUSSIA ... AND THE PEOPLE IN POLAND WHO ARE PRAYING THAT SOMEDAY THEY WILL BE FREE AGAIN, THEY HAVE TO COUNT ON THE UNITED STATES TO SPEAK FOR THEM. WHAT HE SAID WAS NOT WHAT THEY FEEL."

MANY LITHUANIAN-AMERICANS, QUITE VOCAL IN OPPOSITION TO THE HELSINKI PACT, ALSO SEEMED STUNNED BY FORD'S STATEMENT.

"HE'S DAMN CRAZY," SAID VYTAUTAS LAPINSKAS, A CHICAGO RESIDENT. "HE'S UP THERE TALKING ABOUT HOW FREE WE ARE. AND HE SAYS EASTERN EUROPE IS FREE. I WONDER IF HE EVEN KNOWS WHAT THE WORD MEANS."

JEANNE KRAUKAS, A CHICAGO COLLEGE STUDENT, CHARGED THAT FORD HAS "ALREADY SOLD OUT LITHUANIA AND ALL OF EASTERN EUROPE AND NOW HE'S JUST SAYING IT'S OKAY, THEY'RE FREE FROM RUSSIA. WELL THAT'S BULL ---. HE'S DONE MORE FOR SOVIET COMMUNISM THAN LENIN."

UPI 10-07 04:40 AED

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PM-Ford, 420

By FRANK CORMIER

Associated Press Writer

SAN FRANCISCO AP - President Ford emerged from his second debate against Jimmy Carter with some criticism of his rival's style of answering questions.

But he said he agreed with wife Betty's verdict that he defeated the Democratic nominee.

Ford was to fly to Los Angeles today to give a boost to the controversial B1 bomber program and to join his defeated GOP challenger, Ronald Reagan, at a Republican fund-raising dinner in Beverly Hills. Mrs. Ford planned to meet him for that event.

Leaving San Francisco's Palace of Fine Arts after the encounter Wednesday night, Ford said that Carter "covered a great many issues without talking about any answers."

"I certainly hope that the American people will make certain in the future that he gives specific answers to specific questions," the President told reporters.

Mrs. Ford, who watched the debate in Los Angeles, telephoned her husband to tell him she thought he had bested Carter.

"I seldom disagree with my wife," Ford said, "and I don't in this case."

"I feel better than last time," he said. "I think we did all right. We enjoyed it."

Ford and Reagan were to address the Beverly Hills dinner and, via closed-circuit television, other GOP events across the country.

It was to be the first Ford-Reagan meeting since the party's Kansas

City convention and was intended not only to help Ford's chances in California, but promote party harmony throughout the country.

"California is one of the most crucial and critical states in this election," Ford told well-wishers in San Francisco following the debate. He acknowledged he was trailing Carter in the state, but reported "I'm encouraged by the polls," which have shown a narrowing gap between the two men.

While in the Los Angeles area today, Ford was to view a mock-up of the B1 bomber at a North American Rockwell plant and address a convocation at the University of Southern California.

Ford favors starting full production of the B1. Carter has said only that he would back research and development work on a supersonic bomber, not necessarily the B1.

Congress denied the money to initiate production, and postponed a final decision on that question until after the Jan. 20 presidential inaugural.

0820aED 10-07

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PM-Debate-Reaction, 420

By DON McLEOD

AP Political Writer

WASHINGTON AP - President Ford's campaign debate comment that Russia does not dominate Eastern Europe has been criticized by representatives of Eastern European groups.

Dr. Lev E. Dobrianski, chairman of the National Captive Nations Committee, said after Wednesday night's debate between Ford and Jimmy Carter that the President's statement about Eastern Europe was "incredible."

"I was shocked to hear President Ford state and even try to defend his preposterous statement that 'there is no Soviet domination over Eastern Europe,' " Dobrianski said.

Dobrianski said the statement by Ford "blatantly contradicts the brute realities of Russian domination and colonialism in Eastern Europe. The statement was incredible."

Carter responded during the debate that Ford would have a hard time convincing Polish, Czech or Hungarian Americans that their ancestral homelands "don't live under the domination and the supervisions of the Soviet Union."

"I think what the President wanted to say is that we don't recognize Soviet domination of Eastern Europe," said Brent Scowcroft, director of the National Security Council and Ford's national security adviser.

But the statement held promise of becoming a political issue. Democratic vice-presidential candidate Walter F. Mondale said Americans of Polish, German and Czech descent must have been "surprised and astonished" at the President's remark.

'Sen. Edmund S. Muskie, D-Maine, who is of Polish descent, said he was "disappointed that President Ford chose to dismiss the human rights of millions of people in Eastern Europe."

"His remarks are astonishing," Muskie said, "and I hope he will correct himself for the sake of all those who look to America for leadership in assuring human rights."

Stuart Spencer, political director of the Ford campaign, was asked about likely impact of the remark on ethnic groups, and replied: "I don't view it as a political problem at all."

Other comments included:

-GOP National Chairman Mary Louise Smith said the debate "dramatized the difference between a man who has been leading the nation for two years and a man who has been merely running for office for two years."

-Sen. Barry Goldwater, R-Ariz., the 1964 Republican presidential nominee, commented: "If the American people were worried about my foreign policy in 1964, they must be scared to death after listening to Jimmy Carter outline his this year."

-Sen. Edward M. Kennedy, D-Mass., said Carter had proved in the debate "that he can give America strong and effective leadership."

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PM-Carter, 470

By LAWRENCE L. KNUTSON

Associated Press Writer

SAN FRANCISCO AP - Jimmy Carter says he "felt good" about the second presidential debate because he was "relaxed and treated Mr. Ford much more as an equal."

"I think I won, but I'm sure he feels the same way," the Democratic presidential nominee added after the nationally televised encounter Wednesday night. "I think I was able to address myself much more clearly than the first time."

Carter, who sets out on a five-day campaign trip today, said Ford "had a horrible administration to defend and so he was on the defensive most of the time."

Before returning home to Plains, Ga., on Monday for two days of rest, Carter will campaign in 10 cities in California, Utah, New Mexico, Texas, Ohio, Indiana, Illinois and Wisconsin.

Salt Lake City and Los Angeles were today's stops, but first Carter planned to meet with labor leaders and leaders of San Francisco's Asian and Spanish-speaking communities.

Carter said he believes the political impact of the debates will come when all three are judged together.

"I think the first one was about a draw," he said. "I feel better about this than I felt about the first one."

"These debates kind of grow on you," Carter told a \$100-a-plate fund raiser after the debate.

Aides said that in the debate the Democratic candidate at least sustained the momentum which they believe he has achieved in the last 10 days.

Press Secretary Jody Powell said he believed Ford made a major blunder when he told his television audience of 90 million or more that the nations of Eastern Europe, such as Poland, are not under Soviet domination.

And he accused Ford of demagoguery and "cheap politics," by injecting the Pope and the Vatican into an argument over the Helsinki accords. The issue was whether the accords ratified the European status quo as reflected by the map changes made by the Russian army in Eastern Europe at the end of World War II.

The Vatican was one of 35 signatories to the 1975 Helsinki treaty that accepted the borders of Eastern Europe in exchange for the promise of some human rights advances in Communist countries. Ford said he could not believe the Pope would support a treaty that imposed Communist domination on any countries.

Carter and Ford spoke to each other after the television cameras were off and Carter said later, "We just said we looked forward to meeting in Virginia for the next debate." That debate is set for Oct. 22 at the College of William and Mary in Williamsburg, Va.

Unlike the first two debates, which concentrated separately on domestic and foreign affairs, the third will permit questions on any subject.

0754aED 10-07

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PM-Debate-Boycott, Bjt - 2 Takes, 490-920

By R. GREGORY NOKES

Associated Press Writer

WASHINGTON AP - President Ford shocked some Democratic members of Congress and reversed his administration's policy when he announced he has decided to disclose the names of U.S. companies that participated in the Arab economic boycott against Israel.

Officials of the Commerce Department, which will be called on to disclose the names, appeared surprised Wednesday night when Ford announced the policy switch during his debate with Jimmy Carter.

"It had been discussed. I don't know whether or not anyone knew the President was going to announce it," said Horace Webb, a top aide to Commerce Secretary Elliot Richardson.

Ford said he would formally announce the disclosure plan today.

Although Ford said names of companies that participated in the boycott would be revealed, Webb said he thought Ford was referring to companies that participate in the future, rather than those that have done so in the past.

"As I understood the President . . . it is not retroactive, it's going to be a prospective thing," Webb said. Since he had not been briefed on the details, he couldn't be certain, he said.

But this is what Ford said: ". . . Because the Congress failed to act, I am going to announce tomorrow that the Department of Commerce will disclose those companies that have participated in the Arab boycott. This is something that we can do. The Congress failed to do it and we intend to do it."

Former Secretary of Commerce Rogers C.B. Morton last year defied a subpoena threat from a congressional committee in order to keep from revealing the names of companies involved in the boycott.

Ford announced the new policy after Carter criticized the Ford administration for blocking antiboycott legislation in Congress.

"It's not a matter of diplomacy or trade with me, it's a matter of morality," Carter said.

But Ford said Carter "is inaccurate" and surprised some key House Democrats by saying the administration had urged Congress to enact "legislation which would take strong and effective action against those who participate in or cooperate with the Arab boycott.

And then he said that the names would be made public.

Ford also observed, without elaboration, that he had signed the tax revision bill that included a denial of foreign tax credits for American firms on any earnings that result from business conducted in cooperation with the boycott.

The public record on the issue supports the view that the Ford administration tried to block antiboycott legislation.

Carter and Sen. Walter Mondale, the Democratic vice presidential candidate, lately have cited Ford's alleged opposition to boycott legislation in their campaign speeches.

Rep. Benjamin S. Rosenthal, D-N.Y., said Ford's statement was "an unmitigated distortion of the facts." Until the moment the tax bill was approved by Congress "the President and his assistants took every opportunity to oppose in no uncertain terms any antiboycott language," he added.

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0623aED 10-07

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PM-Debate-Boycott, Bjt - 1st add, 430

WASHN: he added.

He was joined in his criticism by Rep. Jonathan Bingham, D-N.Y., who sponsored antiboycott legislation in the Export Administration Act. The act was killed by a filibuster after having earlier been approved by both the Senate and House, although in different versions. The two houses reached tentative approval on compromise language.

"The fact is that both houses passed strong legislation prohibiting cooperation with the boycott. . . . The administration spokesmen on the Hill were the ones that were able to kill it, so the President's claim was an absolute misstatement of fact," Bingham said.

Sen. John Tower, R-Tex., led the successful fight against the legislation in the export act, arguing that it "could be potentially economically and diplomatically explosive."

Secretary Richardson told the House International Relations Committee on June 11 that with respect to the boycott "the administration believes that new legislation is unnecessary, untimely and potentially counterproductive."

Treasury Secretary William E. Simon told the same committee two days earlier that the administration opposes new legislation.

"We have seen no evidence that such a policy would result in elimination of the boycott. In fact, we believe that the effect of such pressure would harden Arab attitudes and potentially destroy the progress we have already made," he said.

Assistant Treasury Secretary Gerald L. Parsky told the committee the same day that the administration also opposes making compliance with the boycott illegal because "it won't end the boycott," and might cause Arab nations to divert their trade to other countries.

Under existing law, complying with the Arab boycott is not illegal, but it is illegal not to report compliance to the Commerce Department. Webb confirmed that hundreds of U.S. companies have reported compliance.

The Arab boycott, which is sometimes flexibly applied, seeks to prevent companies that trade with Arab nations from engaging in major trade with Israel, especially in military or strategic goods. Also, it requires the certification that goods from the United States do not have components manufactured in Israel.

A House oversight and investigations subcommittee estimated in a report last month that American firms that sell goods and services in the Arab world are complying at least 90 per cent of the time with boycott requirements. The value of such trade in 1974 and 1975 was estimated at \$4.5 billion.

The House government operations subcommittee on commerce, consumer and monetary affairs accused the Commerce Department two weeks ago of helping U.S. banks circumvent certain antiboycott barriers.

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PM-Debate-Analysis, Bjt - 3 takes, 420-1,200

An AP News Analysis

By WALTER R. MEARS

AP Special Correspondent

WASHINGTON AP - This time they came out swinging, and Jimmy Carter swung harder - on the very issues President Ford had chosen. The voters will decide how many punches landed.

While the final impact will only come clear in an election 26 days away, it was evident that in the second of the presidential campaign debates, Democrat Carter was on the offensive.

President Ford did his share of slugging, too, in a San Francisco rematch that was far more heated and contentious than the leadoff debate.

They meet once more, on Oct. 22, in a debate that is not limited as to subject. That one, perhaps, will get to the topics people are talking about, things like Earl L. Butz and racial slurs; Carter, Playboy and secret lusts; the still unsettled inquiry into Republican campaign finances in Ford's old congressional district.

Those matters have not come up in the opening debates, under ground rules that limited the subject matter. In San Francisco on Wednesday night, the agenda was foreign policy and defense. Ford had wanted those topics debated first, since he considered them his strong points. Instead, the leadoff debate two weeks ago was on domestic affairs and the economy - supposedly heavy issues for Carter.

Ironically, Ford came out of the Philadelphia debate with added strength and Carter made a debater's comeback in San Francisco.

An Associated Press survey showed Carter gained a narrow edge in Wednesday night's debate in the eyes of the voters. An identical poll had rated Ford slightly ahead in the first debate.

The pattern was markedly different from that of the only comparable political exercise, 16 years ago, when John F. Kennedy and Richard M. Nixon met in televised debate.

Kennedy fared best in their first debate, and while Nixon was widely judged to have come back in three subsequent encounters, he never overcame the impressions left by their first meeting.

This time, the scorecard shows one for Ford, one for Carter, with a tiebreaker 16 days away. "I think the three debates will have to be judged in toto," Carter said.

In San Francisco, while Ford boasted of peace, performance and experience in foreign and security affairs, he was cast as the candidate with a record to defend. He did so.

He also used the powers of his office to disclose a hint of possible opening toward progress in the stalemated negotiations with Moscow for a new strategic arms limitation agreement, and to announce that the administration will publish today a list of U.S. firms that have participated in the Arab boycott aimed against Israel.

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0640aED 10-07

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PM-Debate-Analysis, Bjt - 1st Add, 440

WASHINGTON: against Israel.

While incumbency worked to Ford's advantage on those points, Carter made maximum use of his role as challenger.

For him, there were no inhibitions born of the need to defend current policies. Almost every answer carried a built-in challenge, another slap at administration policies he called horrible, immoral, overly secretive and unsuccessful.

He said Secretary of State Henry A. Kissinger "has been the president of this country" in foreign affairs."

In fact, the language with which he keynoted his denunciation of Republican foreign policy could well serve as a capsule review of the debate:

"... Almost all style and spectacular and not substance."

Once again, the candidates generally restated positions already taken, although this time there were nuggets of new information, as on the SALT talks, the boycott list, and Carter's insistence on continuing U.S. control of the Panama Canal Zone for the foreseeable future.

There also were misstatements, notably Ford's claim that there is no Soviet domination in Eastern Europe. Not even his own national security adviser could second that.

During the debate, Ford defended that statement, saying he did not think Yugoslavia, Romania or Poland considered themselves dominated by Russia. He said they are independent and autonomous.

Carter said Ford would have a hard time convincing Polish-, Czech- or Hungarian-Americans that their ancestral homelands are not dominated by the Soviet Union.

And there were quick protests of the Ford comment from Eastern European ethnic groups. Carter has devoted considerable time and attention to such groups in his campaign travels.

After the debate, Brent E. Scowcroft, Ford's national security adviser, said, "I think what the President wanted to say is that we don't recognize Soviet domination of Eastern Europe."

Ford said he thought he had done all right in the debate, said he had been specific and Carter had dealt in generalities.

It was a point Ford raised repeatedly during the debate, saying that Carter spoke generalities and lacked information.

Carter's basic theme, in the debate as on the campaign trail, was that Ford has failed as a leader, and that administration policy has spurned morality and the principles of American democracy.

"Our country's not strong any more. We're not respected any more," Carter said. Later, pressed on that point, he said the United States is militarily as strong as any nation. But he said that because of the Republican administration "we're not strong," in principle, national unity, and the respect of other nations.

Ford at one point invoked the Pope, in defending his signing of the Helsinki agreement on the future of Europe. He said the Vatican signed it, too, and "I can't believe that His Holiness, the Pope, would agree" to an accord accepting the domination of Eastern Europe by the Communist bloc. Carter said he was criticizing the President, not the Pope.

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PM-Debate-Analysis, Bjt - 2nd Add, 490

WASHINGTON: the pope.

For his part, Carter introduced Karl Marx into the debate. He said Ford had insinuated that the last Democratic administration could hold down unemployment only in wartime. He said that was the view of Marx, "the grandfather of Communism. I don't agree with that statement. I hope Mr. Ford doesn't either."

