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TABLE OF CONTENTS

HEALTH, SOCIAL SECURITY AND PUBLIC ASSISTANCE

Abortion
Child Abuse
Child Care
Disability
Elderly
Food Stamps
Health Care Costs
National Health Insurance
Nursing Homes and Long Term Care
Social Security
SSI Overruns

JUSTICE, CRIME, CIVIL RIGHTS AND COMMUNICATIONS

Affirmative Action
Anti-Trust
Busing
Communications
Crime
Death Penalty
Drug Abuse
Emergency School Desegregation Act
Equal Rights Amendment
Gun Control
Illegal Aliens
Job Security (Last Hired, First Fired)
Juvenile Delinquency
Native Americans
Needs of the Federal Court System/Judiciary Salaries
Privacy
Repeal of Fair Trade Laws
Spanish Speaking Americans
Women's Rights

HOUSING AND COMMUNITY AFFAIRS

Housing Assistance
Housing Finance
Urban Community Development



ECONOMIC GROWTH

Capital Formation
Inflation
Interest Rates
Multi-National Corporations/Foreign Payments
Price Controls
Tax Reform

ENVIRONMENT

Air Quality
Energy Development Impact Assistance
Land Use
Reform of Mining Laws
Solid Waste/Resource Recovery
Strip Mining
Water Quality
Water Resources

AGRICULTURE, ECONOMIC DEVELOPMENT, AND COMMERCE

Farm Policy
Grain Exports
Rural Development

LABOR, EDUCATION, AND VETERANS

Common Situs Picketing
Education Finance

ENERGY AND TRANSPORTATION

Airline Transportation
Capital for Major Energy Projects
Energy Independence Authority
Energy Related Activities
Highway Program
Railroads
Regulatory Reform in Transportation
Rural Transportation
Transportation Safety
Urban Transportation

GENERAL GOVERNMENT

Bicentennial
Consumer Protection
Energy Research and Development
Nuclear Power Plant Moratorium
Refugees
Science and Technology
Uranium Enrichment Capacity

INTERGOVERNMENTAL RELATIONS

General Revenue Sharing

FOREIGN AFFAIRS

Chile
China-Taiwan
CIA
Cuba
Cyprus
Defense
Eastern Europe
Korea
Law of the Sea
Mayaguez Incident
MIA's in Southeast Asia
The Middle East
Panama Canal
Portugal
Northern Marianas
Restoration of Military Assistance to Turkey
SALT
SEATO
U.N. Membership for Vietnam and North and South Korea
USSR/Detente
Vietnam Aid
Western Europe



ISSUE: Abortion

Administration Position

The President's position is that the law of the land must be upheld as interpreted by the Supreme Court in its 1973 decisions in Roe v. Wade and Doe v. Bolton.

The President also has indicated that he personally feels that abortion is an issue better decided at the State level rather than in Washington. "The President does not favor Federal legislation on the subject of abortion," his Press Secretary said on September 5, 1974.

Administration Actions

The Department of Defense has ordered all military facilities to comply with the Supreme Court decision on abortion in those instances where the law of the State in which the facility is located is inconsistent with the Supreme Court decision.

In appropriate instances, the Department of Defense will provide abortions as a normal medical service in its hospitals but will not reimburse individuals for abortions performed outside of military hospitals.

In light of Department of Defense's action, the Department of Health, Education, and Welfare will review its present Public Health Service and Indian Health Service policy, which is to be in compliance with State law.



AFQ
11/6/75

ISSUE: Child Abuse

Administration Position

The President supports the efforts of the Department of Health, Education, and Welfare and its National Center on Child Abuse in coordinating Federal activities relating to child abuse and neglect prevention and treatment. The approach of the Center, which is to support demonstration projects, is consistent with the President's efforts to return power and initiative to the States and to individuals.



AFQ
11/6/75

ISSUE: Child Care

Administration Position

The primary responsibility for child care rests with the family. Supportive actions by the State and Federal Governments are important and proper as long as they do not interfere with the role of the family.

Administration Action

Children are the beneficiaries of many Federal programs and grants in areas such as education, health care, income support, and nutrition programs. During FY 75, HEW's level of investment in activities which benefit children reached an estimated \$14.7 billion.

Title XX, the Social Services Bill, creates new possibilities in providing quality day care for children.

An HEW Panel is analyzing the impact of the Title XX inter-agency day care standards developed with providers and consumers.



AFQ
11/6/75

ISSUE: Disability

Administration Position

Federal programs for aiding those who have become disabled are in need of re-examination. Their goals, standards, and growth should be reviewed and a uniform coordinated system of support should be established.

