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News & Comment

The President's Daily News Summary



Leading The News...

FOR FRIDAY, OCTOBER 8, 1976

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Ford Seeks to Quiet Criticism of E. Europe Remark

President Ford, seeking to quiet the political storm brewing over a statement he made during his second debate with Jimmy Carter, said Thursday the U.S. will never concede the domination of Eastern European nations by the Soviet Union.

America "firmly supports the aspirations for independence of the nations of Eastern Europe," Ford told a crowd of 15,000 at the University of Southern California. "The United States has never conceded and never will concede their domination by the Soviet Union," the President said. (ABC)

"I am very much aware of the present plight of the Eastern European nations," Ford continued. "And as I declared in this year's captive national proclamation, and I quote, 'The United States supports the aspirations of freedom, independence and national self-determination for all people.' We do not accept foreign domination over any nation, period." (NBC/CBS)

"With frequent heckling, Ford did not say flat out that he had goofed in last night's debate," Phil Jones reported. "But it was clear that he was worried about what he had said." (CBS)

"The President was trying hard to get back on the offensive," Jones said. "However, his close political aides conceded that his Eastern European statement of last night has caused political turbulence that may be felt for a long time." (CBS)

Marilyn Berger said the Ford people know they cannot let a day go by without doing something about the impression left from the debate. (NBC)

Tom Jarriel said Ford's explanation Thursday is "another example of going back and making repairs, making up for mistakes and being on the defensive instead of moving ahead." (ABC)

Ford spoke at USC following an inspection of a mockup of the controversial B1 bomber at the nearby Rockwell International plant where he criticized Carter's defense policies, saying Carter "wants to speak loudly and carry a fly swatter." Carter has turned upside down President Theodore Roosevelt's policy of "Speak softly and carry a big stick," Ford said.

Later, Ford arranged to join with Republican primary opponent Ronald Reagan at a GOP fund-raiser in Beverly Hills.

ABC's 1:20 story ran #3. It included film of the President at the B1 plant and addressing a crowd at USC.

Berger's 2:00 spot on NBC included silent film of Ford inside the airplane and before the university crowd. The spot, which ran fifth in the show, included excerpts of Ford's speech and concluded with a standup comment in front of the crowd.

The 2:00 story, which led CBS, included film of the President campaigning and commenting on Eastern Europe and the B1 bomber. Jones' comment was voiced over film of the President campaigning. AP,UPI,Networks — (10/7/76)

Carter Calls Ford's Eastern European Statement 'Ridiculous'

Jimmy Carter Thursday 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. (ABC,NBC) 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.

Carter told his labor audience that unlike Ford, he had made no mistakes, and presented no weak arguments during Wednesday night's foreign policy debate. (CBS)

Then, he added: "I talked with Mondale last night, and it was pretty late. I said, 'Fritzie, are you going to go to bed?' And he said, 'No, I'm going to find me a Polish bar. I'm sure there are drinks on the house for all the Democrats.'" (nets)

Ed Rabel reported that Carter strategists are considering using a tape of Ford's comment in TV commercials to further exploit what Carter termed another example of the President's failure to lead. (CBS)

Carter said, "I think he disgraced our country by claiming that the Eastern Europeans were free of domination by the Soviet Union. That's obviously not true. However, it was a very serious blunder for him to say it. The Poles and the Czechoslovakians and the Hungarians and the Eastern Germans have been under the domination of the Soviet Union for a long time." (networks)

Carter met with representatives of various ethnic groups Thursday morning, and will step up campaign appearances among such groups, hoping to build support among U.S. voters with ties to Eastern Europe who might have been offended by the President's comments, Rabel reported. (CBS)

In Salt Lake City, Carter was greeted warmly by leaders of the Mormon Church who set the stage for the Southern Baptist to try to assuage any fears voters may have of his fundamentalism, Rabel reported. (CBS)

"Carter aides say Carter won the debate, and bolstered what they say is a comeback in the campaign," Rabel said. "But many in the political community say it was not so much a Carter win as a Gerald Ford loss, and that Carter must still deal effectively with his grass-roots organizational problems if he expects to win in November." (CBS)

Sam Donaldson reported that Carter believes he wiped away the nervous impression he projected in the last debate. Donaldson says Carter intends to talk about Ford's Eastern European statement wherever he goes for the next few days. (ABC)

Carter seems convinced he has shaken the campaign slump he was in, thanks in part to President Ford's help, Kinley Jones reported. Carter thinks he now has the momentum to maintain his lead in the polls, providing he can keep his supporters interested enough in the campaign to vote, and avoid making the same kind of mistake the President seems to have made. (NBC)

The #2 story ran 1:30 on ABC. It included film of Carter speaking in San Francisco. The story followed film of the segment of the debate in which Ford made the E. European statement.

In his 2:00, #6 report, Kinley Jones presented excerpts of Carter's union speech and his remarks to reporters. Afterwards, silent film was shown of Carter getting off the plane in Salt Lake City and shaking hands with the crowd. Jones concluded with a standup comment.

The 2:00 story, which ran #2 on CBS, included film of Carter campaigning and commenting on Ford's Eastern European remark.

Rabel's comment was voiced over film of Carter campaigning. AP, UPI, Nets -- (10/7/76)

E. European Descendants Upst at Ford Remark

President Ford's statement that Eastern Europe is not dominated by the Soviet Union sent shock waves through Eastern European communities in the United States Thursday.

Spokesmen for most Polish organizations and members of the President's campaign staff said the statement has considerably reduced his chances of winning the all-important urban ethnic vote, Randy Daniels reported. (CBS)

The President of the Polish Alliance said it was "a very serious blunder" which will have a "devastating effect" on the President's standing with ethnics. (CBS)

In Chicago, Polish people who total more than one million, were shocked by the remark. (networks)

The President of the Illinois Polish-American Congress, who got a call from a Ford aide after the debate, said the remark will hurt the Polish-American community as well as the other

Slavic and Eastern European communities. (NBC)

But Rep. Edward Derwinski (R-Ill.) said the statement would be detrimental if the elections were held today, but added that the President will have time to clarify his remark before November. (CBS)

Al Johnson said the Ford statement was good news for Illinois Democratic leaders who were worried about the President's growing popularity in the Polish-American community. (NBC)

Ron Miller reported that Carter aides believe the President has lost much of his support he had built up among the Polish-Americans in Chicago. And aides are sure they can win more votes for Carter if he continues to attack the President's remarks. (ABC)

Leaders of the Hungarian community also said the President's comments may cost him votes among their people, Bob Dobson said. (NBC)

Residents of Cleveland, Ohio, which has the largest Hungarian community in the country, were also shocked at the President's statement. Many people interviewed by NBC News said the President was wrong to say Eastern Europe is not dominated by the Russians.

Czechoslovakians in Rosenberg, Texas, also disagreed with the President. Voters in that community tend to be anti-Communist, conservative Democrats who believe that Eastern European countries are still captive nations. (NBC)

Most people there thought the President's remarks were a slip of the tongue, but are still upset, Arthur Lord reported. Unless the President issues a retraction of some clarification, they are likely to remain upset, costing him votes, Lord said. (NBC) Networks -- (10/7/76)

Commerce Guards Names of Boycotting Firms

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 Commerce Secretary Richardson, admitting his agency was caught off guard by Ford's announcement, said Thursday it would not release those names of firms which honored the boycott in the past -- only those who do so "in the future." (networks)

More than 11,000 American companies have been approached by the Arabs, and 94 percent of them, about 10,000 companies, have joined the Arab boycott of Israel, NBC reported.

Richardson said he was surprised the President brought the matter up last night, adding the matter had been discussed at the White House. (NBC)

At the Capitol, reaction was swift and angry, with congressmen blaming the President for blocking anti-boycott legislation. (NBC,CBS)

Sen. William Proxmire (D-Wis.) repeated Ford's statement that he had tried to get anti-boycott legislation enacted, and Congress had blocked it. But Proxmire added: "I think we can absolutely prove to anyone's satisfaction that is not the case.(NBC)

"It was Congress that took the initiative on legislation to restrict the boycott, and it was the Ford Administration that blocked us at every step of the way." (CBS)

Sen. Adlai Stevenson (D-Ill) said either the President is trying to deceive the American people for political purposes during the debate, or that "candidate Ford didn't know the policies of President Ford." (NBC)

Rep. Benjamin Rosenthal (D-N.Y.) said the President had no authority to release the list. Rosenthal said Ford has "hoodwinked" the American public. (ABC)

The President of the Chamber of Commerce, Richard Leshner, warned against disclosing the information, because a "McCarthyism kick, guilt by association" might develop.(ABC)

Democratic lawmakers say they will introduce legislation at the beginning of the next session against foreign boycotts, and added that they have the votes to override any veto if necessary, Bernard Kalb reported. (CBS)

NBC began its spot with a film clip of Ford's remark about the Arab boycott during the debate and included the remarks of Richardson, Stevenson and Proxmire on film. Simpson wrapped up the 2:25 spot with a standup comment.

Arab Boycott

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ABC's #9 report, which ran 2:10, included interviews with Richardson, Rep. Rosenthal, and Richard Leshner, and a film segment of the President during the debate.

The 2:30 report which ran #5 on CBS, included interviews with Richardson and Proxmire and a film segment of Ford during the debate. It concluded with a standup comment by Bernard Kalb.

Panama

U.S., Panama Agree to Resume Talks

The U.S. and Panama have agreed to resume the stalled negotiations on a new Panama Canal treaty in about two weeks, Secretary Kissinger and Panamanian Foreign Minister Aquilino Boyd said Thursday.