Even when he seemed in general agreement with Ford, Carter pressed the attack. Both candidates said they would move for normalization of relations with China, but without yielding the independence and freedom of Taiwan. Carter said, however, that Ford had "pretty well . . . frittered away" a great opportunity to improve ties with Peking.

Ford said the United States must and will maintain full access to the Panama Canal. Carter said he would not relinquish practical control of the Panama Canal Zone in the foreseeable future - but would continue negotiations with Panama.

Those negotiations involve the future status of the Canal Zone. Carter said Ford had confused the whole issue in his campaign against Ronald Reagan, who vowed never to yield the zone.

When Ford spoke of possible progress toward a SALT agreement, Carter acidly remarked that the President apparently had just learned that the current accord will expire in a year. "Mr. Ford acts like he's running for president for the first time," Carter said. And, in fact, he is.

By the time the debaters got to the Arab boycott, there seemed to be some hyperbole on both sides. Carter said the administration had proceeded disgracefully, and was permitting foreign nations to circumvent the Bill of Rights. He said if it can be done against Jews now, "it may later be Catholics, it may later be Baptists, who are threatened by some foreign country."

Ford then claimed credit for legislation to deny tax advantages to countries that have cooperated with the boycott, although the administration actually opposed the measure as too restrictive. He also said the administration had pressed for legislation to take strong and effective action against companies that cooperate with the boycott. Legislation to penalize such companies was shelved at the insistence of a Republican senator acting in behalf of the administration.

Carter said the administration was acting "right before the election," for political advantage, in the effort to promote peaceful transition to black majority rule in southern Africa. Secretary of State Henry A. Kissinger first outlined that policy last spring, a move that drew protest from Ford campaign managers who said it was a factor in the trouncing Reagan dealt the President in the May 1 Texas primary.

Of such items are debate points scored. But in a televised political debate, style may, after all, be the major point. And Carter changed his.

"I think in the first debate I deferred too much to him because he was President," Carter said. This time, Carter deferred to Ford not at all.

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PM-Debate, Bjt - 6 Takes, 320-1,000 up

By DONALD M. ROTHBERG

AP Political Writer

SAN FRANCISCO AP - The second presidential debate is setting off political and diplomatic shock waves because of pronouncements by President Ford on Eastern Europe and the Arab boycott and a hard line by Jimmy Carter on the Panama Canal.

At the same time, it thrust foreign and defense policy into the forefront of the presidential campaign.

The 90-minute debate was livelier than the first encounter between the two candidates. Both were more aggressive this time. Each attacked his opponent more freely, dropping much of the restraint and studied politeness that marked their first confrontation.

Highlighted by sharp differences on the details but broad agreement on the objectives of foreign and defense policy, the debate no sooner ended than both candidates said they thought they did well.

"I felt good about the debate," declared Carter as he left the Palace of Fine Arts, site of the nationally televised debate.

"I think we did all right," said Ford.

Both men had the same reaction after their first encounter two weeks ago in Philadelphia.

The third and final debate between the two presidential candidates is scheduled for Oct. 22, in Williamsburg, Va. On Oct. 15, their vice presidential running mates, Sens. Walter F. Mondale, D-Minn., and Bob Dole, R-Kans., will debate, most likely in Houston.

The Associated Press poll that followed the first debate concluded that Ford picked up some support. The first debate covered domestic and economic policy.

In their second encounter, neither candidate seemed as nervous at the outset. Each hit hard at the other's recommendations of ways to maintain American strength throughout the world while pursuing a foreign policy with moral as well as practical objectives.

"I treated Mr. Ford more as an equal," Carter said. "I think in the first debate, I deferred too much to him because he was President."

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PM-Debate, Bjt - 1st Add, 280

SAN FRANCISCO : was President."

Ford, however, was able to use his incumbency to make two surprise announcements of international significance: He said the United States has received signals from the Soviet Union of its readiness to narrow differences and shape "a realistic and sound compromise" for a new agreement to limit strategic nuclear weapons; and he said the administration will disclose the names of American firms that have participated in the Arab boycott against Israel.

But the President also may have created a campaign issue in an unexpected area when he said, "There is no Soviet domination of Eastern Europe and there never will be under a Ford administration."

Ford was asked by panelist Max Frankel of the New York Times if he meant to say that the Russians were not using Eastern Europe as "their own sphere of influence" and were not making certain "with their troops that it's a Communist zone."

The President replied: "I don't believe, Mr. Frankel, that the Yugoslavians consider themselves dominated by the Soviet Union. I don't believe the Romanians consider themselves dominated by the Soviet Union. I don't believe that the Poles consider themselves dominated by the Soviet Union. Each of these countries is independent, autonomous."

After the debate, Brent D. Scowcroft, White House national security adviser, was asked by reporters if the Soviets had troops stationed in Poland.

"Yes," he replied.

Asked how many, Scowcroft said he didn't recall and then said it might be four divisions. Then Scowcroft added, "I think what the President wanted to say is that we don't recognize Soviet domination of Eastern Europe."

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0506aED 10-07

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PM-Debate, Bjt - 2nd Add, 270

SAN FRANCISCO: Eastern Europe."

Stuart Spencer, deputy chief of the Ford campaign committee, was asked if he thought the President's statements would cause problems with Polish and other ethnic groups. "I don't view it as a political problem at all," he said. "

Dr. Lev E. Dobrianski, chairman of the National Captive Nations Committee, said, "I was shocked to hear President Ford state and even try to defend his preposterous statement that 'there is no Soviet domination over Eastern Europe.' "

Dobrianski said Ford's statement "blatantly contradicts the brute realities of Russian domination and colonialism in Eastern Europe."

Sen. Edmund S. Muskie, D-Maine, who is of Polish descent, also responded quickly, saying he was "disappointed that President Ford chose to dismiss the human rights of millions of people in Eastern Europe."

A senior European diplomat said of Ford's assertion, "It's crazy. If it isn't, what's the North Atlantic alliance NATO all about?"

During another exchange, Ford criticized the Democratic Congress for failure to disclose the names of companies that had participated in the Arab boycott against Israel and said he had directed the Commerce Department to release the names.

"The Congress failed to do it, and we intend to do it," said Ford.

However, a Commerce Department spokesman said he thought the disclosures would be of firms that cooperate with the boycott in the future rather than the names of firms that had done so in the past.

Democratic members of Congress quickly pointed out that the Ford administration vigorously opposed antiboycott provisions in the tax bill enacted this session and recently signed by the President.

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PM-Debate, Bjt - 3rd Add, 310

SAN FRANCISCO: the President.

In spelling out steps his administration had taken against the boycott, Ford said, "Just on Monday of this week I signed a tax bill that included an amendment that would prevent companies in the United States from taking a tax deduction if they have in any way whatsoever cooperated with the Arab boycott."

The President said that during congressional consideration of legislation dealing with U.S. exports "my administration went to Capitol Hill and tried to convince the House and Senate that we should have an amendment on that legislation which would take strong and effective action against those who participate or cooperate with the Arab boycott."

Rep. Benjamin S. Rosenthal, D-N.Y., a leader in the drive to enact antiboycott legislation, said, "The President and his assistants took every opportunity to oppose in no uncertain terms any antiboycott language."

U.S. corporations are required by law to report to the Commerce Department any demands from Arab countries to participate in the boycott against Israel as a condition of doing business in the Arab world.

Ford said his administration "is the first administration that has taken an antitrust action against companies in this country that have allegedly cooperated with the Arab boycott." The company, which Ford did not name during the exchange, was the Bechtel Corp., an international construction firm.

When asked for his position on the Panama Canal, Carter said he might be willing to share more fully the responsibilities for administering the Canal with the Panamanian government, to pay higher fees for movement of goods through the Canal Zone and to reduce the U.S. military establishment in the zone.

"But I would not relinquish practical control of the Panama Canal Zone any time in the foreseeable future," he added.

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PM-Debate, Bjt - 4th Add, 250

SAN FRANCISCO: he added.

The Panamanian ambassador to the United States reacted by saying Carter "has raised the price tag" for a new treaty between the two countries.

"If he Carter is elected it would be up to the people and government of Panama to decide if they are prepared to pay that price. We would have liked President Ford to be more definite and precise in his own intentions," said Ambassador Nicolas Gonzalez-Revilla.

Ford said the United States "must and will maintain complete access to the Panama Canal."

The status of the canal and current U.S. negotiations with Panama were a major issue in the campaign between Ford and Ronald Reagan for the Republican presidential nomination.

Reagan said Ford was prepared to surrender U.S. sovereignty over the canal. The former California governor said that if he were president he would use U.S. military strength to maintain control over the waterway.

On the arms limitation talks with the Soviets, Ford said he "met just last week with the foreign minister of the Soviet Union, and he indicated to me that the Soviet Union is interested in narrowing the differences and making a realistic and a sound compromise."

Ford added that if the two countries are unable to reach agreement

before the SALT I treaty expires Oct. 3, 1977, "you will unleash again an all-out arms race with the potential of a nuclear holocaust of unbelievable dimensions."

Carter retorted that during Ford's two years in the White House "there has been absolutely no progress made toward a new SALT agreement."

On other issues:

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PM-Debate, Bjt - 5th Add, 270

SAN FRANCISCO : other issues:

-Carter accused Ford of lacking leadership and abdicating control over foreign policy to Secretary of State Henry A. Kissinger. On foreign policy matters, Carter said, Kissinger has been "president of this country."

-Ford countered that under his leadership "America is strong, America is free, America is respected . . . America is at peace."

-Ford said that a year ago Carter "indicated he wanted to cut the defense budget by \$15 billion." The President said his opponent has since talked about smaller cuts and added that "there is no way you can be strong militarily and have both kind of reductions in our military appropriations."

-Carter said he has never advocated cutting \$15 billion from the defense budget, and he accused Ford of making "a political football out of the military appropriation."

-Carter said Ford and Kissinger have excluded the American people from the formulation of foreign policy. "Every time we've made a serious mistake in foreign affairs it's been because the American people have been excluded from the process," he said. Asked how he would involve the people, Carter said he would end secrecy in the decision-making process, reintroduce the fireside chats of the Roosevelt era as a means of keeping the public informed about policy, and keep Congress better informed.

-Asked what he would do in the event of another oil embargo, Carter said, "I would consider that not a military but an economic declaration of war. And I would respond instantly and in kind. I would not ship that Arab country anything: no weapons, no spare parts for weapons, no oil drilling rigs, no oil pipe, no nothing."

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PM-Debate Panel, Bjt, 490

By DICK BARNES

Associated Press Writer

WASHINGTON AP - Jimmy Carter won the second campaign debate by a whisker over President Ford, in the view of five prominent college debate coaches.

The panelists judging the debate for The Associated Press used a scorecard that gives each contestant from one to five points in each of six categories. Two of the coaches called Carter the winner by two points. Two others picked Ford by a single point.

The fifth judge called it a dead heat on the basis of points, but awarded the decision to Carter on a tie-breaker standard used for college debates.

Prof. Melissa Maxcy Wade of Emory University in Atlanta scored the debate 21-21, but awarded the victory to Carter because, she said, he brought up foreign policy problems of secrecy and morality and Ford did not dispose of them.

She gave Ford an edge over Carter in citing evidence for arguments, but found that canceled by what she called his "blunder in suggesting Eastern Europe is not in the sphere of the Soviet Union."

Dr. Donn Parson of the University of Kansas and Prof. William Southworth of the University of Redlands Calif., who each called Ford the winner of the first debate, picked Carter this time, 25-23 and 20-18, respectively.

Said Southworth: "Carter came across far more clearly on presenting the idea that Ford was not undertaking strong leadership and comprehensive foreign policy." He also found Carter more confident and less nervous than in the first debate, and Ford "a bit more choppy."

Parson thought Carter "was more forceful than Ford," and "more direct, more aggressive," more forceful compared to last time." He also found "Ford more defensive than I thought Ford would be," and thought Carter effectively argued the problem of secrecy throughout the clash.

Prof. James Unger of Georgetown University, who assisted The AP in setting up the panel, gave Ford a 21-20 edge on the basis of better analysis. He said Carter "failed to relate issues of excessive secrecy and immorality to the practical conduct of that foreign policy."

Unger, who had awarded the lowest scores in the first debate, found "substantial improvement by both speakers," this time and said "both of them indicated they could articulate a leadership position and effectively represent this country in either private negotiations or public forums."

Dr. Barbara O'Connor of California State University, Sacramento, found the debate "much better, much more lively," than last time and picked Ford, 25-24.

She said, "On presidential delivery, the nonverbal communication dimensions are better for Ford: eye contact, leaning forward and looking aggressive. Carter looks kind of meek and is still not as aggressive, not as presidential. The self-assured Southerner doesn't show in the debates."

All the panelists except Professor Wade had decided in favor of Ford on the first debate, although all five scorecards were close.

0333aED 10-07

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AM-Carter, 1st Ld, a268, 220

By LYNNE OLSON

Associated Press Writer

SAN FRANCISCO AP - Jimmy Carter said Wednesday night he would leave it to the public to decide who won his second debate with President Ford, but aides of the Democratic nominee proclaimed their man a decisive victor.

Carter said it was "up to each individual American" to judge the outcome of the confrontation himself. He said he felt in comparison to the first debate "I was relaxed and I treated Mr. Ford more as an equal. I think in the first debate I deferred too much to him because he was President."

Carter's campaign manager, Hamilton Jordan, and his press secretary, Jody Powell, said they believed the challenger was a clear winner. They said he kept Ford on the defensive and forced him to make mistakes.

Jordan said, "I think Mr. Ford's effort to paint Gov. Carter as a risk to American security flopped again."

Powell said, "I guess we have laid to rest that subtle Republican campaign by insinuating to picture Gov. Carter as incapable of managing foreign policy. I think that anyone who watched the debate knows he can do it."

Powell also said he thought Ford committed a "major blunder" in saying that Poland and Eastern European countries were free of Soviet domination.

Before the debate, Carter said he felt more relaxed this time and vowed to treat Ford more as an equal.

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PM-FORD SKED 10-7

BY RICHARD LERNER

SAN FRANCISCO (UPI) -- PRESIDENT FORD FEELS "VERY GOOD" ABOUT HIS FOREIGN POLICY DEBATE WITH JIMMY CARTER, BUT SAYS HIS DEMOCRATIC OPPONENT FAILED TO GIVE "SPECIFIC ANSWERS TO SPECIFIC QUESTIONS."

BETTY FORD, IN A PHONE CALL AFTER THE SECOND DEBATE AT THE PALACE OF FINE ARTS THEATER WEDNESDAY NIGHT, ASSURED HER HUSBAND HE HAD WON. ASKED WHAT HE THOUGHT, FORD QUIPPED, "I SELDOM DISAGREE WITH MY WIFE, AND SO ON THIS OCCASION I WILL AGREE WITH HER."

SECRETARY OF STATE HENRY KISSINGER PHONED FORD TO SAY HE HAD "TAKEN THE OFFENSIVE AND HAD BEEN AFFIRMATIVE ABOUT OUR SUCCESSES."

OTHER WHITE HOUSE AIDES WEREN'T SO SURE. SOME SAID CARTER HAD WON ON "RHETORIC AND STYLE" AND FORD BEAT HIM ON "SUBSTANCE."

FORD PLANNED TO CAMPAIGN IN LOS ANGELES TODAY AND ATTEND A GOP FUND-RAISER TONIGHT WITH RONALD REAGAN. HE WINDS UP IN TEXAS THIS WEEKEND BEFORE RETURNING TO WASHINGTON SUNDAY.

FORD SAID HE ANSWERED ALL THE DEBATE QUESTIONS AND SET FORTH HIS POLICIES.

"I THINK WE DID ALL RIGHT. I FELT COMFORTABLE. I ANSWERED THE QUESTIONS SPECIFICALLY AND I FEEL VERY GOOD ABOUT TONIGHT."

FORD SAID HE THOUGHT CARTER WAS "VERY GENERAL."

"HE COVERED A GREAT MANY ISSUES WITHOUT TALKING ABOUT ANY ANSWERS. THEREFORE, I THOUGHT HE OUGHT TO BE PINNED DOWN AND I THOUGHT THE QUESTIONER MADE A BIG EFFORT TO DO SO. I CERTAINLY HOPE THAT THE AMERICAN PEOPLE WILL MAKE CERTAIN IN THE FUTURE THAT HE GIVES SPECIFIC ANSWERS TO SPECIFIC QUESTIONS."

ON ONE TOUCHY QUESTION IN THE DEBATE, FORD SAID "I DON'T BELIEVE THAT THE POLES CONSIDER THEMSELVES DOMINATED BY THE SOVIET UNION."

LATER HIS NATIONAL SECURITIES ADVISER, BRENT SCOWCROFT, CONCEDED THERE ARE FOUR DIVISIONS OF SOVIET TROOPS IN POLAND. HOWEVER, NEITHER SCOWCROFT NOR OTHER WHITE HOUSE AIDES THOUGHT FORD SHOULD ISSUE A CLARIFICATION.