The disability insurance program has grown rapidly in the last ten years. There were 1,237,000 claims files in FY 74, an increase of 158% from FY 65. Approximately 2,017,000 disabled worker beneficiaries received payments in FY 74, an increase of 126% over FY 65. And payments increased from \$1.4 billion in FY 65 to \$6.2 billion in FY 74, an increase of 342%.

Administration Action

The President has decided to convene a White House Conference on Handicapped Individuals in December, 1976. The purpose of the Conference is to stimulate a national assessment of problems facing individuals with handicaps and to develop recommendations to solve such problems.



AFQ
11/6/75

ISSUE: Elderly

Administration Position

The President is deeply concerned about the financial difficulties faced by many older Americans today. The President is making every effort to combat recession, inflation and the energy crisis, which affect all Americans, while at the same time assuring that the elderly are helped to meet these added burdens.

Administration Action

The elderly are the beneficiaries of Federal programs and grants in areas such as education, health care, income support and nutrition programs. In FY 73 the Federal government transferred approximately \$54 billion to the elderly through income transfer programs and spent \$1.8 billion on services for the elderly.



AFQ
11/6/75

ISSUE: Food Stamps

Administration Position

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

Administration Action

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

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

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



ISSUE: Health Care Costs

Administration Position

Health costs are rising faster than other costs in the economy. As part of the effort to combat economic difficulties, the Administration is designing provisions to constrain health costs. The President supports HEW efforts such as encouragement of health maintenance organizations and prospective rate reimbursement.

In addition, the Administration is considering with interest proposals to turn over some cost control efforts to the states, operating under Federal guidelines. Many states are developing expertise that could not be acquired at the Federal level.

AFQ
11/6/75

ISSUE: National Health Insurance

Administration Position

The President recognizes the importance of good health and feels that all Americans should have access to quality health care. The Administration has not introduced legislation on national health insurance this year because of the economic situation. If signs of economic recovery are consistently favorable, the President may introduce a proposal next year. Modifications to the previous Administration proposal are being considered in view of changes in the status of health insurance protection, health delivery and the health needs in the U.S.



AFQ
11/6/75

ISSUE: Nursing Homes and Long Term Care

Administration Position

While the President believes the basic responsibility for certifying institutions providing long term care rests with the States, he is determined that no Federal funds should be spent in any unsafe nursing home receiving Federal funds. He supports the Department of Health, Education, and Welfare's improvement campaign to upgrade the quality of care provided.



ISSUE: Social Security

Administration Position

The Social Security system is a sound, successful program which will continue to provide Americans with income resources when they retire. There is a need for an overhaul of the present financing provisions and the present system's overcompensation for inflation in future benefits.

Administration Action

The President has directed the Domestic Council to review the Social Security financing system and make recommendations on what improvements may be required.



AFQ
11/6/75

ISSUES: SSI Overruns

Administration Position

The recent problems of large overpayments in the Supplemental Security Income program are of the most serious concern. They reflect primarily the tremendous difficulties encountered when state-run programs of assistance to the aged, blind and disabled were transferred to the Federal Government. It was a difficult transition dealing with more than 50 complex systems being integrated into one program. Many of the most severe problems have been corrected. There is no doubt, however, that further improvement in the SSI program is needed. At the President's direction, the Department of Health, Education, and Welfare and Office of Management and Budget are examining ways of simplifying and better administering the SSI program.



AFQ
11/6/75

JUSTICE, CRIME, CIVIL
RIGHTS AND
COMMUNICATION



ISSUE: AFFIRMATIVE ACTION

Administration Position

President Ford is deeply and personally committed to the goal of eliminating discrimination in employment in both the public and private sectors. He believes the concept of affirmative action is a moral and political imperative at the Federal level. However, the President is convinced that the use of inflexible, mechanical means of achieving equality of opportunity -- such as quotas -- is inappropriate and, in the long run, detrimental to the overall effort. Rather, he believes that methods must be developed which, while promoting equal opportunity, do not place unreasonable burdens on Federal contractors.

Administration Actions

The President has directed Secretaries Coleman, Dunlop and Mathews and Attorney General Levi to review existing Federal Affirmative Action Programs and to make recommendations as to how the programs can be made to work more effectively without placing unreasonable burdens on Federal contractors.



RDP
11/6/75

ISSUE: Antitrust

Administration Position

President Ford said on December 23, 1974, "The time is long overdue for making violations of the Sherman Act a serious crime, because of the extremely adverse effect which they have on the country and its economy. S. 782 will provide a significant deterrent to potential violators and will give the courts sufficient flexibility to impose meaningful sanctions. Moreover, the bill will serve the public interest by expediting cases that have a profound influence on American industrial organization and allowing the courts to do other important work at the same time.