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, Panamanian officials said President Ford's and Jimmy Carter's statements on the Canal during the debate showed great irresponsibility, and were relics of the colonial era. (CBS) AP,UPI,CBS -- (10/7/76)

Vietnam

Vietnam Hits Ford for Debate Remark

Vietnam criticized President Ford Thursday for his statement in the presidential debate that he would oppose admission of Vietnam to the UN until there was full accounting of Americans missing in action there.

In a communique issued by the Vietnamese mission, Hanoi said: "The only obstacle to the settlement of the MIA question is the Ford Administration's hostile policy toward Vietnam."

It asserted that the UN has spurred repeated Hanoi proposals to discuss such issues as the MIAs and the U.S. "obligations" to contribute to the post-war rehabilitation of Vietnam. AP -- (10/7/76)

Dole Discusses Debate, Campaign
(An interview with Walter Cronkite)

Cronkite first asked Dole about Wednesday's debate between President Ford and Jimmy Carter.

DOLE: President Ford won the debate last night, no doubt about it. According to one poll it was 53-23 on substance. But as far the politics of it, I think that Carter probably had the edge.

CRONKITE: Democrats are saying that the fact that President Ford did get his foot in his mouth a little bit last night on the Eastern European matter, at least, if not on the Arab boycott, indicates that when he gets out, he's likely to make the same sort of mistakes that you accuse Gov. Carter of making...

DOLE: Well, I think that's the risk you take...when you've been campaigning all day, and you say things late in the day that you probably could have left unsaid, or you make that one last remark in a speech that you could have forgotten, I don't believe President Ford will have any problem as far as mis-statements. We all make mistakes, we made a slight one last night, but I think it can be clarified.

CRONKITE: In view of your attacks on Jimmy Carter for making mistakes, for misspeaking himself, for leaving ambiguities perhaps, doesn't all this embarrass you?

DOLE: Maybe to some small extent, but Gov. Carter was at it again last night, so I'll have enough difficulty trying to straighten him out, and I assume Mondale will be looking after Mr. Ford.

CRONKITE: Just this week, Sen. Mondale made the strongest campaign attacks so far, I suppose, on the issues of abuse of power, Watergate, and the Nixon pardon. And you dismissed that by saying that the Democrats obviously are hurting, they're desperate, they're behind in the polls, and they're getting out their hatchets. Well, can you really dismiss the subject of Watergate, abuse of power, the Nixon pardon...with that kind of a turning aside of the question.

DOLE: Well, we of course know that Mondale -- Sen. Mondale, who's my friend, we'll be better friends in about 30 days, but we're friends now -- we know that he'll bring up... he's in charge of the dredging operation, to dredge up the pardon, dredge up Watergate. We can say the same thing about Southeast Asia, South Vietnam, we could hang that around their neck, and may, because he supported that war until we had a change in administrations

until a Republican became president. I think what the American people would like me to do, and Sen. Mondale and others, is to look ahead. If they want to look backward, we can recite a few things that happened. Watergate happened during a Republican administration. It's our cross to bear. I guess we can be kicked around for it for the next 20 years, I would hope that's not the case.

CRONKITE: You say that Sen. Mondale's got out the hatchet, you haven't exactly been tender in your ministrations of the Democratic ticket here in the last few weeks. Are you both, in a sense, assigned to the hatchet man role?

DOLE: I would hope not. I think Sen. Mondale and I will have our debate next week, and it will probably be very quiet and very passive, but... I was referred to by Time magazine as a tabby cat. They're really disappointed that I haven't shed more blood. But I think we have a role to play. Certainly, it's up to -- I've been sort of a one-man road show on our side -- it's up to me to go out and point up the Carter differences and to clarify the record where I can, but there's so much to clarify, it's really more than one man can do.

CRONKITE: Well, then why doesn't your running mate get out there and help you with it?

DOLE: He's on the road today. He's on the road.

CRONKITE: Do you think he should have been earlier?

DOLE: I think the polls indicated, and Carter's complaints about him being in the White House, indicated that we were doing just the right thing; President Ford was doing the right thing. We think it's a dead heat now. There is a lot of movement in this campaign. I think we're going to win. And I say that with, I think, some objectivity.

HAK Assesses Debate, Uncomfortable with Carter

Secretary Kissinger indicated Thursday he is not as comfortable with Jimmy Carter's foreign policy as he had been before watching the Democratic presidential candidate debate President Ford.

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 that 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 in Eastern Europe."AP,UPI -(10/7)

Foreign Reaction Focuses on Mideast, Eastern Europe

Initial foreign reaction to the second 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 Democratic nominee's attack forced Ford to retreat on his administration's attitudes toward the anti-Israeli boycott, a Tel Aviv newspaper reported.

Newspapers throughout Western Europe were labeling the President's Eastern European comment a "blunder," a "gaffe," a "clanger," and "dumb." A NATO official in Brussels referred to it as a "boo boo." UN diplomats expressed disbelief. (CBS)

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

John Dancy said, however, the Russians could not help but be pleased by President Ford's remark that the U.S. will not move to back a Cold War relationship with the Soviet Union. (NBC)

"Those are also Soviet aims and they're likely to feel more comfortable with a candidate who commits himself to them, than with one who criticized the Soviet Union for failing to live up to the Helsinki agreement, as Mr. Carter did," Dancy said. (NBC)

Israeli officials let it be known that they disagreed with Ford's argument that arms sales to Saudi Arabia benefit Israel

because they 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.

Ambassador Jamil Baroody of Saudi Arabia responded to Carter's statement that if Saudi Arabia declared an oil embargo on the U.S., he would consider it an "economic declaration of war." (ABC)

Baroody said that Carter's statement is irrelevant because Saudi Arabia is not thinking about an oil embargo. And Baroody warned that if "Carter becomes President, and takes a hard line, he might force us, or our people might force us, to take a hard line, too." (ABC)

The officials radio of the Greek government emphasized postdebate polls showing that Carter apparently had won the debate. The Greeks have been blaming Ford and Sec. 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. The story read: "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.' Political observers said Ford had committed a major gaffe and Democrats accused him of ignoring the human rights of millions of people under Communist rule," it said.

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 was headlined: "Carter Masters Ford and TV." Claiming that Carter was "dry-mouthed and stuttery" in the first debate, it said, "this time he was aggressive, even rude in one or two asides, sat down whenever he felt like it and smiled indulgently at Ford's glowing account of the foreign policy triumphs of the last two years." AP, UPI, Nets -- (10/7/76)

Debate Coaches Give Carter 8-1 Victory

Debate coaches and forensic teachers from throughout the nation Thursday gave Jimmy Carter an 8-1 victory over President Ford in Wednesday night's televised debates.

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.

"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, who cast the dissenting vote for Ford, said, "I thought primarily that Gov. 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." AP,UPI -- (10/7/76)

Viewer Interest Down Slightly

Viewer interest in the second nationally televised debate between the Democratic and Republican presidential candidates declined somewhat from the first confrontation, according to overnight Nielson ratings in New York, Chicago and Los Angeles.

In New York, 53.1 percent of families with television sets watched the debate in San Francisco Wed. night between President Ford and Jimmy Carter. The debate took 77 percent of the viewing audience, according to the Nielson figures. The first debate, broadcast from Philadelphia, took 78 percent of the audience in N.Y.

In Chicago, 47.9 percent of families with sets watched the second debate, which got a 71 percent share of the audience, compared to an 81 percent share for the first debate.

The Los Angeles figures showed 39.3 percent of families with sets tuned in Wed. night to the second Ford-Carter debate, and a 61 percent share of the audience watched that broadcast. The first debate took a 65 percent share of the audience in that city. AP,NBC -- (10/7/76)

A New Development in the Special Prosecutor's Probe?

(By Robert Schakne, CBS)

There is strong indications that Watergate Special Prosecutor Charles Ruff has formerly asked the White House for detailed information about President Ford during the years he was a congressman.

Late last week, White House Special Counsel Phillip Buchen urgently summoned Mr. Ford's personal accountant to Washington, asking him to bring the President's old financial records. The accountant, Robert McBane, spent 10 hours with Buchen and others in the White House on Saturday, and then 30 minutes with the President. Asked if he had brought the records at the special prosecutor's request, McBane said the White House would have to answer that question.

But White House officials today were refusing to comment. Special Counsel Buchen said he would not discuss whether there had been any communication from the special prosecutor. In contrast to last week, when Buchen was willing to reply, without hesitation, that there had been no such communication.

CBS News has learned that some questions about Mr. Ford's finances were raised three years ago, at the time of his nomination to be vice president. A confidential Internal Revenue Service audit, prepared at the time, questioned how Mr. Ford got by with so little cash for spending money. His records showing that in 1972 he had less than \$5 a week to spend. The principle explanation then was that much of Mr. Ford's time was spent in campaign travel, with his expenses legitimately paid by campaign fund. Also, that most of the Ford personal bills were paid by check. The IRS concluded there was sufficient cash to cover miscellaneous living expenses.

But several members of Congress, who explored Mr. Ford's finances prior to his confirmation as vice president, say that because of pressure to settle the confirmation quickly, the cash question was never fully resolved. Another question raised at the time -- how Mr. Ford obtained \$50,000 for the purchase, without a mortgage, of his Vail, Co., ski condemenium in 1970. Mr. Ford's explanation: He used savings and borrowed money.