THEY POINTED TO ANOTHER STATEMENT THAT FORD MADE DURING THE DEBATE IN WHICH HE SAID THAT THE UNITED STATES "DOES NOT CONCEDE THAT THOSE (EASTERN EUROPEAN) COUNTRIES ARE UNDER THE DOMINATION OF THE SOVIET UNION."

THERE WAS LITTLE DISAGREEMENT AMONG WHITE HOUSE OBSERVERS THAT CARTER CAME ON STRONGER IN THE DEBATE THAN HE HAD THE FIRST TIME AROUND. BOTH CANDIDATES EXCHANGED VERBAL JABS BUT IN THE END THEY WERE FRIENDLIER TO EACH OTHER THAN AFTER THE FIRST DEBATE.

THEY SMILED AND SHOOK HANDS A COUPLE OF TIMES -- ONE BEFORE THE DEBATE AND AGAIN WHEN IT WAS OVER. CARTER INTRODUCED HIS WIFE ROSALYNN TO THE PRESIDENT AND FORD TOLD CARTER "I'LL SEE YOU IN WILLIAMSBURG," REFERRING TO THEIR THIRD AND LAST DEBATE OCT. 22 AT WILLIAM AND MARY COLLEGE IN COLONIAL WILLIAMSBURG, VA.

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PM-ARMSALES 10-6

SAN FRANCISCO (UPI) -- JIMMY CARTER, CALLING THE UNITED STATES "THE ARMS MERCHANT OF THE WORLD," INDICATED IN HIS DEBATE WITH PRESIDENT FORD THAT IRAN IS GETTING PREFERENTIAL TREATMENT IN ARMS SALES.

"IRAN," HE SAID, "IS GOING TO GET 80 F14S BEFORE WE EVEN MEET OUR OWN AIR FORCE ORDERS FOR F14S AND THE SHIPMENT OF SPRUANCE CLASS DESTROYERS TO IRAN ARE MUCH MORE HIGHLY SOPHISTICATED THAN THE SPRUANCE CLASS DESTROYERS THAT ARE PRESENTLY DELIVERED TO OUR OWN NAVY.

"THIS IS RIDICULOUS AND IT OUGHT TO BE CHANGED."

FORD DID NOT CHALLENGE CARTER'S FACTS BUT SAID HE BELIEVED CARTER FAILED TO "REALIZE THE NEED AND NECESSITY FOR ARMS SALES TO IRAN."

"IRAN IS BORDERED VERY EXTENSIVELY BY THE SOVIET UNION," HE SAID. "IRAN HAS IRAQ AS ONE OF ITS NEIGHBORS ... IT'S MY STRONG FEELING THAT WE OUGHT TO SELL ARMS TO IRAN FOR ITS OWN NATIONAL SECURITY AND AS AN ALLY, A STRONG ALLY OF THE UNITED STATES."

FORD ADDED THAT THE SHAH OF IRAN DID NOT PARTICIPATE IN THE 1973 ARAB OIL EMBARGO AND THAT SALES TO TEHRAN ARE "FOR THEIR SECURITY AS WELL AS OURS."

ADMINISTRATION SOURCES ACKNOWLEDGED CARTER'S CHARGE AS TECHNICALLY CORRECT: IRAN WILL GET F14S BEFORE THE PENTAGON GETS ALL IT WANTS. THE SOURCES SAID, HOWEVER, THAT THE NAVY IS GETTING PLANES AS FAST AS THE PRODUCTION SCHEDULE SET BY CONGRESS ALLOWS.

IRAN CAN GET MORE PLANES BECAUSE THE BUILDER, GRUMMAN AEROSPACE CORP., HAS FACILITIES FOR A HIGHER RATE OF PRODUCTION THAN THE NAVY WANTS, THEY SAID.

"THE SPRUANCE CLASS DESTROYERS WILL BE MORE SOPHISTICATED BECAUSE IRAN IS GETTING THE SHIPS AT THE END OF THE PRODUCTION LINE," THE SOURCE EXPLAINED. "THEY'LL HAVE A BIGGER GUN -- AN 8 INCH INSTEAD OF A 5 INCH. THEY MAY HAVE A MISSILE. WE DON'T HAVE THEM YET BECAUSE DEVELOPMENT HASN'T BEEN COMPLETED. BUT WHEN WE DO GET THEM, THE OLDER SHIPS WILL BE RETROFITTED."

THE UNITED STATES IS SELLING ABOUT \$9 BILLION IN WEAPONS, TRAINING AND CONSTRUCTION ABROAD EACH YEAR, ACCORDING TO PENTAGON FIGURES.

"WE HAVE BECOME THE ARMS MERCHANT OF THE WORLD. WHEN THIS REPUBLICAN ADMINISTRATION CAME INTO OFFICE WE WERE SELLING ABOUT \$1 BILLION WORTH OF ARMS OVERSEAS," CARTER SAID. "NOW, \$10 TO \$12 BILLION WORTH OF ARMS (GO) OVERSEAS TO COUNTRIES WHICH QUITE OFTEN USE THESE ARMS TO FIGHT EACH OTHER."

"I BELIEVE THAT IT'S IN OUR INTEREST, AND IN THE INTEREST OF ISRAEL AND IRAN AND SAUDI ARABIA TO SELL ARMS TO THOSE COUNTRIES," FORD RESPONDED. "IT'S FOR THEIR SECURITY AS WELL AS OURS."

UPI 10-07 05:13 AED

D W

PM-BOYCOTT 10-7

BY DON PHILLIPS

WASHINGTON (UPI) -- PRESIDENT FORD PROMISED THAT THE NAMES OF AMERICAN COMPANIES WHICH AIDED IN THE ARAB BOYCOTT OF ISRAEL WILL BE RELEASED TODAY BY THE COMMERCE DEPARTMENT.

HOWEVER, A COMMERCE COMMITTEE SPOKESMAN SAID IT WAS THE DEPARTMENT'S UNDERSTANDING THAT FORD DID NOT MEAN HE WOULD RELEASE THE NAMES OF COMPANIES THAT HAVE PARTICIPATED IN THE BOYCOTT IN THE PAST -- ONLY THOSE COMPANIES THAT DO SO IN THE FUTURE.

THE SPOKESMAN ALSO SAID THE FORD PLEDGE, DURING THE WEDNESDAY NIGHT DEBATE WITH DEMOCRAT JIMMY CARTER, CAME AS A SURPRISE TO THE DEPARTMENT.

IT KNEW THAT HE FAVORED PUBLISHING THE NAMES OF THE COMPANIES, WHO ARE NOW REQUIRED BY LAW TO INFORM THE DEPARTMENT BOTH OF BOYCOTT REQUESTS AND OF THE ACTION THE COMPANY PLANS TO TAKE, HE SAID, BUT DID NOT KNOW THE ANNOUNCEMENT WAS IMMINENT.

FORD SAID HE WAS TAKING THE ACTION BECAUSE CONGRESS FAILED TO PASS ANTI-BOYCOTT LEGISLATION. THE ANNOUNCEMENT CAME AFTER CARTER CALLED THE BOYCOTT "AN ABSOLUTE DISGRACE" AND ACCUSED FORD OF FAILING TO TAKE ACTION AGAINST IT.

FORD SURPRISED MANY OBSERVERS IN SAYING THAT HE PUSHED FOR ANTI-BOYCOTT LEGISLATION. THE ADMINISTRATION ACTIVELY LOBBIED AGAINST ANTI-BOYCOTT BILLS DURING THE LAST CONGRESS ON THE GROUNDS THAT THEY WOULD HARM MIDDLE EAST PEACE EFFORTS.

"BECAUSE CONGRESS HAS FAILED TO ACT, I AM GOING TO GET THE DEPARTMENT OF COMMERCE TO ANNOUNCE THE NAMES" OF THE COMPANIES, SAID FORD. HE DISPUTED A CHARGE BY CARTER THAT REPUBLICANS PREVENTED PASSAGE OF THE AN ANTI-BOYCOTT MEASURE, A PART OF THE EXPORT ADMINISTRATION ACT WHICH DIED IN THE FINAL DAYS OF CONGRESS.

FORD ALSO NOTED THAT HE HAD SIGNED TAX LEGISLATION CONTAINING ANTI-BOYCOTT LANGUAGE.

THE ANTI-BOYCOTT SECTION OF THE TAX BILL WAS BITTERLY OPPOSED BY HIGH OFFICIALS OF THE TREASURY AND STATE DEPARTMENTS, AND THERE HAD BEEN HINTS THAT FORD MIGHT VETO THE TAX BILL ON THAT ISSUE ALONE.

THIS SECTION WOULD DENY CERTAIN FOREIGN TAX BREAKS TO COMPANIES THAT PARTICIPATE IN INTERNATIONAL BOYCOTTS SUCH AS THE ARAB BOYCOTT OF ISRAEL.

CARTER TERMED "AN ABSOLUTE DISGRACE" THE BOYCOTT BY ARAB NATIONS OF ANY FIRMS OWNED BY JEWS OR DOING BUSINESS WITH JEWS -- INCLUDING THOSE IN THE UNITED STATES. HE PROMISED TO FIGHT THE BOYCOTT IF HE IS ELECTED.

"IT IS THE FIRST TIME IN THE HISTORY OF THIS COUNTRY" THAT FOREIGN COUNTRIES "HAVE BEEN ABLE TO CHANGE OR CIRCUMVENT OUR BILL OF RIGHTS," SAID CARTER. "WITH ME, IT'S A MATTER OF MORALITY...."

UPI 10-07 06:31 AED

A029

R A

PM-CARTER SKED 10-7

BY CLAY F. RICHARDS

SAN FRANCISCO (UPI) -- JIMMY CARTER SAYS HE DOESN'T KNOW IF HE WON HIS SECOND DEBATE WITH PRESIDENT FORD, BUT FEELS "PRETTY GOOD" ABOUT THE CONFRONTATION BECAUSE HE KEPT FORD ON THE DEFENSIVE.

"IT'S A HORRIBLE ADMINISTRATION TO TRY TO DEFEND, SO HE WAS ON THE DEFENSIVE, I FELT, ALL THE WAY THROUGH THE DEBATE," CARTER TOLD REPORTERS AS HE LEFT THE STAGE.

CARTER WAS JUBILANT AS HE ADDRESSED A RALLY OF 9,000 PEOPLE IN AN AUDITORIUM WHERE THEY HAD WATCHED THE DEBATE ON CLOSED CIRCUIT TELEVISION.

"ANYBODY WANNA DEBATE?" CARTER ASKED THE PARTISAN CROWD AS THEY ROARED BACK THEIR APPROVAL OF HIS PERFORMANCE. "HOW ABOUT THAT, WASN'T THAT SOMETHING?" HE ADDED, AND THE CROWD ROARED AGAIN.

THE DEMOCRATIC PRESIDENTIAL CONTENDER CONTINUES CAMPAIGNING TODAY, MEETING WITH LABOR LEADERS HERE BEFORE FLYING TO SALT LAKE CITY FOR A PRIVATE MEETING WITH MORMON LEADERS AND A SPEECH TO AN EDUCATION GROUP. HE ENDS THE DAY AT A DINNER IN LOS ANGELES WHERE HE WILL CAMPAIGN FRIDAY.

"I FEEL PRETTY GOOD ABOUT IT, BUT I'M SO DEEPLY INVOLVED IN IT PERSONALLY I CAN'T MAKE A JUDGMENT," CARTER SAID OF THE DEBATE. "I FELT THE FIRST ONE WAS ABOUT A DRAW AND I FELT BETTER ABOUT THIS ONE."

"I THINK I WON, BUT I'M SURE HE FEELS THE SAME WAY," CARTER SAID.

CARTER'S STAFF SAID HIS PERFORMANCE WAS BETTER THAN THE FIRST MEETING IN PHILADELPHIA, WHERE CARTER APPEARED NERVOUS IN THE OPENING MINUTES AND DID NOT HIT HIS STRIDE UNTIL HALFWAY THROUGH THE SESSION.

"I THINK WE'VE LAID TO REST THE ISSUE THE REPUBLICANS HAVE TRIED TO RAISE THAT JIMMY'S NOT QUALIFIED AND COMPETENT IN THE AREA OF FOREIGN POLICY," SAID HIS PRESS SECRETARY JODY POWELL. "HE KEPT MR. FORD ON THE DEFENSIVE A GOOD PORTION OF THE EVENING AND AS A RESULT THE PRESIDENT MADE A FEW MISTAKES."

THE MISTAKES, POWELL SAID RANGED FROM "A MAJOR ONE THAT GAVE A SURPRISING VIEW OF EASTERN EUROPE, TO A MINOR ONE PUTTING A NUCLEAR PLANT IN ALABAMA THAT'S ACTUALLY IN SOUTH CAROLINA."

POWELL SAID THE "REPUBLICANS WILL HEAR MORE" ABOUT FORD'S COMMENTS THAT THE HELSINKI AGREEMENT DOES NOT CONFIRM RUSSIAN DOMINANCE OF EASTERN EUROPE.

"THE REPUBLICANS ARE GOING TO HAVE TO SPEND SOME TIME EXPLAINING THOSE STATEMENTS -- AND WE DON'T HAVE TO KEEP IT ALIVE, THE PEOPLE WHO HAVE RELATIVES IN THOSE EASTERN EUROPEAN COUNTRIES WILL."

POWELL SAID HE WAS "A LITTLE UPSET" OVER FORD'S CONTINUED INSISTENCE IN THE DEBATE THAT CARTER WANTED TO CUT DEFENSE SPENDING \$10 BILLION TO \$15 BILLION.

"I DON'T EVER REMEMBER HIS SAYING \$10 BILLION TO \$15 BILLION AND I BELIEVE IF HE DID WE WOULD HAVE CAUGHT IT AND CORRECTED IT," POWELL SAID. "EVERYONE WHO'S BEEN WITH HIM KNOWS HE'S CONSISTENTLY SAID \$5 BILLION TO \$7 BILLION."

UPI 10-07 04:49 AED

R W

PM-AGREE SKED 10-7

BY JOHN MILNE

SAN FRANCISCO (UPI) -- FOR ALL THE AGGRESSIVE, OCCASIONALLY BITTER, RHETORIC, PRESIDENT FORD AND JIMMY CARTER WERE IN BASIC AGREEMENT MORE OFTEN THAN NOT DURING THEIR TELEVISED CONFRONTATION ON FOREIGN POLICY AND DEFENSE.

THERE WAS LITTLE DIFFERENCE IN THEIR VIEWS ON THE MAJOR PREMISE OF THE DEBATE: THAT A STRONG DEFENSE WAS THE NO. 1 PRIORITY FOR NATIONAL SECURITY.

THEY AGREED ON THIS AND FOUR OTHER MAJOR FOREIGN POLICY ISSUES, ALTHOUGH THEY DISPUTED CERTAIN MATTERS OF STYLE AND METHOD -- THE HOW, NOT THE WHY OF THE POLICY. THEY CLEARLY DISAGREED ON FOUR.

HERE ARE THE AREAS OF AGREEMENT:

PRIORITIES: CARTER STARTED BY SAYING "WHEN I BECOME PRESIDENT WE'LL HAVE A STRONG NATIONAL DEFENSE, A DEFENSE SECOND TO NONE ... MILITARILY WE ARE AS STRONG AS ANY NATION ON EARTH." MENTIONING THE NAME OF COMMUNIST PARTY LEADER LEONID BREZHNEV, FORD SAID, "YOU DON'T NEGOTIATE WITH MR. BREZHNEV FROM WEAKNESS."

PANAMA: "THE UNITED STATES," FORD SAID, "MUST AND WILL RETAIN COMPLETE OPERATING CONTROL OF THE PANAMA CANAL." CARTER SAID, "I WOULD NEVER GIVE UP COMPLETE CONTROL OVER THE PANAMA CANAL ZONE."

MISSING IN ACTION: BOTH CANDIDATES SAID THEY WOULD NOT NEGOTIATE WITH NORTH VIETNAM OR SUPPORT ITS ADMISSION TO THE UNITED NATIONS UNTIL IT PROVIDES A COMPLETE ACCOUNTING OF THE 800 U.S. SOLDIERS STILL MISSING IN ACTION.

MAYAGUEZ: FORD SAID CHARLES MILLER, CAPTAIN OF THE MERCHANT SHIP KIDNAPED BY CAMBODIAN SAILORS, CALLED HIM WEDNESDAY TO PRAISE THE USE OF FORCE BY U.S. MARINES IN RECAPTURING THE SHIP. CARTER SAID "WE HAVE TO MOVE AGGRESSIVELY" IN TIME OF CRISIS.