I called for further antitrust legislation in my October message, and I hope that the new Congress will carry that forward. It includes an amendment to the Antitrust Civil Process Act allowing the Department of Justice to take testimony in antitrust investigations -- as the Federal Trade Commission has done for years -- rather than simply relying on routine document subpoenas."

Administration Actions

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

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

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

FLM
11/6/75

ISSUE: BUSING

Administration Position

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

The President believes that, through improvements in the quality of teachers, curriculum, physical plants, pupil-teacher ratios, etc., any school can be turned into a desirable place in which a quality education may be attained. He believes these kinds of approaches, rather than simply transporting students from one area to another, should be undertaken, because this is the only way the primary goal of quality education for all can be achieved. Numerous reports and studies show that busing has failed to achieve this objective. It is the President's view that different approaches and methods should be tried.

Administration Actions

To help assure peaceable implementation of Phase II of the court-ordered school desegregation plan in Boston, the Department of Justice established a Federal Task Force headed by the Assistant Attorney General in charge of the Civil Rights Division and consisting of almost 200 Federal law enforcement personnel (including civil rights attorneys, U.S. Marshals and FBI agents). Additionally, to help assure the availability of school aid, the Secretary of the Department of Health, Education, and Welfare has sent Dr. Herman Goldberg (Assistant Commissioner for Equal Education Opportunity Programs, Office of Education) to Boston to work with appropriate State and local officials. Both of these actions were instrumental in helping State and local officials avoid violent outbreaks in Boston such as were experienced last year.

Generally, both the Departments of Justice and Health, Education, and Welfare have attempted to work with local communities faced with court-ordered desegregation responsibilities to carry out those responsibilities quickly and efficiently, and with as little disruption as possible.



RDP
11/6/75

ISSUE: COMMUNICATIONS

Administration Position

To minimize infringement by the Federal Government of the rights guaranteed by the First Amendment and to promote the economic and social benefits of new communication technology by limiting federal regulation to areas necessitated by natural monopolies (i.e., telephone, mail delivery) or determined by policy decision (i.e., equal time rule, etc.).

The President has made no public statement on this issue.

Administration Actions

The Administration submitted a bill on February 13, 1975, to provide long-term federal funding for the Corporation for Public Broadcasting and local educational stations on a matching basis.

FLM
11/6/75

ISSUE: CRIME

Administration Position

The President has identified crime as a major domestic concern and he has addressed himself to the issue on numerous occasions. Additionally, in a special message to the Congress on Crime, he set forth his program for dealing with this issue at the Federal level.

In addition to the Crime Message, the President's speech at the Yale Law School Sesquicentennial Convocation Dinner on April 25, 1975, and his speech before a Joint Session of the California Legislature on September 5 focused on the problem of crime in America.

Administration Actions

In the Crime Message, the President recommended, among other things: Modification of the proposed Criminal Justice Reform Act of 1975 to impose mandatory minimum sentences for violent criminal offenders; the enactment of effective handgun controls; and the extension of the Law Enforcement Assistance Administration through 1981. Legislation implementing each of these recommendations has been submitted to the Congress by the Administration. The President's Crime Message is summarized below.

While acknowledging that the Federal role in the fight against crime is a limited one, the President sets forth three important responsibilities of the Federal government in this vital area:

- . Providing leadership to State and local governments by improving the quality of Federal laws and the criminal justice system.
- . Enacting and vigorously enforcing laws covering criminal conduct that cannot be adequately regulated at the State or local level.
- . Providing financial and technical assistance to State and local governments and law enforcement agencies, and thereby enhancing their ability to enforce the law.

I. PROVIDING FEDERAL LEADERSHIP

A. Improving the Quality of Federal Laws

Noting that Federal criminal laws should be a model upon which State and local governments can pattern



their own laws, the President recommends to the Congress the enactment of a comprehensive criminal code.

In codifying the Federal criminal law, the President recommends that criminal fines be increased from a maximum of \$10,000 to a maximum of \$100,000 if the defendant is an individual, and \$500,000 if the defendant is an organization.

The President also recommends the enactment of mandatory minimum sentences for persons who:

- (1) commit Federal offenses involving the use of a dangerous weapon,
- (2) commit such extraordinarily serious offenses as aircraft hijacking, kidnapping and trafficking in hard drugs, and
- (3) are repeat offenders who commit Federal crimes that cause or have the potential to cause personal injury to others. Limited exceptions to the imposition of mandatory minimum sentences would be set forth in the statute.

The President recommends that Federal appeals courts be given limited authority to review sentences imposed by Federal trial court judges.