Special Prosecutor Ruff will make no comment on any of this. He's kept a tightly guarded secret how much evidence, if any, he's gathered against Mr. Ford. The only thing certain is that his investigation is not over. -- (10/7/76)

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Ford Howls at Flip-Flops, But Has His Own

WASHINGTON — Much ado has been made about Jimmy Carter's real or apparent flip-flops, inconsistencies and fuz-ziness on issues.

President Ford accused his Democratic rival to his face of not being specific during their first debate. Ford's running mate, Sen. Robert Dole, had

that most of the new land was already owned by the federal government in Alaska. Congressional Democrats pointed out that they were just then putting the finishing touches on a bill that would provide even more money for parks and wildlife than Ford was asking

tax reductions that are un-fairly concentrated, in my judgment, on the very lowest income brackets."

Thus Ford's claim that "we have had" millions of taxpay-ers taken off the rolls is, at best, a political exaggeration.

but. He never mentioned his plan to outlaw Saturday night specials.

The next day, addressing a police chiefs conference in Miami, Ford reviewed his anti-crime proposals but left out any reference to gun con-trol.

Carter Claims Suburb Gains
(Excerpted, Chicago Tribune)

Jimmy Carter has made significant gains among suburban voters in Cook County and his strategists rate the election in Illinois a tossup, his campaign manager said Wednesday.

The latest poll taken by Carter aide Pat Caddell showed Carter leading President Ford by a 47 to 45 margin statewide, said Paul Sullivan, who is spearheading the Illinois effort for the former Georgia governor. He said Carter's strongest strength continued to be in the city of Chicago.

"But there was surprising support Downstate and the most significant pickup was in the suburbs, both in Cook County and the "collar" counties," he said. Sullivan said Carter still "was nowhere near winning" in the suburban area. "If those gains continued we would win [the suburbs], but we don't expect that."

Sullivan also said his campaign budget for Illinois has been raised in recent days, a result of the reassessment of Illinois by the Carter headquarters.

Carter will campaign Sunday and Monday in the Chicago area, but his schedule was "blocked solid" and therefore he declined a challenge to debate independent presidential candidate Eugene McCarthy.

Carter will ride in the traditional Chicago Columbus Day parade Monday. -- (10/7/76)

CARTER OPTIMISTIC ON KANSAS, MICHIGAN

By Robert W. Butler
A Member of the Staff

Denver—Jimmy Carter said yesterday that he expects to carry Kansas in the election Nov. 2 and that his chances of winning in Michigan are improving daily.

The Democratic presidential candidate also said he believes that most voters now know where he stands on important issues and that for the remainder of the campaign will concentrate on what kind of personality—his or President Gerald Ford's—Americans want in the White House.

Carter, in an interview at a Denver hotel where he spoke yesterday before 1,000 members of the National Conference of Catholic Charities, said his optimism about his Kansas and Michigan campaigns was based on a recent poll conducted by his staff in those states.

He said his pollster, Pat Caddell, could provide details on the polls. Caddell, however, remained on Carter's chartered aircraft during the candidate's visit here and could not be reached for comment.

Carter also said he is not concerned by inroads that several polls indicate Ford made in the South. Carter said his success in primaries in the South has led him to believe that his views reflect those of a majority of Southerners.

The former Georgia governor said he believes he will pick up a substantial number of votes from conservative Southerners if only because he represents that region.

Sen. Bob Dole of Kansas, the Republican vice-presidential candidate, is fond of telling audiences that he wants their support not because he is their neighbor geographically but because he is their neighbor philosophically.

To that Carter said, "I would guess that Senator Dole is going to see Kansas go Democratic. Our polls show that. I think I've got a good chance to carry Kansas and also carry Michigan as well."

The poll Carter cites seems to conflict with several independent polls, which show Kansas solidly behind the Republican ticket. In Michigan Carter can be expected to win strong support from labor even though it is the President's home state.

Carter said he feels that as a result of the first debate most voters are not concerned that his stands on the issues are ill-defined and said that the final month of the campaign would emphasize his compassion for the problems of Americans and his personal traits, which he said would indicate that he can solve problems from the Oval Office.

Recently Carter has been more aggressive in his attacks on the Ford administration. But he said yesterday his campaign had not changed significantly since the primaries and that it was an honest reflection of his personality.

"Our campaign style now is very similar to that of the primaries," he said. "However, as the candidate of the party the style of news coverage is a bit different. There is an intense focus on every word, every phrase, every nuance—which wasn't there during the primaries.

"And it was a little hard for us to assimilate that at first. We formerly ran two or three primary campaigns simultaneously. Now we're talking about 50 simultaneous campaigns, and we've had to expand our organization.

"I think the really important issues are not the little mistakes, but that ours is an open, carefully examined campaign and that every statement gets published. This style will continue. It's not something that's going to be dropped," the candidate said.

"My character and my stand on the issues are so interwoven that it's hard to separate the two. But I think there's no remaining problem on specificity. I think the first debate showed that. The question now is: What man can do the job?"

Carter attended a downtown rally when he arrived, speaking to about 2,500 persons. In it he avoided outlining his proposals to solve various problems, focusing instead on his theme of understanding the concerns of Americans and attacking what he termed Republican unresponsiveness

to the plight of millions of unemployed, handicapped and underprivileged citizens.

He criticized Ford for what he termed the President's lack of understanding about how economic policy affects the individual. He also characterized Ford as a veto-prone President who thought the way to achieve a balanced budget is to deprive Americans of desperately needed social services.

"It's a serious thing when a man or woman, husband or wife, who has been employed 15 or 20 years, is fired, draws unemployment compensation, then for the first time stands in a welfare line and starts drawing welfare checks. That does something to the human consciousness. It does something to a family. It divides one person from another, destroys neighborhoods.

"In the meantime," Carter said, "the President hides in the White House. He comes out into the Rose Garden two or three times a week and he recites a 90-second memorized speech and then goes into the White House. He hasn't had a press conference in which he could be cross-examined about his record, about his relationship with lobbyists and special interest groups, in about a month. He had one impromptu press conference and the sound was off. He wouldn't let his voice be recorded.

"This is not the way a campaign should be conducted. We make mistakes. Sometimes we give interviews . . ." Carter paused to let the laughter subside. "But I don't have any apology to make about it.

"This is the kind of campaign I've always run. If I make a mistake, I want you to know about it. I also want you to forgive me for it. And when I get to be President we'll have the same relationship."

Carter's speech before the Catholic charities group, believed to be the largest Catholic group he has addressed during the campaign, was enthusiastically received, and he was interrupted by applause nearly a dozen times.

Although Carter has been attacked by many Catholics because of his opposition to a Constitutional amendment to ban abortion (he has said he opposes abortion), the Catholic charities group was considered a relatively "safe" audience because its members are actively involved in such issues as poverty, unemployment, health care, world hunger and social legislation.

Carter told the Catholics he was convinced that "the basic beliefs and concerns that unite us—and none is more basic than freedom of religious expression—are far more important than the factors that divide us.

"John Kennedy, speaking in 1960 to the Baptist ministers in Houston, said that while it was he—a Catholic—who

Undecided Lean to Ford on LI

By **Bernie Bookbinder**

Newsday Senior Editor

Seventy per cent of the prospective Long Island voters who were undecided about the presidential race in early September have since made a choice. Three out of five chose President Ford.

This movement toward Ford among the previously

When the sociologist compared the changing preferences of formerly undecided voters who had watched the debate with those who hadn't watched, he found virtually no difference. Among those who had said in early September that they were undecided and who had watched the debate, 24 per cent were now for Carter, 47 per cent were for Ford and 29 per cent remained undecided. And among those who had been

Jimmy Carter Losing Ground In Major Electoral Vote States

(C) Newhouse News Service
And Chicago Daily News

Washington, D.C. — Jimmy Carter's election prospects have fallen sharply — by 29 per cent — in expected presidential electoral votes, a nationwide survey conducted last week shows.

Carter now has fewer prospective electoral votes than needed to win. A similar survey conducted two weeks ago had given him more than enough.

But the big switch came in five states earlier regarded as leaning to Carter and now uncertain. They are Pennsylvania, with 27 electoral votes; Texas, 26; New Jersey, 17; Wisconsin, 11, and Iowa, 8.

The new survey shows Carter as the probable winner in 10 states plus the District of Columbia for a total of 95 electoral votes. He is regarded as marginally ahead in 11 other states leaning to Carter with 129 votes, for



Carter leads Ford 17 points in state

Copyright 1976 Minneapolis Tribune

Democrat Jimmy Carter holds a 17-percentage-point lead over President Ford in Minnesota, according to a statewide survey taken last weekend by the Minneapolis Tribune's Minnesota Poll.

The vote preferences of Minnesotans who say they probably will or certainly will vote in November:

cent some interest, 15 percent not much and 4 percent none at all.

Participants next were asked:

"What are the chances of your voting in the November elections for president — are you almost certain to vote, will you probably vote, are the chances about 50-50, only slight, or do you think you probably won't vote in the fall elections?"

The answers:

Carter-Mondale will win.....	47%
Ford-Dole will win.....	32
Not sure.....	21

	100%

Carter-Mondale supporters are about as optimistic now as they were in August. Ford-Dole backers are noticeably more enthusiastic about their ticket now than in August. These are the predictions recorded for each voter group in the current survey:

	Would vote for Carter- Mondale	Would vote for Ford-Dole
Think Carter-Mondale will win.....	71%	24%
Think Ford-Dole will win.....	14	64
Not sure.....	15	12

Wholesale Prices a Boon for Carter

The Labor Department's new wholesale price report indicated strong inflationary pressure in the economy, and was certain to provide 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 percent last October. It followed a decline of .1 percent in August, and increases which averaged .3 percent in the three preceding months.