CHINA POLICY: CARTER: "I WOULD CERTAINLY PURSUE THE NORMALIZATION OF RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA ... I WOULD NEVER LET THAT FRIENDSHIP WITH ... CHINA STAND IN THE WAY OF THE PRESERVATION OF THE INDEPENDENCE AND FREEDOM OF THE PEOPLE OF TAIWAN." FORD: "WE WILL CONTINUE TO MOVE FOR NORMALIZATION OF RELATIONS IN THE TRADITIONAL SENSE ... THE FORD ADMINISTRATION WILL NOT LET DOWN, NOR WILL ELIMINATE OR FORGET OUR OBLIGATIONS TO THE PEOPLE OF TAIWAN."

AREAS OF DISAGREEMENT:

EASTERN EUROPE: ARGUING THAT THE INTERNATIONAL AGREEMENT SIGNED IN HELSINKI SUPPORTS SELF-DETERMINATION IN EASTERN EUROPE, FORD SAID HE DID NOT THINK YUGOSLAVIANS, ROMANIANS AND POLES "CONSIDER THEMSELVES DOMINATED BY THE SOVIET UNION. EACH OF THESE COUNTRIES IS INDEPENDENT OR AUTONOMOUS." SAID CARTER: "I WOULD LIKE TO SEE MR. FORD CONVINCE THE POLISH-AMERICANS AND THE CZECH-AMERICANS AND THE HUNGARIAN-AMERICANS IN THIS COUNTRY THAT THOSE COUNTRIES DON'T LIVE UNDER THE DOMINATION AND THE SUPERVISION OF THE SOVIET UNION."

FOREIGN MILITARY SALES: CARTER SAID THE UNITED STATES WAS BECOMING "THE ARMS MERCHANT OF THE WORLD." FORD SAID, "I BELIEVE IT'S IN OUR INTEREST AND IN THE INTEREST OF ISRAEL AND IRAN AND SAUDI ARABIA TO SELL ARMS TO THESE COUNTRIES."

SALT: FORD SAID HIS ADMINISTRATION HAD CAPPED THE ARMS RACE FOR THE BENEFIT OF THE UNITED STATES BY AGREEING TO LIMIT THE NUMBER OF NUCLEAR MISSILES, BOMBERS AND MISSILE-FIRING SUBMARINES. CARTER SAID NOTHING HAD BEEN DONE TO BREAK A STALEMATE IN THE STRATEGIC ARMS LIMITATION TALKS FOR THE PAST TWO YEARS.

MIDDLE EAST: "IN 1975," CARTER SAID, "WE ALMOST BROUGHT ISRAEL TO HER KNEES ... WE IN EFFECT TRIED TO MAKE ISRAEL THE SCAPEGOAT FOR THE PROBLEMS IN THE MIDDLE EAST." FORD SAID ISRAELI PREMIER YITZHAK RABIN TOLD HIM THAT RELATIONS BETWEEN THE TWO COUNTRIES COULDN'T BE BETTER AND "I'M PROUD TO SAY THAT NOT A SINGLE EGYPTIAN OR ISRAELI SOLDIER HAS LOST HIS LIFE SINCE THE SIGNING OF THE SINAI AGREEMENT."

A025

R W

PM-ANALYSIS SKED 10-7

BY ARNOLD SAWISLAK

WASHINGTON (UPI) -- THE DEFENSE AND FOREIGN POLICY DEBATE BETWEEN PRESIDENT FORD AND JIMMY CARTER WAS A GOOD SUMMARY OF 1976 CAMPAIGN THEMES.

FORD SAID HE IS DOING A GOOD STEADY JOB AND GETTING RESULTS. CARTER SAID THE NATION IS SUFFERING FROM LACK OF FIRM LEADERSHIP AND MORAL COMMITMENT AND FAILING BECAUSE OF IT.

IT CAME DOWN, AS THE NOV. 2 DECISION MAY, TO THE QUESTION "WHO DO YOU TRUST?"

THERE WERE FEWER DISAGREEMENTS IN THE SECOND FORD-CARTER DEBATE THAN IT MAY HAVE SEEMED FROM THE TONE OF THE RHETORIC. BOTH MEN CAME OUT TALKING TOUGH AND FLINGING FACTS, BUT THEIR DISAGREEMENT WAS NOT OVER THE PROPER GOALS OF DEFENSE AND FOREIGN POLICY. RATHER THAN WHAT SHOULD BE DONE, THEY ARGUED ABOUT HOW TO DO IT.

ON A POLITICAL PLANE, BOTH CANDIDATES MAY HAVE MADE SOME VOTES FOR THEMSELVES. CARTER APPEARED TO HAVE SPEARED FORD WHEN HE SUGGESTED THE REPUBLICAN PRESIDENT MIGHT HAVE SOME TROUBLE CONVINCING AMERICANS OF YUGOSLAVIAN, ROMANIAN AND POLISH BACKGROUND THAT THEIR HOMELANDS ARE NOT DOMINATED BY THE SOVIET UNION AS FORD DECLARED.

FOR HIS PART, FORD TOOK ADVANTAGE OF THE HUGE TELEVISION AUDIENCE TO SHOW WHAT AN INCUMBENT PRESIDENT CAN DO, ESPECIALLY FOR VOTERS DEVOTED TO THE ISRAELI CAUSE, BY ANNOUNCING HE WAS ORDERING THE COMMERCE DEPARTMENT THURSDAY TO REVEAL THE IDENTITIES OF AMERICAN COMPANIES THAT HAVE COOPERATED IN THE ARAB BOYCOTT.

BUT FORD AND HIS DEMOCRATIC OPPONENT WERE SHOOTING FOR BIGGER GAME. THE PRESIDENT REPEATEDLY STRESSED SUCCESSES OF HIS ADMINISTRATION'S FOREIGN POLICIES AND PASSIONATELY DEFENDED THE MORAL GROUNDS IT WAS BASED ON.

CARTER STRESSED ISSUES OF PRINCIPLE -- CITING U.S. SUPPORT OF DICTATORSHIPS AND CONCESSIONS TO COMMUNIST POWERS -- AND CAME DOWN HARD ON SECRECY, ARGUING THAT FORD AND HENRY KISSINGER HAD FAILED TO CONFIDE IN THE NATION'S ALLIES, THE CONGRESS AND THE PEOPLE IN PURSUING ITS OBJECTIVES.

THESE ARGUMENTS DISTILL TO THE BASIC THEMES OF THE CAMPAIGNS. FORD IS PUTTING UP POSTERS THESE DAYS PROCLAIMING "HE MADE US PROUD AGAIN." CARTER IS CALLING HIMSELF AND SEN. MONDALE "LEADERS, FOR A CHANGE."

JUST AS IN THE FIRST DEBATE, FORD MADE HIS PITCH TO AMERICANS WHO SEE AN IMPROVEMENT IN CONDITIONS SINCE HE MOVED INTO THE WHITE HOUSE; CARTER WAS POINTING TO THE VOTERS WHO THINK THE NATION CAN DO BETTER AND NEEDS NEW LEADERSHIP TO DO IT.

UPI 10-07 04:05 AED

A026

R A

AM-DEBATE-REACTION 10-6

BY JAMES M. HILDRETH

UNITED PRESS INTERNATIONAL

PRESIDENT FORD SAID JIMMY CARTER WAS VAGUE ON FOREIGN POLICY AND DEFENSE ISSUES. CARTER SAID HE WAS PLEASED WITH HIS PERFORMANCE. PREDICTABLY, SUPPORTERS OF BOTH CANDIDATES SAID THEIR MAN HAD COME OUT AHEAD IN THE 90-MINUTE CONFRONTATION WEDNESDAY NIGHT IN SAN FRANCISCO'S PALACE OF FINE ARTS.

"I FEEL BETTER ABOUT THIS ONE," CARTER TOLD REPORTERS, SAYING HE FELT THE FIRST DEBATE WAS A DRAW.

FORD SAID HE FELT "VERY GOOD ABOUT TONIGHT, JUST AS I DID AFTER THE FIRST ONE."

MARY LOUISE SMITH, THE GOP NATIONAL COMMITTEE CHAIRMAN, SAID THE DEBATE "DRAMATIZED THE DIFFERENCE BETWEEN A MAN WHO HAS BEEN LEADING THE NATION FOR TWO YEARS AND A MAN WHO HAS BEEN MERELY RUNNING FOR OFFICE FOR TWO YEARS."

"MR. CARTER," SHE ADDED, "WAS UNABLE TO ANSWER THE QUESTIONS POSED TO HIM. HE FAILED TO SAY WHAT HE WOULD DO WHEN ASKED ON SPECIFIC ISSUES."

HER DEMOCRATIC COUNTERPART, ROBERT STRAUSS, SAID CARTER "WAS CONFIDENT AND TOUGH."

"IN FAIRNESS TO THE PRESIDENT," STRAUSS ADDED, "HE WAS DEFENDING A VERY BAD FOREIGN POLICY AND THAT MAKES A DIFFERENCE."

FORD SAID CARTER WAS "VERY GENERAL" AND "COVERED A GREAT MANY ISSUES WITHOUT TALKING ABOUT ANY ANSWERS. I CERTAINLY HOPE THE AMERICAN PEOPLE WILL MAKE CERTAIN THAT HE GIVES SPECIFIC ANSWERS TO SPECIFIC QUESTIONS."

ASKED WHETHER HE FELT HE WON, CARTER SAID, "THAT'S FOR THE AMERICAN PEOPLE TO DECIDE."

WHITE HOUSE PRESS SECRETARY RON NESSEN SAID HE MIGHT SEEK A FORMAT CHANGE FOR THE NEXT DEBATE SO THAT CARTER WILL BE "REQUIRED TO TALK ABOUT THE QUESTION ... WHICH HE DID NOT DO TONIGHT."

"WE'RE PUZZLED, BUT WE'RE OBVIOUSLY ELATED," NESSEN SAID. "IT WAS A TKO IN THE FIRST ROUND. CARTER NEVER CAME OUT OF HIS CORNER IN EFFECT, BECAUSE HE NEVER GOT ONTO THE THE SUBJECT OF THE DEBATE."

GERALD RAFSHOON, CARTER'S MEDIA DIRECTOR, SAID HIS MAN WAS MORE RELAXED THIS TIME.

"HE DIDN'T HAVE ANY AWE OF THE PRESIDENCY, HE HAD A CONVERSATION WITH THE AMERICAN PEOPLE."

"HE MANAGED TO GET HIS THEMES OVER. FORD WAS VERY DEFENSIVE, JIMMY WAS AGGRESSIVE AND MANAGED TO ARTICULATE ALL THE THEMES HE HAS BEEN TALKING ABOUT THROUGH THE CAMPAIGN."

THE HARSHTEST CRITICISM OF CARTER CAME FROM SEN. BARRY GOLDWATER, R-ARIZ., WHO SAID "IF THE AMERICAN PEOPLE WERE WORRIED ABOUT MY FOREIGN POLICY IN 1964, THEY MUST BE SCARED TO DEATH AFTER LISTENING TO JIMMY CARTER OUTLINE HIS THIS YEAR."

GOLDWATER WAS THE GOP PRESIDENTIAL CANDIDATE IN 1964.

FORD'S RUNNING MATE, SEN. ROBERT DOLE OF KANSAS, TOLD REPORTERS IN WASHINGTON, "I THINK THE PRESIDENT CLEARLY WON THE DEBATE."

"GOVERNOR CARTER'S HAD NO EXPERIENCE AND ALL HE DID WAS NITPICK THROUGHOUT THE 90 MINUTES," DOLE SAID.

SEN. EDWARD M. KENNEDY, D-MASS., SAID, "GOVERNOR CARTER PROVED TONIGHT THAT HE CAN MAKE AMERICA A STRONG AND EFFECTIVE LEADER IN WORLD AFFAIRS. THIS IS A MAN THE AMERICAN PEOPLE CAN TRUST TO MAKE DECISIVE EFFORTS TO RESTORE CONFIDENCE IN OUR FOREIGN POLICY, PROMOTE HUMAN VALUES AND MEET THE CHALLENGES FACING OUR COUNTRY IN THE YEARS AHEAD."

UPT 10-07 12:49 AED

R W

AM-ANALYSIS 10-6

BY ARNOLD SAWISLAK

WASHINGTON (UPI) -- TO SOME EXTENT, THE SECOND CARTER-FORD DEBATE WAS LIKE THE DISAGREEMENT BETWEEN THE OPTIMIST AND PESSIMIST WHETHER THE WATERGLASS WAS HALF FULL OR HALF EMPTY.

PRESIDENT FORD SAID HIS DEFENSE AND FOREIGN POLICIES WERE WORKING, ASSURING AMERICAN STRENGTH AND WORLD PEACE. JIMMY CARTER SAID THE UNITED STATES WAS WEAK IN WORLD AFFAIRS BECAUSE IT DIDN'T HAVE THE RESPECT OF OTHER NATIONS AND THE SUPPORT OF ITS OWN CITIZENS.

THE CANDIDATES OBVIOUSLY DECIDED BEFORE THE DEBATE THE POINTS THEY WERE GOING TO EMPHASIZE, EVEN IF THEY WEREN'T ASKED ABOUT THEM. IN SOME CASES, SUCH AS A QUESTION ABOUT THE REORDERING OF U.S. PRIORITIES ABROAD TO CONCENTRATE ON DOMESTIC PROBLEMS, WERE ALL BUT IGNORED BY BOTH IN THEIR EAGERNESS TO PRESS HOME THEIR BASIC ARGUMENTS.

CARTER REPEATEDLY CONTENDED THAT U.S. FOREIGN POLICY WAS "CONFUSED," LACKING LEADERSHIP AND MORAL UNDERPINNINGS. FORD RETURNED AGAIN AND AGAIN TO HIS CONTENTION THAT CARTER LACKED THE EXPERIENCE AND KNOWLEDGE NECESSARY TO CONDUCT FOREIGN AFFAIRS AND ASSURE ADEQUATE DEFENSE.

THERE WAS NO "AGGRESSION GAP" BETWEEN THE REPUBLICAN PRESIDENT OR DEMOCRATIC CHALLENGER IN THIS DEBATE.

CARTER ACCUSED FORD OF "DISTORTION" IN DISCUSSING CARTER'S PROPOSALS ON DEFENSE SPENDING AND HIS ATTITUDE TOWARD A COMMUNIST ITALY. AT ONE POINT, HE ARGUED THAT IN THE CONDUCT OF FOREIGN POLICY, HENRY KISSINGER, NOT FORD, WAS THE PRESIDENT.

FORD CAME RIGHT BACK WITH THE SAME DEFENSE CUT FIGURES CARTER DENIED AND SAID THEY WOULD PROVIDE A NATIONAL DEFENSE OF "WEAKNESS."

HE CHARGED CARTER HAD "CONTRADICTED HIMSELF AGAIN" IN CALLING FOR MORE OPENNESS IN FOREIGN POLICY WHILE ADVOCATING "UNPUBLICIZED MEETINGS" WITH THE SOVIET UNION ON THE MIDDLE EAST.

CARTER MAY HAVE MADE SOME POLITICAL HAY WITH FORD'S DEFENSE OF THE HELSINKI AGREEMENT AND HIS OBSERVATION THAT YUGOSLAVIA, ROMANIA AND POLAND WERE NOT UNDER SOVIET DOMINATION. HE NOTED THAT FORD MIGHT GET AN ARGUMENT ABOUT THAT FROM AMERICANS OF THOSE THREE ETHNIC BACKGROUNDS.

FORD, DEMONSTRATING THAT INCUMBENTS CAN DO WHILE CHALLENGERS TALK, REACHED FOR SOME VOTES IN THE JEWISH COMMUNITY WITH HIS ANNOUNCEMENT THAT HE WOULD ORDER THE COMMERCE DEPARTMENT THURSDAY TO REVEAL WHAT U.S. COMPANIES HAD COOPERATED WITH THE ARAB BOYCOTT ON FIRMS DOING BUSINESS WITH ISRAEL.

BOTH MEN SEEMED WELL PREPARED AND NEITHER APPEARED AS NERVOUS OR TENSE AS IN THE FIRST DEBATE. THERE WAS LESS TECHNICAL DETAIL BANDIED ABOUT BY THE DEBATERS, BUT THEY STILL GOT INTO SUCH DIPLOMATIC AND MILITARY JARGON AS "BILATERAL" AND "MULTILATERAL" AGREEMENTS AND "MIRVING" MISSILES.

UPI 10-07 01:01 AED

AD40

R A

PM-MONDALE 10-7

BY WILLIAM E. CLAYTON

OMAHA, NEB. (UPI) -- DEMOCRATIC VICE PRESIDENTIAL CANDIDATE WALTER F. MONDALE SAYS SOME OF THE FOREIGN POLICY POINTS PRESIDENT FORD MADE IN HIS DEBATE WITH JIMMY CARTER WERE "INCONSISTENT WITH THE FACTS" AND "UNREAL."

MONDALE WATCHED THE WEDNESDAY NIGHT FACEOFF IN HIS HOTEL SUITE IN OMAHA, A STOP ON HIS MIDWESTERN TOUR. HIS SCHEDULE FOR TODAY INCLUDED STOPS IN HOUSTON FOR A SPEECH TO THE NATIONAL RURAL ELECTRIFICATION ASSOCIATION AND IN MIAMI FOR MULTIPLE APPEARANCES BEFORE RETURNING TO WASHINGTON FOR THE WEEKEND.