Nelson Benton reported that the new figures are "another caution sign for the economy and another trouble sign for the Ford campaign." (CBS)

Dan Cordt said the figures are "bad news" for President Ford. Cordtz added that the figures make it "easy" for Carter to attack the President's policies. (ABC) AP,UPI,ABC,CBS -- (10/7/76)

Financial Community Seeks to Bolster Consumer Confidence

Financial institutions and economic and stock market forecasters are seeking to counter the growing concern about the economy with 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."

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..." 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." AP -- (10/7/76)

N.Y. Exchange Rallys Late, Closes Higher

Prices staged a late-session rally on the New York Stock Exchange Thursday, closing higher in moderate trading after hovering in minus territory most of the day.

The Dow Jones Industrial Average had risen 5.24 to 964.93 just minutes before the final bell. The closely followed indicator had fallen almost 5 points earlier in the session.

Advances pulling ahead of declines, 856 to 522, among the 1,876 issues crossing the tape. AP,UPI,CBS -- (10/7/76)

A Pause, Not a Panic

The much-discussed economic pause of recent weeks makes us a bit nervous, but not for the standard reasons. We're not so much worried about the pause itself as about the possible political reaction. Specifically, the risks of applying new monetary stimulus would be greater than the risks from the slowdown itself.

We say that with full considera-

such a headache. But despite all this, the prime certainly is not excessive by recent standards and there is no sign that banks are turning down solid loans.

In fact housing, which has been one of the more sluggish sectors of the economy, shows no signs at all of being inhibited by a shortage of mortgage funds. The outlook for housing over the next few months

Humphrey Surgery Successful

Sen. Hubert Humphrey (D-Minn.) underwent an apparently successful operation for bladder cancer Thursday, his doctors said.

Dr. Edgar Berman, Humphrey's personal physician, told a news conference at Memorial Sloan-Kettering Cancer Center, where the surgery was performed, "I'm tremendously relieved that the senator... has come through this procedure extremely well."
AP,UPI,NBC,CBS -- (10/7/76)

Times of TV News Items
October 7, 1976

	ABC	NBC	CBS
<u>ADMINISTRATION NEWS</u>			
1. Ford/Bl	1:20 (3)	2:00 (5)	2:00 (lead)
<u>OTHER MAJOR NEWS</u>			
1. Carter/reaction	1:30 (2)	2:00 (6)	2:00 (2)
2. Debate/wrap-up	1:00 (lead)		
3. Dole/Mondale/reaction	:15 (4)		
4. E.European ethnic reaction	1:10 (5)	3:45 (3)	2:00 (3)
5. Wholesale prices	3:00 (6)	1:20 (lead)	1:05 (2)
6. S.Security taxes	:15 (7)		
7. Stocks	:12 (8)		:15 (8)
8. Arab boycott/reaction	2:10 (9)	2:23 (2)	2:30 (5)
9. Baroody interview	1:15 (10)		
10. Debate high points	1:00 (11)		
11. Reasoner comment	1:00 (12)		
12. Thailand	:17 (13)		:25 (14)
13. Humphrey	:16 (14)	:15 (9)	:10 (10)
14. Ali movie	1:35 (15)		
15. Debate/foreign reaction		2:00 (7)	:25 (4)
16. Medicaid			:35 (9)
17. Dole interview			4:00 (6)
18. Special prosecutor			2:10 (11)
19. Iran			2:15 (12)
20. Nielson/ratings down		:20 (4)	
21. Panama			:30 (13)
22. Israel/U.S. press			:10 (15)
23. JFK/King		:30 (10)	1:30 (16)
24. NYC Police demonstrations		:20 (11)	
25. Potato exports		1:30 (12)	
26. NBC/AP telephone survey		:20 (8)	
27. Reno dealer shot		:20 (14)	
28. Grocery winner/NYC		:10 (12)	
29. Man on street-reaction		1:00 (15)	

News & Comment

The President's Daily News Summary



Leading The News...

FOR ~~FRIDAY~~ AFTERNOON, October 8, 1976
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World-Wide

FORD DREW FIRE for saying Russia doesn't control Eastern Europe.

Foreign diplomats, Americans of East European heritage and Democratic politicians professed astonishment at President Ford's insistence in Wednesday night's debate that "there is no Soviet domination of

The Commerce Department will delete information of competitive value when it makes public the reports corporations must file on whether they received or complied with a boycott request. The department said recently that U.S. exporters had gone along with 94% of boycott requests they received from Arab countries in the six months ended March 31. In most cases the exporters were

Business and Finance

WHOLESALE PRICES in September jumped at a 10.8% annual rate, the steepest in 11 months. That raised the possibility of renewed high inflation.

(Story on Page 1)

(Story on Page 7)

The price of gold rose, then fell, after U.S. Treasury officials indicated they would propose that the International Monetary Fund's bullion auctions be held weekly instead of every six weeks.

(Story on Page 7)



Unemployment Down

Unemployment declined slightly to 7.8 per cent in September, the first dip in the overall jobless rate in four months, the Labor Department reported today.

However, the number of persons holding jobs also slipped for the first time since June, the Department said.

The 0.1 per cent drop in September provided some small comfort to President Ford. It was the last report on joblessness before the Nov. 2 election.

But the job market basically has remained unchanged over the past three months, and the recently strong increase in total employment appeared to be cooling somewhat. Ford has often boasted about the 3.7 million people who have found work since the recession was at its low point in May, 1975.

Some 7.4 million persons were unemployed in September, down from 7.5 million in August. This was the first decline since last May, when joblessness hit a post-recession low of 7.3 per cent.

Unemployment has been increasing steadily since last May and many Administration economists feared it might hit 8 per cent in September.
UPI - 10/8/76

Ford Addresses GOP Dinner

President Ford is urging fellow Republicans to get him vital Democratic votes and accusing Jimmy Carter of giving the Nation "A lot of doubletalk."

Ford coupled his stepped-up attack on Carter with a personal appeal for help from his own party Thursday night in a speech beamed to GOP fund raising events in 21 other cities.

"We have heard a lot of doubletalk from Mr. Carter, a lot of irresponsible promises," Ford said.

"I still don't know where Mr. Carter stands on most issues and I am not sure he does either."

Warning his Thursday night audience that GOP votes alone would not be enough, Ford said, "I ask every Republican to persuade just one independent and one Democrat" to keep him in office.

"If you do this, person to person, friend to friend, we can win," he said.

Ronald Reagan, speaking before Ford to about 750 persons paying \$1,000 each at the Los Angeles dinner, failed to mention the President's name until the last sentence he uttered and devoted the bulk of his time to advocacy of the Republican Party platform or criticism of the Democrats. (UPI)

At one point, he said, "This election isn't just a televised quiz show to see which contestant gets to live in the White House for four years. Make no mistake. This election is about the direction America will take in its third century in independence." (CBS)

Reagan focused his speech on the Republican platform that he and his conservative allies amended at the Kansas City, Mo., GOP convention. Ford had little to say about Reagan either except to say they were "teaming up again here to say we're going to carry California." (AP)

Ford had a good deal to say about Carter, saying he had been eager to debate the Democratic nominee - and "I still am, if you can ever pin him down."

Ford said, "I told you in Kansas City that I was ready and eager to debate Mr. Carter face to face on the real issues. I still am if I can ever pin him down. I don't think he knows what the real issues are." (NBC-ABC)
AP UPI Morning Shows

Dole Addresses GOP in Chicago

Robert Dole says the Republican campaign faces some problems caused by President Ford's assertion that eastern Europe is not under Soviet domination.

Dole attended a fund raising dinner in Chicago Friday night and hailed Ford as a man who "understands the economy ... the responsibilities of foreign policy, the details and demands of our defense establishment."

But his remarks during the program, part of a closed-circuit television broadcast to 22 nationwide locations, lacked his usual humor and were limited to praise of Ford's leadership ability. (UPI)

In Detroit Thursday, he was asked if Eastern Europe falls under Soviet influence. "I think to some extent, yes," he acknowledged.

A noticeably subdued Dole talked of Ford's debate remarks and said, "I think it presents some problem to President Ford. "I think there'll be a lot of questions raised and I'm certain Gov. Carter and Sen. Walter Mondale are on the trail ... trying to stoke the fires."

Dole said "He did say he's going to bring people into our foreign policy. He's going to have fireside chats. I can imagine the first one now, "Hello out there. We're being invaded. I wish I hadn't cut all that money out of the defense budget, \$5 billion, \$7 billion. Please call and leave your last known address. Then there will be a long pause and he'll say I'm calling from Plains, Georgia." I would suggest if he gave a fireside chat the fire would go out." (CBS)

Republicans plugged into the ethnic communities of Chicago are saying the President created substantial problems for himself in his comments and they are urging the White House to admit that the President simply said the wrong thing. That they say will give them less grief than trying to explain it all the way with supposed clarification." Eric Engburg reported. (CBS)

Edward Derwinski, speaking to reporters after the fund raiser, discussed the possible effects of President Ford's comment on Eastern Europe. Derwinski, a spokesman for Polish-Americans said, "It could be a detrimental thing if not properly corrected. But I'm assuming that within a reasonable time, the President and his spokesman will effectively correct any misgivings that people might have." (NBC/CBS) AP, UPI Morning Shows 10/8/76

Ford camp: new anxiety after debate

By Godfrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor

Washington

Within the Ford camp there are, quite generally, echoes of President Ford's own appraisal of his latest debate

Washington observers differ in some details, but they tend now to see the debate in this way:

• They believe that Mr. Carter might have been knocked out of the box if the President had scored two decisions in a row over the Georgian.