MONDALE SAID THAT IN FORD'S PRESENTATION, "WE HEARD NO PHILOSOPHY, NO DIRECTION, NO CONCERN FOR THE REPRESSION IN CHILE THAT WE HELPED BRING ABOUT; NO CONCERN ABOUT HOW WE HAVE TURNED OUR BACKS ON GREECE, NOW THAT SHE IS A DEMOCRACY, IN THAT DESPERATE DISPUTE OVER CYPRUS; NO DISCUSSION ABOUT HOW WE SUPPORTED PORTUGUESE COLONIAL RULE OVER ANGOLA."

FORD'S FOREIGN POLICY AMOUNTS TO "NO PLAN AT ALL," MONDALE SAID.

HE TOLD REPORTERS, "I THINK THE PRESIDENT MADE A MAJOR ERROR IN EXPRESSING THE BELIEF THAT THE EASTERN EUROPEAN NATIONS WERE AUTONOMOUS AND INDEPENDENT OF SOVIET CONTROL... TO MENTION POLAND AS BEING FREE FROM SOVIET CONTROL IS ABOUT AS UNREAL AS ANYTHING I CAN IMAGINE."

"I HAVE NEVER HEARD A HIGH OFFICIAL MAKE A STATEMENT MORE INCONSISTENT WITH THE FACTS THAN THAT."

MONDALE MADE FARM COUNTRY APPEARANCES WEDNESDAY, ACCUSING THE ADMINISTRATION OF INSENSITIVITY TO THE NEEDS OF FARMERS AND THE ELDERLY. HE ALSO REPEATED HIS THEME THAT FORD TRIED TO THWART WATERGATE INVESTIGATIONS AND REFORMS.

HE TOLD A FARM CROWD IN ELY, IOWA, STANDING IN THE SHADE OF A BIG GRAIN ELEVATOR AND CORN DRIER, "IF YOU HAVE GOT A PRESIDENT WHO DOES NOT HAVE THE GUTS TO STAND UP AGAINST SPECIAL INTERESTS, THEN GET SOMEBODY ELSE."

EVEN IN HIS JOKES, MONDALE BROUGHT UP WATERGATE.

ONCE WHEN THE MICROPHONE WENT DEAD, HE SAID, "SEGRETTI MUST HAVE BEEN HERE," A REFERENCE TO THE "DIRTY TRICKS" MAN OF THE NIXON ADMINISTRATION.

IN OMAHA, HE SAID, "MR. NIXON HID IN THE WHITE HOUSE, AND SO IS MR. FORD HIDING IN THE WHITE HOUSE."

UPI 10-07 06:05 AED

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PM-Economic Rdp, 2 takes, 470-900

By ROBERT A. DOBKIN

AP Labor Writer

WASHINGTON AP - President Ford's economic advisers are concerned that a spate of gloomy economic statistics before the Nov. 2 election will increase public anxiety and put Ford on the defensive.

One administration economist said he expected today's Labor Department report on wholesale prices to show an increase following the August decline. In August, wholesale prices fell one-tenth of 1 per cent, the first drop since February.

The August decline in wholesale prices was largely due to a nearly 3 per cent drop in agricultural prices. Administration economists say that although prices paid farmers continued to decline in September, the drop wasn't as great as in the previous month.

"Because we won't have as large an offset from food, the over-all wholesale price index is likely to be up," one economist said. However, he cautioned against viewing it as a new price acceleration.

Although wholesale prices fluctuate from month to month, the nation's basic inflation rate has remained at about 6 per cent in recent months after falling sharply earlier in the year.

Bad news also is anticipated Friday when the department reports September's unemployment figures, the last to be issued before the election. "We'll be lucky if it goes down a tenth of a point," said L. William Seidman, one of Ford's top economic advisers.

The jobless rate already has increased for three consecutive months and stood at 7.9 per cent in August.

While Ford has claimed credit for "turning the economy around," after the deep recession, the economy's current performance is beginning to take some steam out of the claim.

Seidman, in Manila for an economic conference, said the economic recovery is "more sluggish than we expected." He acknowledged that it could help Democratic presidential candidate Jimmy Carter.

"The economic issue could be important," Seidman said. "It had been one of the strongest things we had going for us. When things turn sluggish, we lose some of the advantage."

In other economic news:

-The Labor Department reported Wednesday that inflation prevented any increase in purchasing power for the average American worker over the past year, despite a 6.5 per cent rise in weekly earnings.

The department said average weekly earnings of persons working full time in wage and salary jobs were \$197 in May, up \$12 or 6.5 per cent from May 1975.

"Since consumer prices rose at about the same pace over this one-year period, the purchasing power of full-time wage and salary workers remained essentially unchanged," the department said.

Since 1967, the first year in which this data was collected, the real weekly earnings average for full-time workers has risen 5.5 per cent, with larger gains shown by adult workers. However, the department said the real weekly earnings for most groups of workers were lower in May than the peak to which they had risen by 1973.

• MORE

0421aED 10-07

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PM-Economic Rdp, 1st Add, 430

WASH: by 1973.

-Alan Greenspan, chairman of the President's Council of Economic Advisers, indicated for the first time that the current economic slowdown could extend through the end of the year.

Greenspan told delegates to the American Bankers Association convention here, "The economy will start moving ahead again in 1977..."

Other administration economists have been saying in recent weeks that they thought the economy would pick up again in the final three months of this year following a slowdown in the second and third quarters.

Arthur Okun, a Brookings Institution economist, told the bankers it is "a little worrisome" that the slowdown in the economy has continued as long as it has.

Greenspan said unemployment remains high because inflation does. "Unless we get inflation under control, there won't be a substantial reduction in unemployment," he said.

But Okun, who debated Greenspan, said the government must find ways to combat inflation without increasing unemployment and suggested a return to wage-price guidelines. Okun, who was chairman of President Lyndon Johnson's Council of Economic Advisers, claimed the guideline worked well. Greenspan disagreed.

-Auto buyers borrowed at a record pace in August to push total consumer installment borrowing up by the largest amount in three months, the Federal Reserve Board reported Wednesday.

Consumer debt outstanding is 9.6 per cent ahead of a year ago.

Other categories of borrowing also showed advances, except for reduction of outstanding debts run up to buy mobile homes or through miscellaneous revolving charge accounts.

The growth confirmed the assumptions of some analysts that there is room for further growth in consumer demand through use of credit. Consumers had cut back their debts during the recession, and some analysts feel they might borrow more heavily than they have in recent months if they become more confident over their economic futures.

-Two metropolitan areas were dropped in September from the government's list of major labor areas with unemployment rates greater than 6 per cent, the Labor Department announced Wednesday.

This reduced the number of areas on the department's "substantial unemployment," list to 115. There are 150 major labor areas.

"Substantial unemployment," means an area has a jobless rate of 6 per cent or more, discounting seasonal factors, and the rate is expected to continue for at least two more months.

Dropped from the list in September were Minneapolis-St. Paul and Salt Lake City-Ogden.

0429aED 10-07

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PM-GOVS 10-7

BY ARNOLD SAWISLAK

WASHINGTON (UPI) -- REPUBLICANS, WHO HOLD LESS THAN ONE-THIRD OF THE NATION'S STATEHOUSES, APPEAR LIKELY TO PICK UP ONLY ONE GOVERNORSHIP IN THE NOV. 2 ELECTIONS, A UNITED PRESS INTERNATIONAL SURVEY SHOWED TODAY.

THE ASSESSMENT OF PROSPECTS IN THE 14 STATES ELECTING GOVERNORS THIS YEAR WAS BASED ON AVAILABLE POLLS AND POLITICAL ESTIMATES FROM UPI BUREAUS.

IT SHOWED REPUBLICANS CAPTURING THREE STATEHOUSES NOW HELD BY DEMOCRATS, AND DEMOCRATS OUSTING THE GOP IN TWO, WITH ONE STATE RATED AS A TOSSUP. ONE GOP NET PICKUP WOULD CHANGE THE LINEUP OF GOVERNORS TO 35 DEMOCRATS, 14 REPUBLICANS AND ONE INDEPENDENT, JAMES LONGLEY OF MAINE.

THE BIGGEST STATE EXPECTED TO TURN OVER IS ILLINOIS, WHERE REPUBLICAN JAMES THOMPSON HOLDS A STRONG LEAD OVER DEMOCRAT MICHAEL HOWLETT.

HOWLETT, THE ILLINOIS SECRETARY OF STATE, DEFEATED INCUMBENT DEMOCRATIC GOV. DANIEL WALKER IN A BITTER PRIMARY LAST SPRING. THOMPSON, THE FORMER U.S. ATTORNEY FOR NORTHERN ILLINOIS, MADE A BIG REPUTATION IN CHICAGO FOR PROSECUTING POLITICAL CORRUPTION, INCLUDING A NUMBER OF ASSOCIATES OF CHICAGO MAYOR RICHARD J. DALEY.

OTHER REPUBLICAN GAINS EXPECTED THIS YEAR ARE IN DELAWARE, WHERE REP. PIERRE DUPONT, A REPUBLICAN, IS FAVORED TO OUST DEMOCRATIC GOV. SHERMAN TRIBBIT, WHO HAS HAD WOES WITH HIS PRISON SYSTEM IN HIS FIRST TERM; AND UTAH, WHERE GOP ATTORNEY GENERAL VERNON ROMNEY LEADS DEMOCRAT SCOTT MATHESON FOR THE SEAT OF RETIRING GOV. CALVIN RAMPTON.

THE DEMOCRATS ARE EXPECTED TO CUT THEIR LOSSES WITH WINS IN NORTH CAROLINA, WHERE DEMOCRATIC LT. GOV. JAMES HUNT LEADS DAVID FLAHERTY FOR THE SEAT OF OUTGOING GOP GOV. JAMES HOLSHOUSER; AND WEST VIRGINIA, WHERE DEMOCRAT JAY ROCKEFELLER IS BELIEVED THE FRONT-RUNNER AGAINST FORMER GOV. CECIL UNDERWOOD FOR THE SEAT OF RETIRING GOP GOV. ARCH MOORE.

NEW HAMPSHIRE, WHERE REPUBLICAN GOV. MELDRIM THOMSON IS CHALLENGED BY DEMOCRATIC STATE SEN. HARRY SPANOS, IS REGARDED AS A TOSSUP RACE.

STATES WHERE REPUBLICANS ARE BELIEVED SAFE ARE INDIANA, WHERE GOV. OTIS BOWEN LEADS SECRETARY OF STATE LARRY CONRAD; MISSOURI, WHERE GOV. CHRISTOPHER BOND IS AHEAD OF DEMOCRAT JOSEPH TEASDALE; AND WASHINGTON, WHERE KING COUNTY (SEATTLE) EXECUTIVE JOHN SPELLMAN APPEARS TO BE AHEAD OF DEMOCRAT DIXIE LEE RAY, FORMER CHAIRMAN OF THE ATOMIC ENERGY COMMISSION, FOR THE SEAT OF RETIRING GOP GOV. DANIEL EVANS.

DEMOCRATS ARE LEADING FOR SEATS THEY ALREADY HOLD IN ARKANSAS, WHERE GOV. DAVID PRYOR IS FAR AHEAD OF THE GOP'S LEON GRIFFITH; MONTANA, WHERE GOV. THOMAS JUDGE LEADS REPUBLICAN ROBERT WOODAHL; NORTH DAKOTA, WHERE GOV. ARTHUR LINK IS SEEN AHEAD OF GOP CHALLENGER RICHARD ELKIN; RHODE ISLAND, WHERE VETERAN LT. GOV. JAMES J. GARRAHY IS THE FAVORITE OVER CRANSTON MAYOR JAMES TAFT TO SUCCEED GOV. PHILIP NOEL; AND VERMONT, WHERE SECRETARY OF STATE STELLA HACKEL IS IN LINE TO BECOME THE NATION'S SECOND WOMAN GOVERNOR IN HER CONTEST WITH RICHARD SNELLING, THE STATE'S HOUSE REPUBLICAN LEADER FOR THE SEAT OF RETIRING GOV. THOMAS SALMON.

UPI 10-07 06:16 AED

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-Economic Rdp, 1st Ld, a025

BULLETIN

WASHINGTON AP - Wholesale prices soared nine-tenths of 1 per cent in September, the sharpest increase in 11 months, due primarily to higher costs for farm products and a broad range of industrial goods, the government reported today.

1001aED 10-07

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PM-Economic Rdp, 1st Ld - 1st Add, a076, 280

URGENT

WASHN: reported today.

The Labor Department report indicated strong inflationary pressure in the economy, and was certain to provide Democrat Jimmy Carter and other administration critics with fresh ammunition in the presidential campaign.

President Ford's economic advisers were concerned that today's statistics, as well as some yet to come before the Nov. 2 election, would increase public anxiety and put their man on the defensive.

The September increase was the largest since wholesale prices rose 1.1 per cent last October. It followed a decline of one-tenth of 1 per cent in August, and increases which averaged three-tenths of 1 per cent in the three preceding months.

The new surge in prices is likely to mean higher costs ahead for consumers, since changes at the wholesale level are generally followed at the retail level.

The increases probably will be reflected first at supermarket counters, since at least part of the food price hikes at the farm level usually are passed along to shoppers within a short time.

Consumer finished foods - that is, goods ready for sale on grocery shelves - rose seven-tenths per cent last month, following declines in each of the preceding three months.

Farm prices rose 1.9 per cent last month, following declines of 2.9 per cent in August and 1 per cent in July. Processed foods and feeds were up one-half per cent in September, after also declining in July and August.

Industrial commodity prices increased nine-tenths per cent, the largest rise since a 1.2 per cent advance last October.

Economists usually are more concerned about price trends for industrial commodities as an indication of the underlying inflationary pressures in the economy, since they are less volatile than farm prices.

The August: 3rd graf a4110.

By ROBERT A. DOBKIN

AP Labor Writer

1008aED 10-07

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PM-PRICES 3TAKES 10-7

BULLETIN

BY SARA FRITZ

WASHINGTON (UPI) -- WHOLESALE PRICES JUMPED 0.9 PER CENT IN SEPTEMBER, RETURNING TO A DOUBLE-DIGIT ANNUAL RATE FOR THE FIRST TIME IN NEARLY A YEAR, THE LABOR DEPARTMENT REPORTED TODAY.

MORE

UPI 10-07 09:59 AED

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PM-PRICES 1STADD A070 10-7

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X X X REPORTED TODAY.

THE INFLATIONARY SURGE, REFLECTING A 10.8 PER CENT ANNUAL RATE, WAS A DRASTIC REVERSAL OF A RECENT COOLING TREND THAT SAW WHOLESALE COSTS DECLINE 0.1 PER CENT IN AUGUST. NOT SINCE LAST OCTOBER HAVE THESE PRICES RISEN AS SHARPLY.

A SHARP RISE IN FARM PRICES COMBINED WITH AN UNUSUALLY BIG INCREASE FOR INDUSTRIAL COMMODITIES TO PRODUCE THE SEPTEMBER INCREASE, WHICH IS CERTAIN TO PROMOTE FEARS OF A RESURGENCE OF INFLATION AND EMBARRASS PRESIDENT FORD IN THE WANING DAYS OF HIS CAMPAIGN.

FORD HAS PEGGED HIS ENTIRE ECONOMIC PROGRAM ON CLAIMS THAT HIS CONSERVATIVE POLICIES ARE CONTROLLING INFLATION. DEMOCRATIC PRESIDENTIAL CANDIDATE JIMMY CARTER CONTINUES TO EMPHASIZE THAT INFLATION REMAINS HIGH BY HISTORICAL STANDARDS.

FARM PRICES JUMPED 1.9 PER CENT IN SEPTEMBER FOLLOWING SUBSTANTIAL DECLINES IN THE PAST TWO MONTHS. FOOD PRICES ROSE 0.5 PER CENT, ALSO A REVERSAL OF RECENT TRENDS.

INDUSTRIAL PRICES ROSE 0.9 PER CENT -- THE BIGGEST INCREASE IN NEARLY A YEAR. THIS COMPARED TO AVERAGE MONTHLY INCREASES OF 0.6 PER CENT OVER THE PAST THREE MONTHS, AND AN AVERAGE INCREASE OF 0.2 PER CENT IN EACH OF THE FIRST FIVE MONTHS OF THE YEAR.

MORE

UPI 10-07 10:04 AED

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PM-PRICES 2NDADD A070 10-7

X X X THE YEAR.

EXCEPT FOR A SLIGHT SURGE LAST SPRING, WHOLESALE PRICE INCREASES HAVE BEEN RELATIVELY COOL SINCE THE LAST BIG MONTHLY INCREASE OF 1.1 PER CENT IN OCTOBER, 1975. WHOLESALE PRICES HAVE EVEN DECLINED IN THREE MONTHS DURING THE PAST YEAR.

THE WHOLESALE PRICE INDEX STOOD AT 184.7 IN SEPTEMBER, AN INCREASE OF 3.9 PER CENT OVER A YEAR AGO. THIS MEANT THAT WHOLESALE GOODS COSTING \$100 IN 1967, NOW COST \$184.70.

THE LARGE INCREASE IN INDUSTRIAL PRICES WAS MORE ALARMING TO ECONOMISTS, BECAUSE THESE PRICES ARE LESS VOLATILE AND MAKE UP ABOUT 70 PER CENT OF THE INDEX.

PRICES INCREASED SHARPLY FOR WOOD PRODUCTS, FUELS, RUBBER AND PLASTIC PRODUCTS AND TRANSPORTATION EQUIPMENT. ALSO UP WERE PRICES FOR MACHINERY AND EQUIPMENT, METALS AND METAL PRODUCTS AND CHEMICALS.

OVER THE PAST THREE MONTHS, INDUSTRIAL PRICES HAVE RISEN AT AN OMINOUS COMPOUND ANNUAL RATE OF 9.6 PER CENT -- COMPARED TO DECLINES OF 11 PER CENT FOR FARM AND FOOD PRICES.

AMONG THE FARM PRODUCTS, OILSEEDS AND RAW COTTON PRICES ROSE SHARPLY IN SEPTEMBER. PRICES FOR FRUITS AND VEGETABLES, GREEN COFFEE AND COCOA BEANS ALSO ROSE. THIS MORE THAN OFFSET DECLINES IN THE PRICES OF GRAIN, HOGS, LIVE POULTRY, EGGS AND CATTLE.

AFTER DECLINING IN AUGUST, PRICES WERE UP FOR PROCESSED FATS AND OILS, MANUFACTURED ANIMAL FEEDS, MEATS AND FISH. SUGAR, CEREAL AND BAKERY PRICES CONTINUED TO DECLINE, HOWEVER, AND PROCESSED POULTRY AND DAIRY PRODUCTS ALSO WERE DOWN.

UPI 10-07 10:15 AED

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PM-Debate-Kissinger, 220

NEW YORK AP - Secretary of State Henry A. Kissinger indicated today he is not as comfortable with Jimmy Carter's foreign policy as he had been before watching the Democratic presidential candidate debate President Ford.

Kissinger was asked if he still thought he could live with Carter's foreign policy. "Since he developed the full complexity of his thought, I would make my comment a little more qualified," Kissinger responded.

Kissinger has said several times in recent months that he could live with Carter's foreign policies as the secretary understood them.

The secretary was also asked if he agreed with President Ford's statement that Poland, Yugoslavia and Romania were not under Soviet domination.

Kissinger said Ford was only indicating the United States would not accept Russian domination of Eastern Europe.

When it was pointed out the Ford had said there was no Soviet domination of these countries, Kissinger appeared exasperated and said: "I can only give you the interpretation I gave to those remarks."

Kissinger's remark differed slightly from the statement by Brent D. Scowcroft, the White House national security adviser, who said, "I think what the President wanted to say is that we don't recognize Soviet domination of Eastern Europe."

1013aED 10-07

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PM-Ford Finances, 300

WASHINGTON AP - Despite White House assertions that the examination of Gerald R. Ford's finances before he became vice president in 1973 was exhaustive, "questions are now arising about the thoroughness" of the government inquiry, the Wall Street Journal said today.

"It now also is clear that only a few congressmen or senators had received an IRS audit report on Mr. Ford in time to read it before questioning him at his confirmation hearings," the Journal said.

The Journal said it had obtained a copy of a 13-page IRS report on Ford's tax returns from 1967 to 1972 and said its authenticity was confirmed by Philip Buchen, the President's White House counsel. It raises several questions not pursued by congressional committees, the Journal said, for example:

- IRS agents determined Ford got along in 1972 with about \$5 a week in pocket money, a "figure that 'surprised' even Mr. Ford," Buchen responded Ford needed very little personal cash at the time.

- Four times in 1972 checks were written on a political account known as the Gerald R. Ford Fifth District account to pay for clothing. IRS agents determined the expenses personal and docked the Fords for a tax of \$435.77 on the items.

- On Nov. 20, 1972, Ford paid \$1,167 for a family ski vacation out of the same Fifth District account. The IRS indicated the money was not repaid until a year later, though Buchen, the Journal said, claimed the account was reimbursed 16 days after the expenditure.

Reports surfaced last month that the special Watergate prosecutor, Charles Ruff, had renewed the examination of Ford's past political campaigns. Though Ruff would not comment, Ford told reporters he had been given "a clean bill of health" before becoming vice president.

Only a few congressmen saw the IRS report before Ford was confirmed, the Journal said, adding: "Although the IRS appears satisfied with Mr. Ford's personal accounting of his finances for the years involved, there are indications Prosecutor Ruff has asked the White House for President Ford's personal financial records."

1035aFD 10-07

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PM-Business Mirror, Adv 08, 2 takes, 360-640

\$ADV 08

For release Fri Pms Oct. 8

By JOHN CUNNIFF

AP Business Analyst

NEW YORK AP - Financial institutions and economic and stock market forecasters here are seeking to counter the growing concern about the economy with an expressions of confidence that the expansion will continue.

Nevertheless, some forecasts that appear to be aimed at counterbalancing the spate of weak statistical indicators are less buoyant than a few months ago.

The emphasis on positive news is exemplified by a statement prepared by Citibank, the nation's second largest commercial bank, for use in television and radio broadcasts this week. Captioned "Continuing Recovery," it begins:

"The nation's business recovery has not run out of steam and should move ahead in the coming months . . . economists at Citibank say."

The statement continues with an explanation that "recoveries from deep recessions and double-digit inflation are never smooth," and that "the outlook for continued recovery, despite the gloom and uncertainty caused by presidential campaign statements, is very good."

In another commentary released to professional clients this week, Citibank casts doubt on certain economic measurements that contributed to the sharp decline in the composite index of leading indicators in August.

It called some of the ingredients of that indicator "somewhat suspect" and said "any substantial degree of pessimism is unwarranted." It concludes that "the economy will follow the same moderate course it has for the past three months."

Since the past three months have generally been thought to represent the so-called pause, the forecast of a continuation would appear at least superficially to mean a future economy that is less than vigorous.

Morgan Guaranty Trust Co. issued a news release that began with the optimistic reports that "signs of renewed strength in the U.S. economy - especially in the consumer area," are being noted.

It states that "The economy gives signs of having shaken the summer doldrums and of settling into a satisfactory growth phase, one that is slower than early this year but nonetheless solidly upward."

Rinfret Associates, Inc. notes that "In the simplest of terms, the economy is slowing down, unemployment is rising, areas which should be picking up at this stage of the business cycle are not. . ."

MORE

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PM-Business Mirror, Adv 08, 1st add: not. . ."

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For release Fri Oct. 8

NEW YORK: not...."

It concludes, however, that a slowdown is not to be confused with imminent recession.

"The economy is advancing slowly, hesitantly and cautiously. A recession is not in the offing but neither is a vigorous economic expansion. It looks as if 1977 will be a positive year, but unless additional stimulants are put into the economy it will be a modest growth year."

Argus Research Corp. whose outlook is retailed by many financial and stock market firms throughout the country, refers to the outpouring of poor economic indicators, but observes that forces are at work that should lead to an improvement.

"For one thing, commodity prices have continued to drift lower since their early July peaks. For another, productivity growth should remain vigorous for another several quarters. Personal income is likely to increase substantially faster than the general price level. . ."

It concludes that "we can expect an excellent Christmas season for retailers, a rise in auto sales once the strike at Ford is settled, and generally strong consumer spending through at least the first half of 1977."

Two closely watched econometric forecasts, who use numerical input-output models of the economy, look for expansion in 1977 but hardly one to resemble that of early 1976.

The Wharton Econometric Forecasts calls for a rise in Gross National Product of 5 per cent compared with an estimated 6.5 per cent this year. It foresees inflation rising a full percentage point.

Data Resources, of Lexington, Mass., forecasts a "reacceleration is in store for later in 1976 and 1977, but expects "only a moderate recovery in real GNP, 7 per cent compared with the 8.2 per cent average of previous episodes."

End Adv Fri Pms Oct. 8. Sent Oct. 7

1143aED 10-07

a086

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PM-Economic Rdp, 2nd Ld, a076, 110

By ROBERT A. DOBKIN

AP Labor Writer

WASHINGTON AP - Sharp hikes in farm products and most major industrial goods boosted over-all wholesale prices by nine-tenths of 1 per cent in September, the largest increase in 11 months, the government reported today.

The Labor Department figures indicated strong inflationary pressure in the economy, and was certain to provide Democrat Jimmy Carter and other administration critics with fresh ammunition in the presidential campaign.

President Ford's economic advisers were concerned that today's statistics, as well as some yet to come before the Nov. 2 election, would increase public anxiety and put their man on the defensive.

If projected over 12 months, the wholesale price rise reported today would work out to an annual rate of 10.8 per cent.

The September: 4th graf

1050aED 10-07

a087

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PM-Economic Rdp, 1st Ld - 2nd Add, a076-77, 300

WASHINGTON: farm prices.

The Labor Department said the wholesale price index in September stood at 184.7, meaning that goods which cost \$100 at the wholesale level in 1967 cost \$184.70 last month.

On the positive side, wholesale prices over the past 12 months have risen 3.9 per cent, marking the smallest rise over a 12-month period since last November when they were up 3.7 per cent over the year.

All prices are adjusted to account for seasonal influences. Unadjusted, the wholesale price rise last month was five-tenths of a per cent.

Among farm products, prices were higher for oilseeds, raw cotton, fruits, vegetables, green coffee and cocoa beans.

Prices of grains and hogs declined last month but at a smaller rate than in August, while prices for live poultry, eggs and cattle turned down in September after increasing in the previous month.

Automobiles, gasoline, wood products, rubber and plastics rose sharply at the wholesale level in September, the department said.

Among the 12 major industrial groups, only prices for textile products and apparel declined in September.

Prices of crude materials dropped five-tenths of a per cent last month, following increases over the past six months.

The price index for finished goods, including both consumer and producer finished goods, was up nine-tenths of a per cent last month.

Among individual price changes, the government reported prices for fresh and dried fruits and vegetables up 13.1 per cent last month; plant and animal fibers up 2.8 per cent; fluid milk up 1.4 per cent; footwear up 1.2 per cent; refined petroleum products up nine-tenths of a per cent, and rubber and plastic products up 1.6 per cent.

Among declines, grain prices were off 1 per cent; livestock down 2.8 per cent; live poultry down 7.9 per cent; textile products off one-tenth of a per cent, and waste paper down 1.3 per cent.

The August: 3rd graf a4110.

1056aED 10-07

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PM-BOYCOTT 1STLD PICKUP5THGRAF A043 10-7

BY DON PHILLIPS

WASHINGTON (UPI) -- PRESIDENT FORD PROMISED THE AMERICAN PUBLIC WEDNESDAY NIGHT THAT THE COMMERCE DEPARTMENT WOULD IDENTIFY U.S. COMPANIES WHICH AIDED IN THE ARAB BOYCOTT OF ISRAEL.

BUT A COMMERCE SPOKESMAN, ADMITTING HIS AGENCY WAS CAUGHT OFF GUARD BY FORD'S ANNOUNCEMENT, SAID TODAY IT WOULD NOT RELEASE THOSE NAMES OF FIRMS WHICH HONORED THE BOYCOTT IN THE PAST -- ONLY THOSE WHO DO SO "IN THE FUTURE."

"WHAT IS UNCERTAIN IS THE DATE WHEN WE SHALL BEGIN DISCLOSURE," THE SPOKESMAN SAID. THAT DATE WILL HAVE TO BE DETERMINED BY THE PRESIDENT, HE SAID.

IN WEDNESDAY NIGHT'S PRESIDENTIAL DEBATE IN SAN FRANCISCO, FORD SAID THAT "BECAUSE THE CONGRESS FAILED TO ACT, I'M GOING TO ANNOUNCE TOMORROW THAT THE DEPARTMENT OF COMMERCE WILL DISCLOSE THOSE COMPANIES THAT HAVE PARTICIPATED IN THE ARAB BOYCOTT. THIS IS SOMETHING THAT WE CAN DO; THE CONGRESS FAILED TO DO IT AND WE INTEND TO DO IT.

BUT THE COMMERCE SPOKESMAN SAID IT WAS THE DEPARTMENT'S UNDERSTANDING THAT FORD DID NOT MEAN HE WOULD RELEASE THE NAMES OF COMPANIES THAT HAVE PARTICIPATED IN THE BOYCOTT IN THE PAST -- ONLY THOSE COMPANIES THAT DO SO IN THE FUTURE.

THE SPOKESMAN ALSO SAID THE FORD PLEDGE CAME AS A SURPRISE TO THE DEPARTMENT.

HE SAID THE DEPARTMENT KNEW THAT HE FAVORED PUBLISHING THE NAMES OF THE COMPANIES, WHO ARE NOW REQUIRED BY LAW TO INFORM THE DEPARTMENT BOTH OF BOYCOTT REQUESTS AND OF THE ACTION THE COMPANY PLANS TO TAKE, HE SAID, BUT DID NOT KNOW THE ANNOUNCEMENT WAS IMMINENT.

PICKUP 5THGRAF: FORD

UPI 10-07 10:

A078

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PM-REACT 10-7

BY LEWIS LORD

UNITED PRESS INTERNATIONAL

A NATIONAL POLL WHICH SHOWED PRESIDENT FORD WINNING THE FIRST PRESIDENTIAL CAMPAIGN DEBATE REPORTED TODAY THAT JIMMY CARTER WON THE SECOND ONE.

AN ELMO ROPER POLL FOR THE PUBLIC BROADCASTING SERVICE INDICATED THAT 40 PER CENT OF THE 300 PERSONS IN A SURVEY CONSIDERED CARTER THE WINNER, 30 PER CENT REGARDED FORD THE VICTOR, AND 30 PER CENT CALLED IT A DRAW.

A SIMILAR ROPER POLL FOLLOWING THE INITIAL DEBATE SEPT. 23 HAD SHOWN FORD CONSIDERED THE WINNER BY 39 PER CENT, CARTER BY 31 PER CENT, AND 30 PER CENT REGARDING IT A DRAW.

EACH CANDIDATE CLAIMED VICTORY, AND THEIR PARTISANS, AS THEY DID TWO WEEKS AGO, WERE QUICK TO AGREE. "I FELT EVEN BETTER THAN THE LAST TIME," SAID FORD.

"I THINK I WON BUT I THINK PRESIDENT FORD THINKS THE SAME," CARTER REMARKED.

MARY LOUISE SMITH, THE GOP NATIONAL COMMITTEE CHAIRMAN, SAID CARTER "FAILED TO SAY WHAT HE WOULD DO WHEN ASKED ON SPECIFIC ISSUES."

DEMOCRATIC CHAIRMAN ROBERT STRAUSS SAID CARTER WAS "CONFIDENT AND TOUGH."

"IN FAIRNESS TO THE PRESIDENT, HE WAS DEFENDING A VERY BAD FOREIGN POLICY AND THAT MAKES A DIFFERENCE," STRAUSS SAID.

WHITE HOUSE PRESS SECRETARY RON NESSEN SAID HE MIGHT SEEK A FORMAT CHANGE FOR THE NEXT DEBATE SO CARTER WILL BE "REQUIRED TO TALK ABOUT THE QUESTION ... WHICH HE DID NOT DO TONIGHT."

"WE'RE PUZZLED, BUT WE'RE OBVIOUSLY ELATED," NESSEN SAID. "IT WAS A TKO IN THE FIRST ROUND. CARTER NEVER CAME OUT OF HIS CORNER, IN EFFECT, BECAUSE HE NEVER GOT ONTO THE SUBJECT OF THE DEBATE."

GERALD RAFSHOON, CARTER'S MEDIA DIRECTOR, SAID CARTER WAS MORE RELAXED THAN IN THE FIRST DEBATE.

"HE DIDN'T HAVE ANY AWE OF THE PRESIDENCY," RAFSHOON SAID. "HE HAD A CONVERSATION WITH THE AMERICAN PEOPLE. HE MANAGED TO GET HIS THEMES OVER. FORD WAS VERY DEFENSIVE."

"GOV. CARTER'S HAD NO EXPERIENCE," SAID SEN. ROBERT DOLE, THE GOP VICE PRESIDENTIAL NOMINEE. "ALL HE DID WAS NITPICK THROUGHOUT THE 90 MINUTES."

SEN. BARRY GOLDWATER, R-ARIZ., THE GOP PRESIDENTIAL NOMINEE 12 YEARS AGO, SAID -- EVEN BEFORE THE DEBATE ENDED -- "IF THE AMERICAN PEOPLE WERE WORRIED ABOUT MY FOREIGN POLICY IN 1964, THEY MUST BE SCARED TO DEATH AFTER LISTENING TO JIMMY CARTER OUTLINE HIS THIS YEAR."