Mr. Carter, they feel, was fighting for survival and that he not only survived but that he also squared up the debates with Mr. Ford and turned the final TV get-together on Oct. 22 into a crucial, tie-breaking encounter.

• They see the President's advantage of being particularly knowledgeable on foreign affairs being eroded by Mr. Ford's claim that there is no Soviet domination of Eastern Europe.

Ford Tax Data Revealed

Pocket Money For '72 Put at \$5-13 a Week

By Carl Bernstein
and Bob Woodward

Washington Post Staff Writers

Gerald R. Ford and his wife apparently managed to live on between \$5 and \$13 per week in pocket money during 1972, according to an Internal Revenue Service audit conducted during Ford's vice presidential confirmation proceedings.

According to a secret IRS summary of the audit, Ford explained to revenue agents that he required very little cash because most of his miscellaneous expenses were paid by private interest groups to whom he made speeches and by other political associates.

After talking with Ford and examining his records, IRS agents concluded that he and his wife spent only between \$225 and \$637 in cash during the entire year, the summary shows.

That amount, the agents wrote in their report, "surprised" even Ford when he was made aware of the calculation. Nonetheless, the agents accepted the figures as plausible totals for "miscellaneous, out-of-pocket" cash expenditures and wrote:

"As a result of discussions with the taxpayer and analysis of the canceled checks by the agents, it is our conclusion that there was sufficient cash for miscellaneous living expenses."

Copies of the audit summary were made available to reporters at The Washington Post and The Wall Street Journal this week by a supporter of the Jimmy Carter presidential campaign.

Last night, Norman Miller, the Journal's Washington bureau chief, said, "The Wall Street Journal received its copy of the IRS audit report from a confidential source whose identity the paper declined to reveal. The Journal noted that, as its story reported, the authenticity of the report was confirmed by Philip W. Buchen, the President's White House counsel."

The Carter supporter had access to the document while Ford was undergoing confirmation proceedings in the House and Senate.

He indicated he was releasing the document on his own initiative, not at the behest of Carter or other campaign officials.

The entry of Ford's tax audit into the public domain and the partisan course of its entry seem likely to bring the matter of the President's tax return into the political arena.

The audit turned up no evidence that Ford had violated tax laws. But it came to light in the midst of an investigation by the Watergate special prosecutor, Charles Ruff, into the handling of campaign funds by

Ford in the decade from 1964 to 1974.

The Ruff investigation, according to sources, is continuing and is expected to include the examination of Ford's tax returns and any investigative leads they might generate.

The audit made public yesterday covers the period 1967 to 1972 and was turned over to Congress at Ford's request when he was nominated to be Vice President.

In addition to showing that the President and his wife were apparently able to exist on \$5 to \$13 a week pocket money during 1972, the audit summary contains these disclosures:

- That, in 1972, Mr. Ford paid most of his day-to-day living expenses from checks drawn on a bank account funded by honoraria from political speeches, reimbursement for travel expenses and "some political contributions."

- That the same account, known as the Gerald R. Ford Fifth District Account at the Union Bank & Trust Co. in Grand Rapids, Mich., was used to pay for clothes totaling \$871.44 for Mr. and Mrs. Ford. Because IRS agents determined that these purchases did not qualify as the type of political expenses the account was intended to pay for, the IRS ruled the money was income and imposed a \$35.77 penalty tax.

- That on Nov. 30, 1972, Ford paid \$1,167 for a family ski vacation out of the same Fifth District Account. He later instructed [his accountant] to make the necessary reimbursement which had been overlooked, according to the audit summary.

- That in 1967 and 1968, Ford depreciated the cost of two automobiles on the basis of 50 per cent use for business, even though he was provided a chauffeur-driven limousine as minority leader of the House of Representatives. "We considered an adjustment," the IRS summary said, but no penalty was imposed. "In view of the fact that the statute of limitations had expired."

- That the Fifth District Account paid for a one-week trip to Palm Springs in 1972, the purpose of which is not stated in the report.

The audit summary gives no indication of how much money Ford received from others to cover expenses incurred on expressly political trips, except to suggest that the amount was considerable. In 1972, according to the summary, Ford made more than 75 trips that were paid for by the Fifth District Account.

The IRS initially found that a number of deposit slips were missing from this same account. "However, most of the unidentified deposits were explained," the summary stated, by entries in a diary kept by Ford and in interviews with Buchen, Ford's former law partner who is now counsel to the President.

Anderson Concerned Over
Ford's Tax Audit

Following up on doubts expressed by the Wall Street Journal October 7 that President Ford could have lived on \$5 daily pocketmoney as a Congressman, Jack Anderson expressed his own concern Friday over findings in a confidential audit of the President's tax returns for 1967-72, a copy of which Anderson claims he received two years ago.

The report states, according to Anderson, that "Ford was surprised himself to know he can go through a week spending five dollars or less because of numerous meetings and lunches paid for by others."

When asked by tax agents how much he spent on lunch as a Congressman, Ford explained that "the cost of his usual lunch of cottage cheese and unsweetened grapefruit juce is very nominal."
Good Morning America 10-8-76

Mayaguez in Retrospect

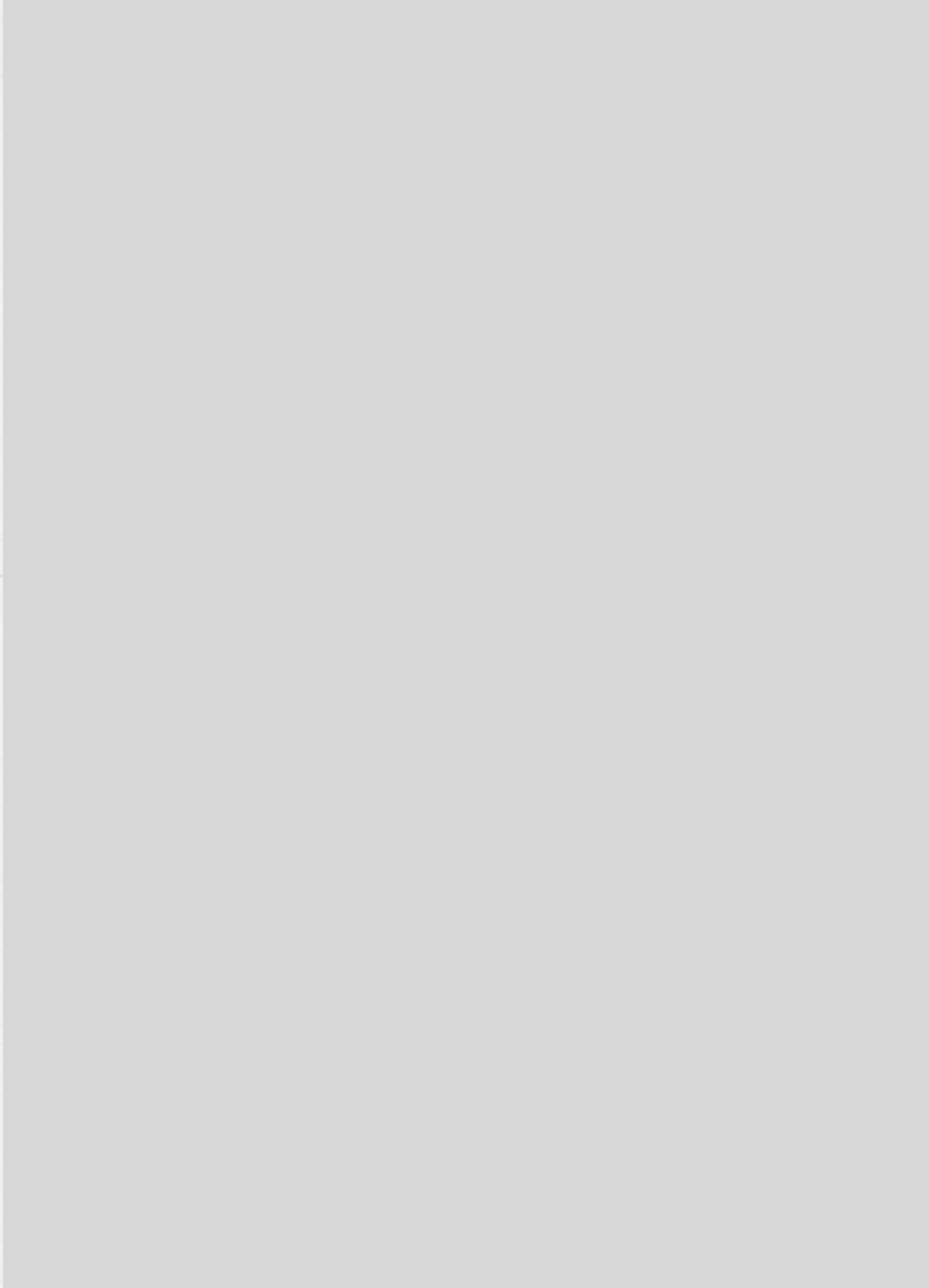
If President Ford did not exactly distinguish himself in Wednesday night's debate, he was forthright and correct in replying to recent criticism of last year's Mayaguez incident. There is a big difference between being responsible for coming up with the correct

dered to the Viet Cong, resulting in another Communist dictatorship in Southeast Asia.