SEN. EDWARD M. KENNEDY, D-MASS., SAID CARTER "PROVED TONIGHT THAT HE CAN MAKE AMERICA A STRONG AND EFFECTIVE LEADER IN WORLD AFFAIRS."

"THIS IS A MAN THE AMERICAN PEOPLE CAN TRUST TO MAKE DECISIVE EFFORTS TO RESTORE CONFIDENCE IN OUR FOREIGN POLICY, PROMOTE HUMAN VALUES, AND MEET THE CHALLENGES FACING OUR COUNTRY IN THE YEARS AHEAD," KENNEDY SAID.

"I FIND IT HARD TO EVALUATE A WINNER," SAID SEN. CHARLES PERCY, R-ILL. "I THINK THE PRESIDENT OBVIOUSLY WAS UNDER A GREATER STRAIN." HE SAID CARTER WAS MORE COMPOSED THAN IN THE FIRST DEBATE.

DUPLICATE TO B-WIRE

UPI 10-07 10:46 AED

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PM-EXPERTS 10-7

BY CHARLES PENTECOST

LEXINGTON, KY. (UPI) -- DEBATE COACHES AND FORENSIC TEACHERS FROM THROUGHOUT THE NATION TODAY GAVE DEMOCRATIC PRESIDENTIAL NOMINEE JIMMY CARTER AN 8-1 VICTORY OVER PRESIDENT FORD IN WEDNESDAY NIGHT'S TELEVISED DEBATES.

THE DEBATE COACHES WERE HERE TO JUDGE THE TWO-DAY COLLEGE ROUND ROBIN DEBATE TOURNAMENT ON THE UNIVERSITY OF KENTUCKY CAMPUS.

DR. J. W. PATTERSON, DIRECTOR OF DEBATE AT UK, WHO VOTED FOR FORD AS WINNER OF THE FIRST DEBATE, SAID HE BELIEVES CARTER WON THE SECOND.

"IN TERMS OF CARRYING A MAJORITY OF THE ISSUES, ANALYSIS OF THOUGHT, THE WAY HE HANDLED EVIDENCE, THE WAY HE REASONED, THE WAY HE ADAPTED DIRECTLY TO THE QUESTIONS POSED, I THOUGHT CARTER DID THE BETTER JOB.

"YOU UNDERSTAND, I THOUGHT MANY, MANY TIMES BOTH OF THEM WERE INDIRECT AND WENT OFF ON TANGENTS. IT WASN'T ALL BLACK AND WHITE. I JUST THOUGHT CARTER WAS LESS SO.

"EVEN IF ONE IS PRONE TO TEST THE DEBATERS FROM THE STANDPOINT OF IMAGE -- AND I THINK MANY OF THE VOTERS ARE -- I THOUGHT CARTER HAD THE STRONGER IMAGE, WHEREAS THE FIRST TIME I THOUGHT FORD DID. BUT IN THE TERMS OF THE THINGS DEBATE JUDGES LOOK FOR, I THOUGHT CARTER WON," DR. PATTERSON ADDED.

DR. JAMES UNGER, DIRECTOR OF FORENSICS OF GEORGETOWN UNIVERSITY, WASHINGTON, WHO CAST THE DISSENTING VOTE FOR FORD, SAID, "I THOUGHT PRIMARILY THAT GOVERNOR CARTER WAS PRESSING TWO ISSUES--EXCESSIVE SECRECY IN U.S. FOREIGN POLICY AND A LACK OF MORALITY IN FOREIGN POLICY. YET AT THE SAME TIME, I FELT HE WAS UNABLE TO RELATE THOSE TWO PRINCIPLES TO THE SPECIFIC CONDUCT OF FOREIGN AFFAIRS UNDER A CARTER ADMINISTRATION.

PROF. ROBERT COX, OF THE UNIVERSITY OF NORTH CAROLINA, ONE OF THE SEVEN GIVING CARTER THE NOD, SAID, "ON SECRECY AND FOREIGN POLICY, CARTER DID SUGGEST A WAY THE PUBLIC SHOULD BE BROUGHT INTO THAT PROCESS-BY BIPARTISAN CONSULTATION WITH LEADERS IN CONGRESS AND WITH THE FOREIGN POLICY LEADERS IN CONGRESS...SUCH AS PRESIDENT TRUMAN DID.

"AS A SECOND ISSUE CARTER SAID HE WOULD DIFFER FROM FORD IN RESPONSE TO ANOTHER OIL EMBARGO BY THE ARABS BY SAYING HE WOULD INSTITUTE AN ECONOMIC EMBARGO IN RETURN ON THE ARAB COUNTRIES...AND THIRD AND LAST, WAS PRESIDENT FORD'S RESPONSE ON THE MAYAGUEZ INCIDENT. FORD APPEARED SENSITIVE TO THE CRITICS WHO 18 MONTHS LATER SUGGESTED HE HAD HANDLED IT INCORRECTLY. HE APPEARED MORE SENSITIVE TO THE CRITICISM WHICH CAME LATER, BUT DID NOT ANSWER THE CRITICISM," COX ADDED.

UPI 10-07 11:30 AED

a090

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BC-Foreign Reaction, 490

With Debate

By The Associated Press

Initial foreign reaction to the second U.S. presidential campaign debate focused on exchanges between President Ford and Jimmy Carter dealing with the Mideast and on the President's declaration that Eastern Europe is not dominated by the Soviet Union.

The Democrat nominee's attack forced Ford to retreat on his administration's attitude toward the anti-Israeli boycott, a Tel Aviv newspaper reported. And Ford may have committed a "major gaffe," with his statements on Eastern Europe, a London newspaper said.

The Soviet news media ignored the debate Thursday, apparently waiting for a review by Kremlin officials.

The official radio of the Greek government emphasized postdebate polls showing that Carter apparently had won the debate. The Greeks have been blaming Ford and Secretary of State Henry A. Kissinger for the continued Turkish occupation of northern Cyprus.

The conservative Tel Aviv paper Maariv said in an editorial that the debate was "an argument for the benefit of Jewish voters." It said Ford "was pushed onto the defensive by Carter's accusation that the administration acts with tolerance toward the Arab boycott on trade with Israel."

As a result "Ford had no choice but to change his position and announce he would order the disclosure of names of firms surrendering to the boycott," Maariv said.

"Ford Drops 'Red Empire' Clanger," the London Evening News headlined its front-page report from New York correspondent Jeffrey Blyth.

"President Ford stunned millions of TV viewers last night by declaring that 'there is no Soviet domination of Eastern Europe under a Ford administration and there never will be,'" Blyth reported.

"Political observers said Mr. Ford had committed a major gaffe and Democrats accused him of ignoring the human rights of millions of people under Communist rule," he wrote.

In its report, the official Yugoslav news agency Tanjug did not comment on the issue but told its readers that Ford "said that some countries of Eastern Europe, among which he listed Yugoslavia, 'are not subjugated' and that their people believe in their autonomy and freedom."

The London Evening Standard report from Washington correspondent Jeremy Campbell was headlined: "Carter Masters Ford and TV."

Claiming that Carter was "dry-mouthed and stuttery," in the first debate, Campbell wrote that "this time he was aggressive, even rude in one or two asides, sat down whenever he felt like it and smiled indulgently at Mr. Ford's glowing account of the foreign policy triumphs of the last two years."

Israeli officials let it be known that they disagreed with Ford's argument that arms sales to Saudi Arabia benefit Israel because the block Soviet expansion in the Mideast. "It is very, very difficult for Israel to accept," that view, said one official. He stressed that this was a continuing dispute with Washington and that he was not commenting directly on the debate.

1121aED 10-07

a092

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PM-Debate, 1st Ld-Insert; a037, 130
SAN FRANCISCO, to update, insert after 24th graf: Asked how . . .
Eastern Europe.,,

In New York, Secretary of State Henry A. Kissinger, who had said earlier he could live with Carter's foreign policy, indicated today he is less comfortable with Carter's positions as a result of the debate.

"Since he developed the full complexity of his thought, I would make my comment a little more qualified," Kissinger said.

Asked if he agreed with Ford's statement that Poland, Yugoslavia and Romania are not under Soviet domination, Kissinger said the President was indicating that the United States would not accept Russian domination of Eastern Europe.

When it was pointed out that Ford said there was no Soviet domination of that area, Kissinger appeared exasperated and said: "I can only give you the interpretation I gave to those remarks." ..

Stuart Spencer: 25th graf
1130aED 10-07

a089

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PM-Vietnam-IMF, 240

MANILA, The Philippines AP - In its first major statement to the international economic community, Vietnam today accused the United States of refusing to help it rebuild and demanded an end to the freezing of the new government's assets in U.S. banks.

In an address before the joint annual meetings of the International Monetary Fund - IMF - and the World Bank, Vice Minister Tran Duong said help from the fund and the bank was especially needed because of war devastation. He said such help was "all the more meaningful at this time in that the power which caused so much devastation in our country continues to evade its responsibility to contribute to healing these wounds."

Duong was conciliatory toward the rest of the world. He said Vietnam was "working to diversify and develop its economic relationship with all countries."

The speech was the first to an annual meeting by the Communist regime, which replaced the former American-backed Saigon government in both organizations in September.

Duong said Vietnam demands "an end to all discriminatory practices against Vietnam, especially the freezing of accounts and assets of the Vietnamese government and people in American banks."

The United States has not established diplomatic relations with Vietnam and opposed Hanoi's membership in the bank and fund.

The United Nations Development Program - UNDP - has allocated \$45 million in the next five years for grants and assistance to Vietnam, UNDP administrator Bradford Morse told newsmen here today.

The United States is the largest contributor to the UNDP, but Morse indicated there had been no U.S. objection to the allocation.

1112aED 10-07

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-Debate, 2nd Ld, a037, 490

URGENT

By DONALD M. ROTHBERG

AP Political Writer

SAN FRANCISCO AP - Jimmy Carter today called President Ford's assertion that Eastern Europe is not under Soviet domination "ridiculous," and said the statement made in Wednesday night's debate showed Ford is confused about this country's principles.

"I understand Polish-Americans for Ford is disbanding," the Democratic presidential candidate joked in an appearance before a labor leaders' group. It was his first comment on the Ford statement that helped set off shock waves among diplomat and politicians after the debate on foreign policy and defense.

An Associated Press poll among voters gave Carter a narrow edge in the debate, which thrust foreign and defense policy to the forefront of the presidential campaign.

Sharp reaction to the President's remark on Eastern Europe came from many quarters, but his pronouncement on the Arab boycott of business firms dealing with Israel, and a hard line by Carter on the Panama Canal Zone, also stirred morning-after controversy.

Ford stunned some Democratic members of Congress and perhaps many Republicans as well when he announced during the debate that the Department of Commerce would name companies that have participated in the Arab boycott.

This seemed a sudden reversal of policy for his administration, which has refused Democratic demands to name the firms. But a Commerce Department spokesman said today it intends only to divulge the names of companies that participate in the Arab boycott in the future, not those which have done so in the past.

A spokesman for Secretary of Commerce Elliot Richardson said Ford himself would set the date beyond which disclosure of boycott involvement would be made, and a White House spokesman said a Presidential proclamation would be issued later today, instructing the Commerce Department to make the information public.

Carter's camp clearly saw in Ford's remarks about Eastern Europe a chance to gain votes among ethnic groups, and Carter Press Secretary Jody Powell said the Democratic challenger would "continue to raise the . . . question until Ford explains what he meant."

Carter asked his labor audience, "If you tore down the Berlin wall, which way would the people move? They would move to freedom, and this sense of what freedom is and the defects of our present government and administration are very clear to me."

He said he recognizes that "the working people of this country . . . are people whose principles don't change very quickly. These are people who have ethnic ties to their ancestors, to other countries . . . people who are proud of their heritage."

While confusion and controversy swirled in the aftermath of the debate, Ford himself moved on to Los Angeles, where he inspected a mockup of the B1 bomber at the North American Rockwell plant, and said Carter's opposition to building the supersonic aircraft was "one of the biggest defects" in the Democrat's campaign.

Carter, he said, "wants to walk softly and carry a fly-swatter."

The 90-minute: 3rd graf

1342pED 10-07

a215

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PM-Carter, 1st Ld, a052, 300

URGENT

By LAWRENCE L. KNUTSON

Associated Press Writer

SAN FRANCISCO AP - Taking up the attack on President Ford's debate remarks about Eastern Europe, Jimmy Carter said today it is ridiculous to say that the people of Hungary, Czechoslovakia, Romania and East Germany are free from Soviet domination.

On the morning after Wednesday night's debate, Carter joked to a meeting of labor leaders: "I understand Polish-Americans for Ford is disbanding." There is no group by that name.

Ford said during the debate that there is no Soviet domination of Eastern Europe and specifically mentioned Yugoslavia, Romania and Poland as being autonomous. His aides have since said the President meant only that he would not accept such Soviet domination.

Carter asked the labor leaders, who represented 1.7 million AFL-CIO members in the West, "If you tore down the Berlin wall, which way would the people move? They would move to freedom, and this sense of what freedom is and the defects of our present government and administration are very clear to me."

He said this was not because he is wise or superior or more intelligent "but because my political strength and my advice and my teaching have all come from the working people of this country . . .

"These are people whose principles don't change quickly," Carter said. "These are people who have ethnic ties to their ancestors to other countries . . . people who are proud of their heritage."

By contrast, he said President Ford showed confusion about the country's principles during the debate.

Jody Powell, Carter's press secretary, said the Democratic candidate "will continue to raise the Eastern European question until Ford explains what he meant."

Wednesday night, Carter said he "felt good" about the second presidential debate because he was "relaxed and treated Mr. Ford much more as an equal."

"I think 2nd graf.

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132OpED 10-07

a216

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PM-Debate-Boycott, 3rd Ld, a203, 200

URGENT

By R. GREGORY NOKES

Associated Press Writer

WASHINGTON AP - The administration said today that it intends only to name U.S. businesses that observe the Arab boycott of Israel in the future, a step which appears to fall short of the disclosures promised by President Ford.

Ford shocked some Democratic members of Congress and seemed to reverse past official policy when he announced during his debate with Jimmy Carter Wednesday night that "the Department of Commerce will disclose those companies that have participated in the Arab boycott."

But despite the words "have participated" in that statement by Ford, a top commerce spokesman insisted today that the disclosure policy will apply only to future involvement by American firms in the boycott.

Though Ford could not be reached personally by reporters for clarification of the matter, an assistant presidential press secretary, John Carlson, said in California that the commerce official was correct.

Horace S.: 4th graf.

1324pED 10-07

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PM-DEBATE-GRONOUSKI 10-7

AUSTIN, TEX. (UPI) -- FORMER AMBASSADOR TO POLAND JOHN GRONOUSKI SAID TODAY HE IS SHOCKED AND DISMAYED AT PRESIDENT FORD'S CONTENTION THERE IS NO SOVIET DOMINATION OF EASTERN EUROPE.

"IN ALL MY YEARS IN POLITICS AND PUBLIC SERVICE, I HAVE NEVER HEARD A MORE NAIVE OR UNINFORMED STATEMENT FROM THE PRESIDENT OF THE UNITED STATES," GRONOUSKI SAID.

"AND IT WAS NO MERE SLIP OF THE TONGUE, FOR IN RESPONSE TO A FOLLOWUP QUESTION FROM AN UNBELIEVING REPORTER, MR. FORD REAFFIRMED HIS INCREDIBLE ASSERTION BY SAYING THAT ROMANIA AND POLAND ARE 'INDEPENDENT, AUTONOMOUS' NATIONS, FREE OF SOVIET DOMINATION. HE FURTHER DEMONSTRATED HIS LACK OF KNOWLEDGE BY CALLING YUGOSLAVIA AN EASTERN EUROPEAN NATION -- WHICH OF COURSE IT IS NOT."

GRONOUSKI, PRESIDENT OF THE POLISH INSTITUTE OF ARTS AND SCIENCES IN AMERICA, SAID HE BELIEVES HE IS SPEAKING FOR ALL AMERICANS OF CZECH, HUNGARIAN, ROMANIAN, BULGARIAN AND POLISH ANCESTRY IN EXPRESSING DISMAY AT THE PRESIDENT'S REMARKS DURING HIS SECOND DEBATE WITH DEMOCRAT JIMMY CARTER.

"HAVING SERVED FOR THREE YEARS AS U.S. AMBASSADOR TO POLAND, I KNOW THE EXTENT OF SOVIET DOMINATION IN EASTERN EUROPE, DOMINATION REINFORCED BY THE PRESENCE OF SOVIET TROOPS," GRONOUSKI SAID.

"IF MR. FORD REALLY BELIEVES THAT EASTERN EUROPEAN NATIONS ARE 'INDEPENDENT' AND 'AUTONOMOUS' HE IS LIVING IN A FOOL'S PARADISE.

"ALL AMERICANS MUST SHARE MY DEEP CONCERN ABOUT HOW EASILY DELUDED OUR PRESIDENT HAS BEEN BY THE SOVIET UNION. THEY MUST SHARE MY CONCERN ABOUT HOW EFFECTIVELY HE CAN REPRESENT US AT THE BARGAINING TABLE WITH THE TOUGHEST ADVERSARIES IN THE WORLD."

UPI 10-07 11:53 AED

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PM-Debate Reaction, Insert, a053, 150

WASHN, to update, insert after 9th graf: "His remarks . . . human rights.,"

Aloysius Mazewski, president of the Polish American Congress, said through a spokesman that Ford's remarks were "certainly unfortunate," and said his organization wanted "a definite clarification . . . once and for all since we definitely do not concur with such a theory."

He said that while in a "technical sense," Poland is an independent country with its own leader, "in a practical sense Soviet domination is certainly a part of Polish life."

Mazewski said Ford, in a speech to the Polish American Congress, had "stated his concern and pledged freedom for people behind the Iron Curtain," and has shown concern for the Polish American community through White House conferences and favorable legislation.

Tom Anderson, the American party candidate for president, condemned both candidates as "two accomplished liars pretending to be tough," but said Ford won the "liar's award," when he said there is no Soviet domination of Eastern Europe.

Stuart Spencer: 10th graf
1209pED 10-07

a225

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AM-Boycott Bjt. 490

By G. DAVID WALLACE

Associated Press Writer

WASHINGTON AP - In a reversal of policy, the administration said Thursday that President Ford will make public future reports from U.S. companies that are asked by Arab countries to participate in a boycott against Israel.

Commerce Secretary Elliot Richardson said the disclosure would apply only to future reports, however, and would not apply to companies already acknowledging they participate or were asked to take part.

In his debate Wednesday, Ford declared: "Because the Congress failed to act, I am going to announce tomorrow that the Department of Commerce will disclose those companies that have participated in the Arab boycott. This is something that we can do. The Congress failed to do it, and we intend to do it."

Commerce Department spokesman Horace S. Webb said he could see that some people might have interpreted the remarks as indicating past reports would be made public. But he said it could be read to apply only to future reports.

"It is a matter of semantics," he said.

Richardson told reporters, "We don't believe that it would be appropriate to make the order retroactive, since the reports that have been filed with us up to now were filed with the understanding that they would be confidential." He said Ford will set the dates beyond which the report will be made public.

U.S. companies have long been required to report requests to participate in international boycotts. Last Oct. 1 the administration added the requirement to report whether the request was honored. But until Ford's statement the administration had firmly resisted making public the names of companies filing the required reports.

Last November, a House Government Operations subcommittee voted to hold former Commerce Secretary Rogers C. B. Morton in contempt for refusing to provide the subcommittee with the reports. The subcommittee dropped the threat when Morton provided the reports under written assurance that the subcommittee would keep them confidential.

Atty. Gen. Edward Levi had recommended that the reports must be kept confidential. The former undersecretary of commerce, James A. Baker III, currently Ford's campaign manager, said in February that "disclosure of the names of the firms reporting compliance with boycott requests would have exposed such firms to economic retaliation by certain domestic groups, even though compliance with such requests would not have been in violation of any law."

The Commerce Department has said that of the nearly 25,000 transactions involving a boycott request over a six-month period, the companies said in 91 per cent of the transactions that they had complied or would comply.

Generally the requests involve an assertion by the U.S. supplier, insurer, shipper or financier, that none of the products or services involved in the transaction is of Israeli origin or has been involved in trade with Israel.

Commerce Department spokesman Webb said it would be possible to make future reports public while keeping past reports secret because "the reports were asked for under a pledge of confidentiality," and the President can administratively revoke that pledge.

1417pED 10-07

a218

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PM-Ford, 1st Ld, a056, 200
Precede San Francisco
By FRANK CORMIER
Associated Press Writer

LOS ANGELES AP - President Ford, hitting Jimmy Carter for lack of enthusiasm for the B1 bomber, said today his "opponents want to speak softly and carry a fly-swatter."

Visiting the North American Rockwell plant here where he climbed into the cockpit of a mockup B1, Ford told company employees that the fate of the supersonic bomber is "a crucial issue in this campaign."

The President, who made his first stop here following Wednesday night's debate with Carter, described his Democratic opponent as opposed to the B1 and said that position was "one of the biggest defects" in the Carter campaign.

Carter opposes production of the new bomber while supporting continued research and development on it.

Ford said the nation's combat fliers "should have the very best equipment this country can buy."

By the time the B1 could be in operation, he said, the present fleet of B52 bombers would be more than 40 years old.

Ford said the nation "shouldn't ask any man to defend his country in a combat aircraft that's older than he is."

Ford emerged from his second debate with Carter critical of the Democrat's style of answering questions.

But he 2nd graf.
1333pED 10-07

a220

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PM-Canal, a204, 1st Ld, 260

NEW YORK AP - The United States and Panama have agreed to resume the stalled negotiations on a new Panama Canal treaty in about two weeks, Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Aquilino Boyd said today.

U.S. Ambassador Ellsworth Bunker will fly to Panama for the talks which recessed last May, officially to give the negotiators a summer break.

However, some U.S. officials have acknowledged that the talks were called off because of the pressure President Ford was feeling on the issue from former California Gov. Ronald Reagan, his challenger for the Republican presidential nomination.

Kissinger and Boyd met for about 30 minutes this morning with the canal the main topic of discussion. Officials said they agreed during the talk to restart the negotiations.

The treaty talks have bogged down over five main issues: duration of a new accord, the right of the United States to maintain a defense role after operation is turned over to Panama, a formula maintaining the neutrality of the canal and discriminatory rates, the right of the United States to expand the waterway, and the size and position of land and water areas needed to operate the canal.

In a related matter, neither Kissinger nor Boyd would comment on the remarks made by Ford and Democratic challenger Jimmy Carter in Wednesday night's presidential campaign debate. Both Ford and Carter took relatively hard positions against giving up an American defense role for the canal.

Meanwhile, the Panamanian Embassy in Washington issued a statement quoting Omar Torrijos, the Panamanian strong man, as saying both Carter and Ford showed "great irresponsibility" regarding the canal issue during the debate.

Carter said, 4th graf
1348pED 10-07

A215

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PM-FORD 2NDLD-PICKUP5THGRAF A204 10-7

BY RICHARD LERNER

LOS ANGELES (UPI) -- PRESIDENT FORD CLIMBED INTO THE COCKPIT OF A MOCKUP B1 BOMBER TODAY AND SAID JIMMY CARTER'S IDEA OF A TOUGH DEFENSE WAS "TO SPEAK LOUDLY AND CARRY A FLYSWATTER."

PICKING UP WHERE HE LEFT OFF IN WEDNESDAY NIGHT'S FOREIGN POLICY AND DEFENSE DEBATE WITH THE DEMOCRATIC PRESIDENTIAL CANDIDATE, FORD VISITED THE PLANT WHERE THE B1 BOMBER HAS BEEN UNDER DEVELOPMENT TO DEMONSTRATE HIS OWN SUPPORT FOR THE PLANE.

HE TOLD A CHEERING AUDIENCE OF EMPLOYEES THE FORD-CARTER DISAGREEMENT OVER THE NEED FOR THE PLANE "IS A CRUCIAL ISSUE IN THIS CAMPAIGN."

THE PRESIDENT HAS BEEN A STRONG ADVOCATE OF PRODUCTION OF THE B1 TO REPLACE THE AGING B52. CARTER HAS NOT MADE A FINAL DECISION YET ON WHETHER HE WOULD GO AHEAD WITH THE PROJECT IF ELECTED AND CONGRESS HAS POSTPONED ANY FULL FUNDING UNTIL NEXT YEAR.

AFTER CLIMBING INTO THE PILOT'S SEAT OF THE MOCKUP AND TALKING WITH THE TEST PILOT, FORD DELIVERED A HARD-HITTING SPEECH STANDING NEXT TO THE MOCKUP. HE CRITICIZED CARTER REPEATEDLY.

"THERE ARE A LOT OF DEFECTS TO CHOOSE IN THAT CAMPAIGN, BUT ONE OF THE BIGGEST OF MR. CARTER'S DEFECTS IS HIS OPPOSITION TO THE B1 BOMBER," FORD SAID, DRAWING APPLAUSE.

"LAST NIGHT, WE BOTH AGREED ON THE NEED FOR TOUGHNESS IN FACING THE SOVIET UNION. BUT TOUGHNESS REQUIRES MORE THAN TALK ... THIS B1 IS A MESSAGE THAT THEY WILL CLEARLY UNDERSTAND."

FORD CHALLENGED CARTER'S ABILITY TO CARRY OUT HIS PROPOSED CUTS IN PENTAGON SPENDING AND SAID ANY SUCH REDUCTION WOULD HAVE TO COME OUT OF WEAPONS PROCUREMENT, WHICH WOULD BE VERY RISKY FOR THE UNITED STATES AND "ECONOMIC TRAGEDY" FOR STATES LIKE CALIFORNIA WITH BIG DEFENSE CONTRACTS.

FORD CONCLUDED HIS MESSAGE BY DECLARING: "OUR OPPONENT HAS MANAGED TO TURN THE WORDS OF PRESIDENT TEDDY ROOSEVELT UPSIDE DOWN ... HE ONCE SAID 'SPEAK SOFTLY AND CARRY A BIG STICK.' OUR OPPONENT WANTS TO SPEAK LOUDLY AND CARRY A FLYSWATTER."

PICKUP 5THGRAF: AFTER THE

UPI 10-07 01:50 PED

A216

a208

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PM-Debate-Reaction, 1st Add, a053, 80

WASHN: effective leadership.,,

-Retired Adm. Elmo Zumwalt, former chief of naval operations who is the Democratic opponent of Sen. Harry F. Byrd Jr., I-Va., said of Ford's comments on Eastern Europe: "It's absolutely unbelievable the President of the United States would say this. Poland is an occupied country. Romania is surrounded by Soviet troops. Both are vassals of the Soviet Union." Zumwalt, who says he helped brief Carter on defense and foreign policy issues, said he thought Carter "clearly overwhelmed," Ford.

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1246pED 10-07

a209

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PM-PRICES 1STLD-PICKUP5THGRAF A070 10-7

BY SARA FRITZ

WASHINGTON (UPI) -- PRESIDENT FORD'S ECONOMIC STRATEGY SUFFERED A SETBACK TODAY WITH A GOVERNMENT REPORT THAT WHOLESALE PRICES JUMPED 0.9 PER CENT IN SEPTEMBER. IT WAS THE FIRST TIME IN NEARLY A YEAR THAT THE ANNUAL RATE OF INCREASE WAS ABOVE 10 PER CENT.

THE BIG INCREASE, REFLECTING A 10.8 PER CENT ANNUAL RATE, WAS CERTAIN TO PROMOTE FEARS OF A RESURGENCE OF INFLATION AND EMBARRASS FORD IN THE WANING WEEKS OF HIS CAMPAIGN.

FORD HAS PEGGED HIS ENTIRE ECONOMIC PROGRAM ON CLAIMS THAT HIS CONSERVATIVE POLICIES ARE CONTROLLING INFLATION. DEMOCRATIC PRESIDENTIAL CANDIDATE JIMMY CARTER CONTINUES TO EMPHASIZE THAT BOTH UNEMPLOYMENT AND INFLATION REMAIN HIGH BY HISTORICAL STANDARDS.

THE LABOR DEPARTMENT REPORTED THAT A BIG INCREASE IN FARM PRICES COMBINED WITH AN UNUSUALLY STRONG SURGE IN INDUSTRIAL COMMODITIES TO PRODUCE THE SEPTEMBER INCREASE WHOLESALE PRICES.

IT WAS A DRASTIC REVERSAL OF A RECENT COOLING TREND THAT SAW WHOLESALE COSTS DECLINE 0.1 PER CENT IN AUGUST. NOT SINCE LAST OCTOBER HAVE THESE PRICES RISEN AS SHARPLY.

AFL-CIO PRESIDENT GEORGE MEANY, ONE OF CARTER'S CHIEF SUPPORTERS ON ECONOMIC ISSUES, SAID THE FIGURES PROVE THAT "BOTH UNEMPLOYMENT AND INFLATION STILL PLAGUE AMERICA AND PRESIDENT FORD DOES NOT HAVE THE LEADERSHIP ABILITY TO DEAL WITH EITHER PROBLEM."

"THE FIGURES MAKE A MOCKERY OF THE FORD CAMPAIGN CLAIMS THAT AMERICA'S ECONOMIC PROBLEMS HAVE BEEN SOLVED," MEANY SAID.

PICKUP 5THGRAF: FARM

UPI 10-07 12:04 PED

a210

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PM-Economic Rdp, 4th Ld, a206, 110

URGENT

By ROBERT A. DOBKIN

AP Labor Writer

WASHINGTON AP - Sharp hikes in farm products and most major industrial goods boosted over-all wholesale prices by nine-tenths of 1 per cent in September, the largest increase in 11 months, the government reported today.

The Labor Department figures indicated strong inflationary pressure in the economy, and were seized upon almost immediately by Democrat Jimmy Carter and other administration critics as fresh ammunition in the presidential campaign.

Carter, in San Francisco, read off the new wholesale price statistics in an appearance before local labor leaders and declared anew that the administration "is the first in history to give us the highest unemployment rate and the highest inflation rate combined."

AFL-CIO President George Meany said at his Washington office that the report "makes a mockery of President Ford's campaign claims that America's economic problems have been solved."

Ford's economic: 4th graf
1258PED 10-07

A212

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PM-CARTER 1STLD-PICKUP2NDPGH A029 10-7

BY CLAY RICHARDS

SAN FRANCISCO (UPI) -- JIMMY CARTER TODAY ACCUSED PRESIDENT FORD OF MAKING A "RIDICULOUS" BLUNDER IN SAYING DURING THEIR SECOND DEBATE THAT EASTERN EUROPE IS NOT UNDER SOVIET DOMINATION.

"IF YOU TORE DOWN THE BERLIN WALL, WHICH WAY WOULD PEOPLE MOVE?" CARTER ASKED.

RIISING EARLY ON THE MORNING AFTER THE DEBATE, CARTER HELD PRIVATE MEETINGS WITH REPRESENTATIVES OF THE BLACK, ASIAN AND HISPANIC COMMUNITIES OF CALIFORNIA.

AT A BREAKFAST MEETING OF CALIFORNIA LABOR LEADERS, CARTER SAID:

"I THINK MR. FORD SHOWED A CONFUSION ABOUT OUR PEOPLE AND ABOUT THE ASPIRATIONS OF HUMAN BEINGS, ABOUT HUMAN RIGHTS, ABOUT LIBERTY AND ABOUT SIMPLE JUSTICE THAT WAS VERY DAMAGING TO THE LEADERSHIP OF OUR COUNTRY," SAID CARTER.

DURING THEIR DEBATE, FORD CHALLENGED CARTER'S CONTENTION THAT EASTERN EUROPEAN NATIONS ARE CONTROLLED BY THE KREMLIN.

"FOR ANYONE TO STATE THAT THE PEOPLE IN HUNGARY, CZECHOSLOVAKIA, AND ROMANIA AND EAST GERMANY ARE FREE OF SOVIET DOMINATION IS RIDICULOUS," CARTER SAID.

CARTER SAID FORD HAS WRAPPED HIMSELF IN "THE AURA AND RESPECT OF THE WHITE HOUSE" AND WILL SPEND MOST OF HIS \$21.8 MILLION BUDGET ON "A TELEVISION BLITZ" LATE IN THE CAMPAIGN.

EARLIER CARTER SAID HE FEELS "PRETTY GOOD" ABOUT THE DEBATE WEDNESDAY NIGHT BECAUSE HE KEPT FORD ON THE DEFENSIVE.

PICKUP 2ND GRAF: "IT'S A

UPI 10-07 01:33 PED

213

a222

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BC-Mrs. Mondale-Motorcade, 140

WATERTOWN, N.Y. AP - An elderly woman crossing a downtown intersection was knocked down by the car leading a three-car motorcade for Mrs. Walter F. Mondale, wife of the Democratic vice-presidential candidate.

Mrs. Lawrence Kingsley, 68, was in critical condition with head injuries, hospital officials said Thursday.

Police said Mrs. Kingsley was hit by the car about noon Wednesday as she crossed the intersection. She was in a pedestrian crosswalk with the traffic light in her favor, they said.

The driver of the car, Detective Sgt. Richard Badour of the Jefferson County sheriff's department, failed to see Mrs. Kingsley in the crosswalk, police said. A city detective and three Secret Service agents were passengers in the car.

The car was travelling about five miles an hour when it struck Mrs. Kingsley, police said. She was knocked down about six feet from the curb and her head struck the pavement, authorities said.

Mrs. Mondale was campaigning for her husband in this city in northern New York. The three-car motorcade was taking her from a television appearance to her motel room when the accident occurred.

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