As a consequence, U.S. policy and American ideals were in rapid retreat along a broad front through Asia. Not only America's Asian allies, but even some na-

Reviewing the Mayaguez

When Cambodian troops seized the Mayaguez, an American merchant vessel, 60 miles off the Cambodian coast on May 12, 1975, it was clearly the United States Government's duty to take whatever steps seemed necessary to free the ship and its crew. Another "Pueblo" could not be tolerated by the American people—nor would it have been. The action ordered by President Ford accomplished its purpose, although unfortunately only after 41 American lives had been lost.



Steve Ford Enjoying Campaigning

Good Morning America aired a feature report on Steve Ford's campaigning in the West.

Interviewer Steve Bell followed Ford for several days in his van with an entourage of secret service men.

The report involved a film of Steve campaigning and participating in a rodeo.

Steve said he really became interested in the campaign during the GOP convention and that the President was happy to hear he was going to campaign. Mrs. Ford, however, was not as enthusiastic and asked when he was going to finish college.

Steve said he didn't want to enter politics. Steve Bell ended the story saying young Ford, in his opinion from watching him campaign, was a natural politician. Good Morning America 10/8/76

Mondale Keeps Hitting on Ford's Comment

Sen. Walter Mondale Thursday made a persistent campaign theme of President Ford's debate remarks that Eastern European nations are free from Soviet control.

In speeches, in news conferences and even in his campaign jokes, Mondale has called the Ford remarks "unbelievable" and "funny but also sad."

He told a Miami airport news conference, "The President made the most incredible statement I believe was ever made by a sitting President ... It's ridiculous."

Mondale, campaigning in Miami, said "I've been to many Eastern European countries. People who live there, Americans who have relatives there, indeed anybody who has studied the problem at all, will find that statement to be utterly beyond belief. And he can hire all the experts he wants to in Washington. He said it, he's going to live with it and the American people do not want a President of the United States talking that way or acting that way." (CBS)

Aides passed out a Harris poll which shows Mondale is helping Carter more than Dole is helping the President.

Speaking on the Arab boycott, Mondale said, "And then he said, 'I've lead the fight against the Arab boycott. Well I'm on that tax committee. I was there the day that Mr. Ribicoff proposed that amendment to take away the tax benefits from American business that resorts to the vicious and racist tactics involved in the Arab boycott. The President's own personal representative spoke bitterly against that amendment and last night in the debate, after we forced the amendment on him nevertheless I heard the President of the United States state that he fought bitterly tooth and nail for the past year. Americans know the difference. We remember and we're going to call people on their real records and not what they say on election eve when they want the votes of people who they've abused.'" (NBC) AP, UPI, Morning Shows 10-8-76

Carter Would Experiment With
Cash Incentives

Washington (UPI) -- Jimmy Carter would experiment with cash incentive programs to boost government efficiency if he is elected President and would hold appointees personally responsible for management failures, according to a magazine article by Carter.

Writing in Friday's issue of National Journal Carter expanded on his promise to reorganize and streamline the Executive Branch.

Among his comments:

- "I intend to experiment with incentive programs to reward government employees who save the government money." He said a suitable reward would be 10 per cent of the first year savings, with a maximum of \$2,000.
- "I intend to obtain pledges from my appointees that they will remain in office until we have accomplished the goals upon which we agree."
- "My appointees will understand that they will be held personally accountable for failures in the management of government programs under their responsibility. Those who cannot manage will not remain in office."
- "I will not support or approve any piece of legislation unless I am convinced that it can be successfully administered."
- "Almost every recent President has tried and failed to revamp the Executive Branch. I believe that success is now possible, not only because the people want it to happen, but because, ironically, there is so much to be learned from recent failures."
- "We must be careful not to equate reorganization only with consolidation. Although, as I have said many times, consolidation of agencies is clearly called for in many areas, it is important for us to understand and acknowledge that moving boxes around on organization charts, by itself, doesn't solve the whole problem. Part of our task is to keep the government out of areas it should not be in and to improve the way it works in those areas where government operation is necessary or desirable."

President Ford has also been invited to submit articles to the publication and both candidates will have articles in future issues, the magazine said.

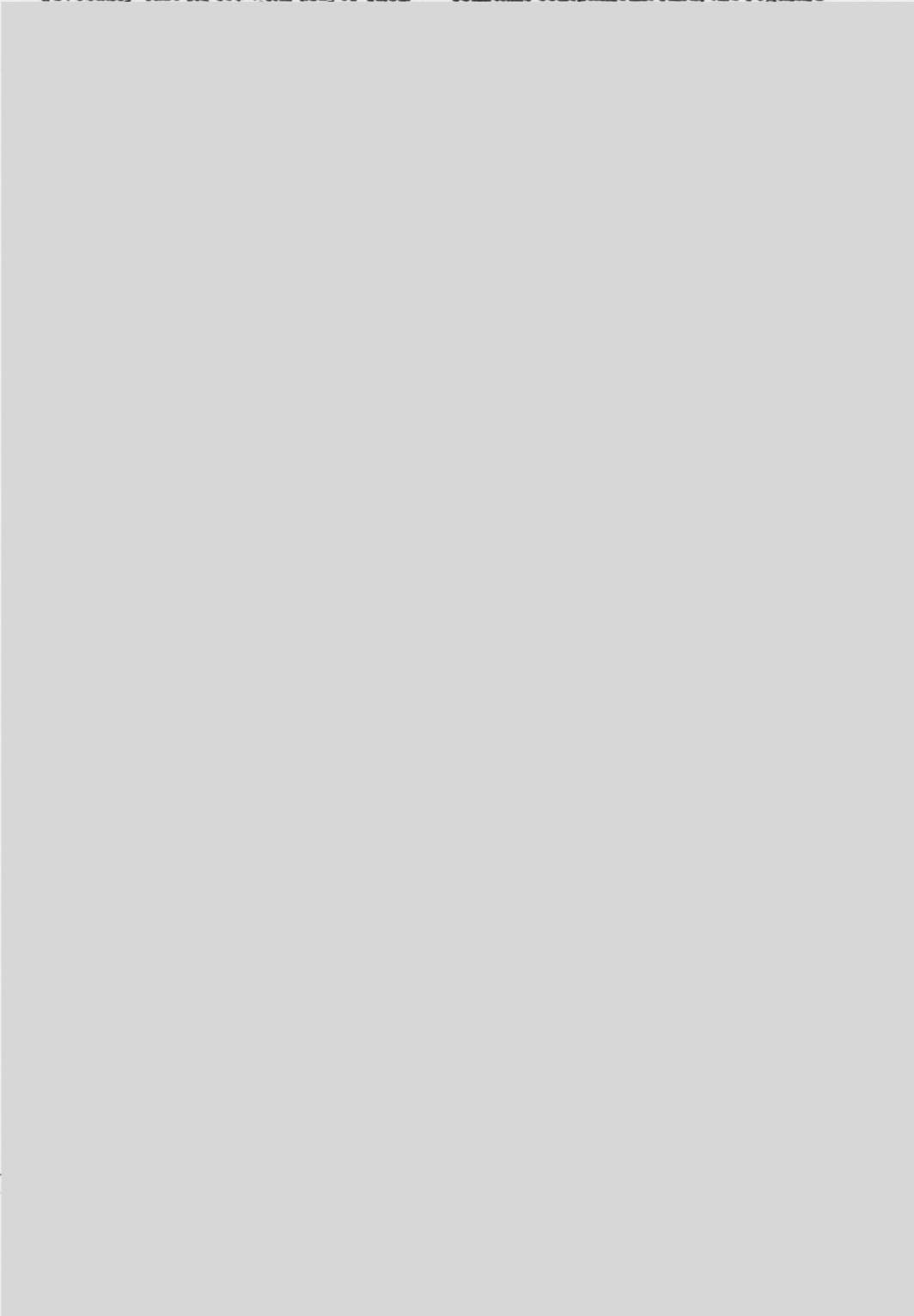
UPI 10-8-76

Rowland Evans and Robert Novak

Carter's Illinois Strategy

CHICAGO—Who is present and who is absent when Jimmy Carter pays his second fall campaign visit to Illinois Sunday will show that Carter's campaign, after private hesitation, has irrevocably cast its lot with Mayor Rich-

regular Democratic gatherings. When Carter speaks to a Polish-American dinner in Chicago Sunday night and marches in the Columbus Day parade Monday, Howlett and Daley will be his constant companions. And, the regulars



boosting both Carter and Howlett at

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Carter camp: initiative and 'ammunition'

By John Dillin -
Staff correspondent of
The Christian Science Monitor

Atlanta

For Jimmy Carter, it was a critical moment. For President Ford, it was a missed opportunity.

The second presidential debate came at a time when unfavorable polls and campaign mistakes had piled high on Mr. Carter. The

that the Poles consider themselves dominated by the Soviet Union. Each of those countries is independent, autonomous. It has its own territorial integrity. And the United States does not concede that those nations are under the domination of the Soviet Union."

The statement surprised Ford aides, and Mr. Carter immediately pounced on it:

"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 behind the Iron Curtain."

The Ford remarks will give Mr. Carter a new talking point in the Northern, ethnic, Roman Catholic neighborhoods where his campaign has been under fire on the abortion is-

Round Two

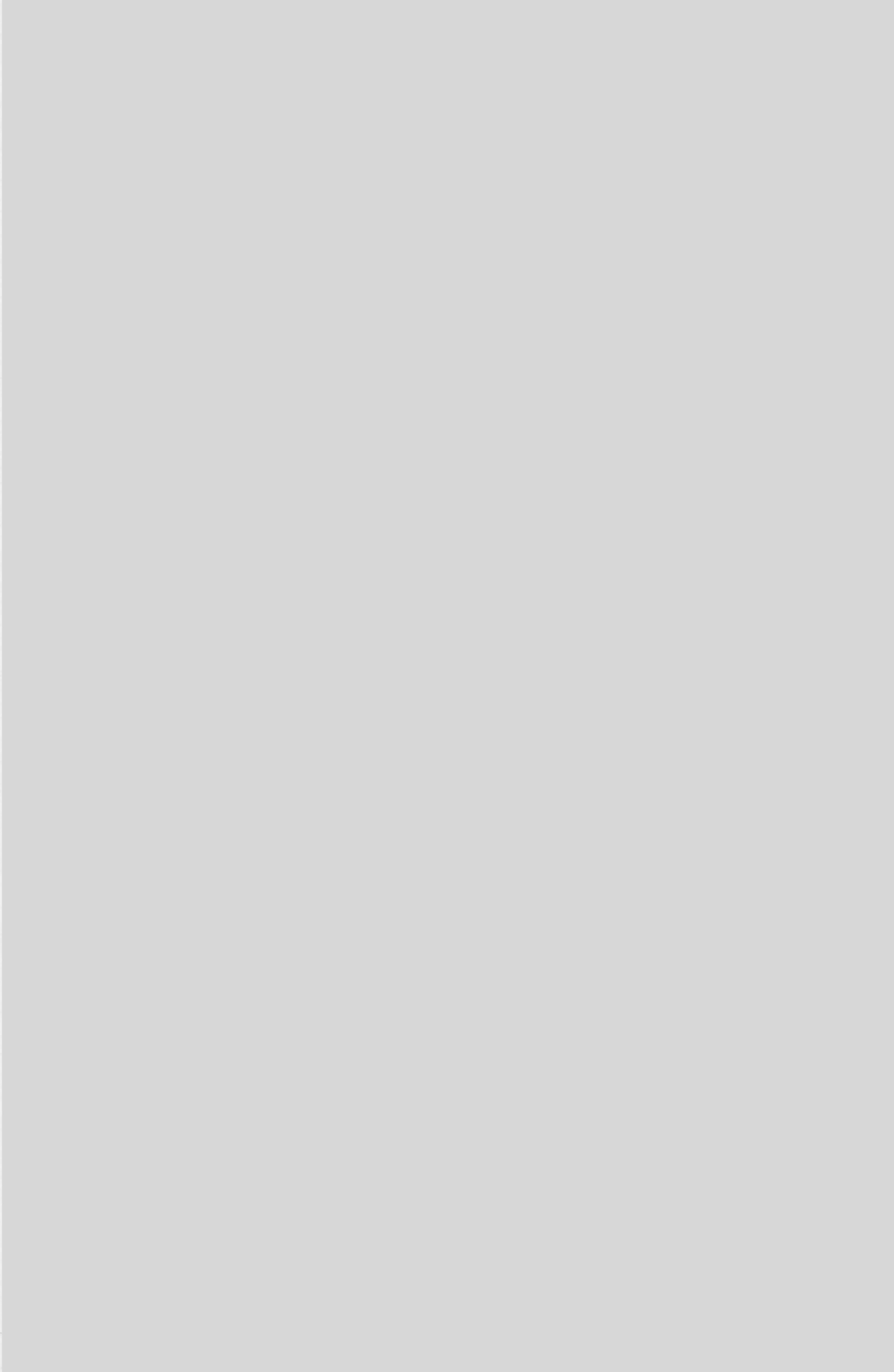
A REVOLUTION, said Mao Tse-tung, is not a dinner party. And a debate between presidential candidates is not an issues seminar or a forum for the exposition of policy. It is first and foremost—in the candidates' minds anyway—a political competition. And it is probably foolish to expect them to regard it any other

But it is important to note that it was much more a fault of articulation than a reflection of a real flaw in the Ford administration's policy with respect to Eastern Europe. Notwithstanding Mr. Carter's cynical effort to keep alive a canard to the contrary, the administration's actual East Europe policy has served the very

Carter 110, Ford 108

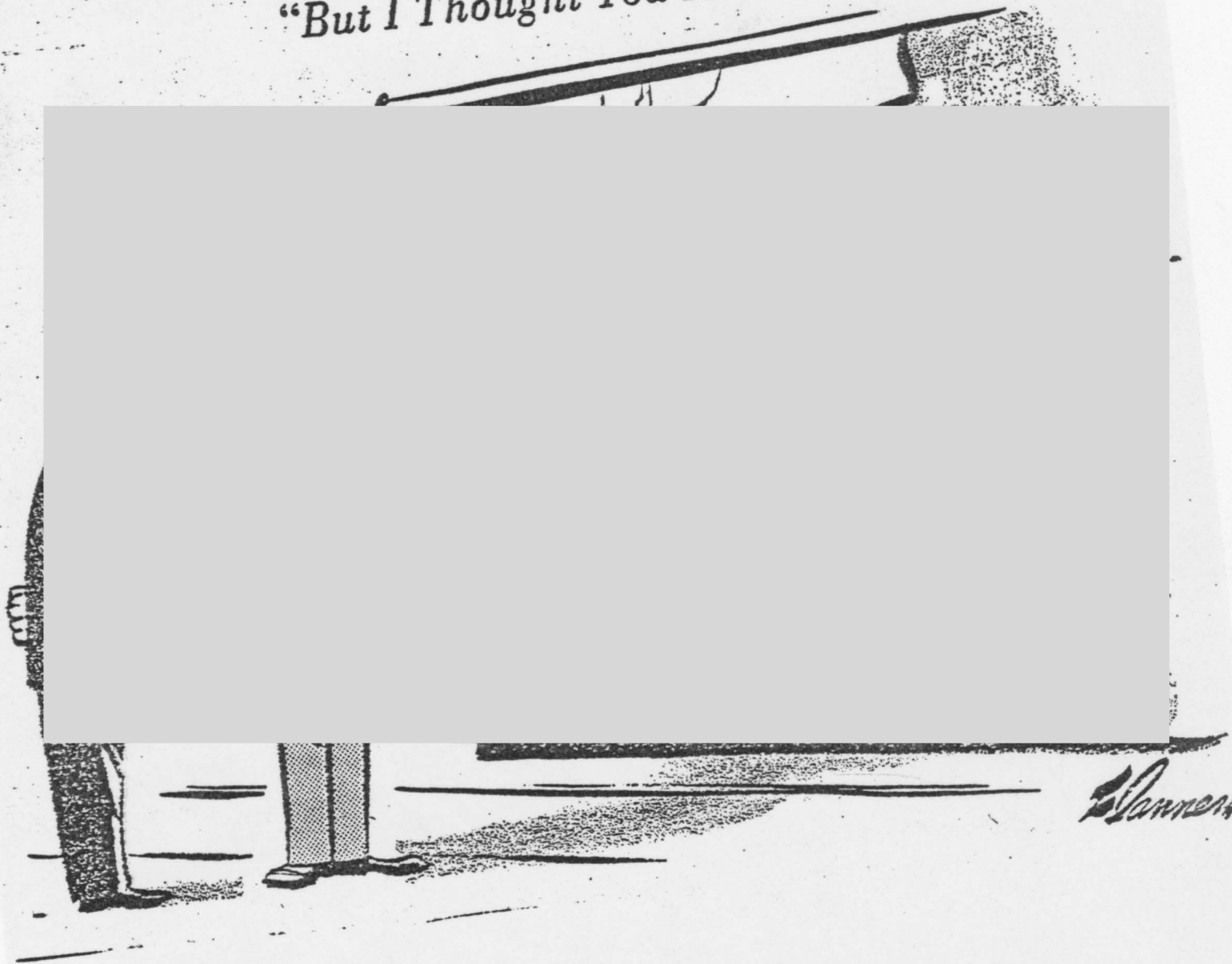
If the above headline looks like a basketball score, it makes our point. It actually is the way five college debating coaches—imaginatively commissioned by the Associated Press—scored the second Ford-Carter debate. Mr. Carter won in a tie-breaker. Our point is that the two candidates were not

normalizing relations with China, but preserve the U.S. obligation to Taiwan. Mr. Ford wants to increase the defense budget; Mr. Carter denies that he ever said he wanted to slash the defense budget \$15 billion (although a Los Angeles Times reporter recalls hearing that figure at a Beverly Hills press



“But I Thought You Knew!”

SC



Debate Fallout on the Middle East

The Middle East discussion by President Ford and Governor Carter Wednesday night offered a useful opportunity for assessing the judgment and integrity of the candidates. This is what the presidential debates are all about.

The President began by saying Soviet strength has waned to very low levels in Egypt

Western goods is considered less urgent than Western dependence on Arab oil. Mr. Carter suggested a growing Arab reliance on American weapons and spare parts would provide the U.S. with leverage, but this conflicts with his demand that the United States curtail arms sales abroad.

The Foreign Policy 'Debate'

The televised "debate" in San Francisco Wednesday night between the two major Presidential candidates was far more illuminating to the American electorate—and gave a far clearer presentation of the views of Gerald Ford and Jimmy Carter—than the first in this series of joint appearances two weeks ago in Philadelphia.

Yet it cannot be said that anything like a thorough exposition of their views and their vision of national defense and foreign policy was achieved. The delicate balance between moral leadership and the limits of

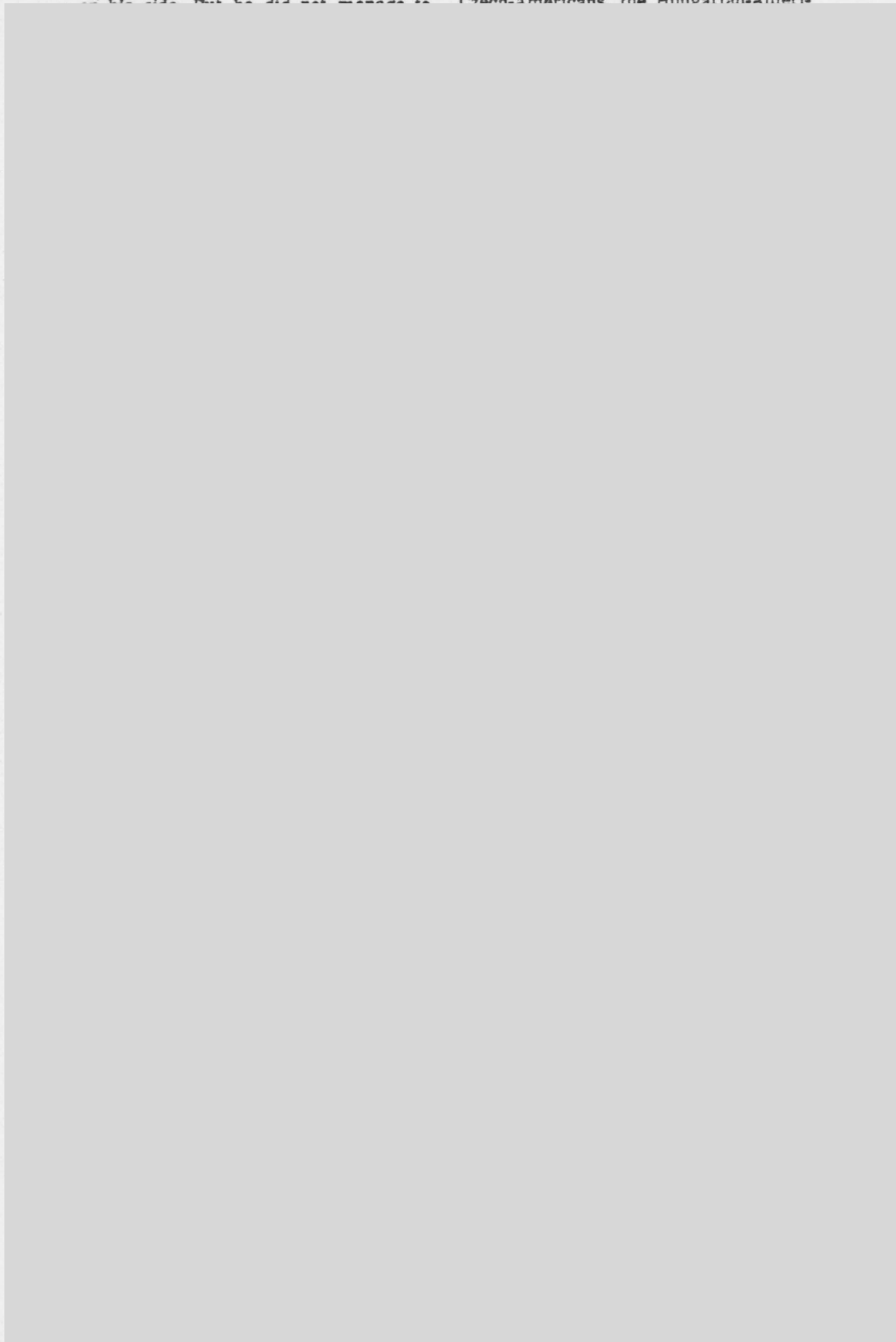
make a clear and specific case for a sharply reduced military budget, for this he failed to do.

Furthermore, while emphasizing in his peroration the American ideals of peace, freedom and liberty, Governor Carter lapsed into near-jingoism with his flat statement that "I would never give up complete control or practical control of the Panama Canal." Similarly, while the Administration's record on Chile is hardly one to be proud of, it is simply demagogic to say flatly, as Governor Carter said, that "this Administration over-

Round 2: Style vs. facts

On our scoreboard for Round Two of the presidential debates, challenger Jimmy Carter clearly outpointed President Ford on style. On substance, Mr. Ford was ahead; quite simply, the facts are

● Eastern Europe: Mr. Ford dropped a resounding brick with his denial of Soviet domination, and Mr. Carter made the most of it by inviting the President to "convince the Polish-Americans, the Czech-Americans, the Hungarian-Ameri-




plus or minus for one of the candidates: their own.

FORD vs. CARTER

There's a general consensus that Jimmy Carter did well in the foreign policy-defense debate with President Ford by harping aggressively on things which are not really substantial but make political points.

Mr. Ford pulled a prize boo-boo by proclaiming the "freedom" of East Europe from Soviet domination. The



Jerry fanned, but it was on a real curve

JAMES WIEGHART

WASHINGTON—President Ford's incredible blunder on Eastern Europe during the second presidential debate with Jimmy Carter — Ford's contention that the Kremlin doesn't dominate the Warsaw Pact Nations — is the major conversation piece in the nation's capital.

But the consensus is that the Ford blooper will be more of a temporary embarrassment than a fatal

Ford's misstatement was a series of dubious assertions designed to back the claim that detente was a one-way street favoring the Russians. As evidences, Frankel listed in part: "Our allies in France and Italy are now flirting with Communism; we've recognized a prominent Communist regime in East Germany; we've virtually signed in Helsinki an agreement that the Russians have dominance in Eastern Europe; we've bailed out Soviet agriculture with our huge grain sales; we've given them large loans, access to our best technology, and if the Senate had not interfered with the Jackson Amendment, maybe you would have given

The 2d debate confirmed U.S. policy's soundness

In the second presidential campaign debate, livelier than the first and more disputatious, the winner was to be found in the eye of the beholder. Immediate post-debate telephone polls followed reasonably closely the patterns of voter preference, which at

trapped himself, then failed to escape from, a too-sweeping generality about the relative independence from Soviet domination of eastern European Communist-bloc nations. Mr. Carter offered little or nothing to clarify his pledge of huge military spending cuts,

A lively debate

It was a livelier and more interesting evening this time around. The second Great Debate found the presidential contenders confident and assertive. To the panelists' credit, it covered a wide range of topics. It helped bring out some fundamental differences of approach and philosophy. It was, we felt, a good education for the American people.

On the minus side, we found him weak in explaining how the public could be involved in foreign policy decisions. His view on the Middle East was extremely narrow and, unfortunately for U.S. policy, partisanly pro-Israeli. He mistakenly accused the President of not implementing the Helsinki agreement, which is not legally enforceable.

The President was predictably stronger in

Bruce Morton Comments on Campaign

Eugene McCarthy tells a story about a football team he played on as a kid. "They weren't very good, McCarthy said, "but they were lucky, adding, "our best play was the forward fumble."

The Presidential campaign has looked alot like that this past couple of weeks. First there was Carter in Playboy talking about lust, and angering some of the evangelical voters he must have hoped to win; talking about how Lyndon Johnson lied, and angering some of the Texans he again, must have hoped to win. Then Gerald Ford losing both of those voters who thought Earl Butz ought to be firec, and those other voters who though Butz ought to have been kept on. Then Carter campaign reported organizational troulb in half a dozen key states, novices running the campaign here, party regulars frozen out there. Ford again, announcing that the Poles, Czechs and Hungarians are not under Russian domination, which may have been good news in Prague, but must have had voters in Pttsburgh's Polish Hill or Chicago's northwest side or around Milwaukee's Serb Hall or lots of other places, wondering how in the world could he say a dumb thing like that?

It's a little like the SuperBowl between the two worst teams in the National Football League - each one trying to hand the other the ball game. In the meantime, voters can console themselves with the thought that there are only three and one-half weeks left; only two more television spectaculars; and one of those involving Walter Mondale and Robert Dole might actually turn animated. Well, that would probably shock voters who watched the first two and assume, not unreasonably, that these non-debates were simply a device to help the country get to sleep. Still, some of these fumble, like those of McCarthy's football team, are bound to roll forward -- we've never had an election where all the candidates lost and despite what you may think, somebody is bound to win this one. Whether that's a good thing, of course, is another question.
(CBS) 10/8/76

Knebel Praises Butz Performance

John Knebel, acting Secretary of Agriculture, said Friday Earl Butz was a good Secretary and did much for American agriculture.

Knebel said he is not looking for beyond Nov. 2 and that the goal now is to get the President elected.

Asked if he saw any departure from the policies of Mr. Butz, Knebel said he saw none at this time, and that day to day operations would be the same.

Knebel said his job is to perform the day to day work and would take the speaking engagements that are necessary and appropriate.

During the past week, Knebel said he has heard favorable comments on Butz from agriculture groups he has talked to. Today Show 10/8/76

Dean Says Ford Probably Knew of Butz Remarks for Awhile

John Dean, who reported Earl Butz' comments but did not mention Butz by name, said Friday he thinks President Ford knew of the comments for several weeks.

In his first interview since the Butz affair, Dean told NBC's Carl Stern that he wasn't really out after Mr. Butz, he was merely performing his duties as a reporter. "I did what I felt I had to. One of the reasons I didn't mention Butz in the article I wrote was that I didn't write it to create news but I figured if I had put Butz' name in there it would have created news instantly. I didn't know if anyone would or would not find out who made the comment."

Dean said he would be surprised if Ford didn't know of the comment for several weeks before Butz resigned. Dean said because of the way staffing processes work the President would know and if he didn't it would reflect very poorly on the White House staff.

Had the President acted earlier on the situation, he may have handled it differently, Dean said. Today Show 10/8/76