B. Improving the Federal Criminal Justice System

In addition to reform of the criminal law, the President believes that we must improve the manner in which our criminal justice system operates. In the message, he makes numerous suggestions and recommendations designed to improve the quality of the Federal criminal justice system. These include:

1. Establishment of "career criminal" programs designed to assure quick identification and prosecution of persons who repeatedly commit serious offenses.
2. Continuation and expansion of programs designed to divert certain first offenders into rehabilitation prior to trial.
3. Creation by the Congress of additional Federal District Court judgeships and expansion of the criminal jurisdiction of United States Magistrates.

4. Upgrading of prison facilities, including the replacement of large, outdated prisons with smaller, more modern ones.
5. Directing that the Attorney General, as Chairman of the Cabinet Committee on Crime Prevention and Rehabilitation, ensure that the Federal government is making the best possible use of its resources in the area of offender rehabilitation.
6. Enactment by the Congress of legislation to provide limited compensation to victims of Federal crimes who suffer personal injury.

Additionally, the President calls upon employers, including Federal agencies, to keep open minds on the hiring of persons formerly convicted of crimes.

II. BETTER LAWS AND ENFORCEMENT

- A. The President is unalterably opposed to Federal registration of guns or gun owners. He has directed the Attorney General to prepare legislation prohibiting the manufacture, assembly or sale of "Saturday Night Specials." The President also proposes to strengthen current law so as to strike at the illegal commerce in handguns and to emphasize the responsibility of dealers to adhere to the law. He has also ordered the Treasury Department's Bureau of Alcohol, Tobacco and Firearms to double its investigative efforts in the nation's ten largest metropolitan areas and to immediately employ and train an additional 500 firearms investigators for this priority effort.
- B. The President believes there are several other areas in which Federal law and enforcement can be improved to strike at those who have made crime a business. Laws relating to organized crime, consumer fraud, white-collar crimes and protection of civil rights can and should be improved.
- C. The President also has directed the Domestic Council to conduct a comprehensive, priority review of the Federal effort in the treatment and prevention of drug abuse, to ensure that Federal programs and policies are appropriate to meet the current and mounting threat.

III. PROVIDING FINANCIAL AND TECHNICAL ASSISTANCE

The Federal government must continue to help State and local governments in carrying out their law enforcement responsibilities. Therefore, the President will submit to the Congress a bill that will continue the Law Enforcement Assistance Administration through 1981.

The Bill will authorize \$6.8 billion for the Law Enforcement Assistance Administration to continue its work through 1981. Further, the bill will increase LEAA's annual funding authorization of \$1.25 billion to \$1.3 billion so that additional funds may be made available to urban areas with high crime rates. Finally, the bill will place additional emphasis on improving State and local court systems.

RDP
11/6/75

ISSUE: Death Penalty

Administration Position

In accordance with the standards announced by the Supreme Court in the case of Furman v. Georgia, the President favors the death penalty, imposable upon conviction of treason, espionage, sabotage and murder.

He believes the death penalty should be imposed only in those instances where certain aggravating circumstances and no mitigating circumstances are found to be present.

Aggravating circumstances would include the creation of a grave risk of substantial danger to the national security or establishment of the fact the defendant was a hired killer. Mitigating circumstances would include immaturity, mental incapacity, duress, etc.

Administration Action

The Department of Justice has submitted legislation to the Congress to reinstate the death penalty as an available sanction in these limited circumstances.

The Justice Department proposal is incorporated in S. 1, a bill to revise, reform and recodify the Federal criminal law, which is under active consideration in the Senate.

FLM
11/6/75

ISSUE: DRUG ABUSE

Administration Position

President Ford has said:

"The drug threat, by destroying individual lives and dividing families and communities, strikes at the heart of our national well-being.

"America's response has not been passive. During the past half decade, we have given the highest priority to eliminating this threat to the very fabric of our society.

"Recent evidence indicates an increase in the availability and use of dangerous drugs in spite of massive Federal efforts during the past six years. I am deeply concerned over these developments.

"The high priority which my Administration places on the Federal drug abuse program will continue until the public is properly protected from the abuse of hard drugs."

Administration Action

The President issued proclamations in both 1974 and 1975 designating Drug Abuse Prevention Weeks during October.

In his special message on crime, the President called on the Congress to enact mandatory minimum sentences for traffickers in hard drugs. He also directed the Domestic Council to undertake an in-depth evaluation of the entire Federal drug abuse prevention program and to make recommendations to him for improving the Federal program.

Further, in July, the President indicated in a letter to The Honorable Charles Rangel, his view that drug abuse constituted a threat to our national security and pledged that he and Secretary Kissinger would make this view known to all the nations of the world.

RDP
11/6/75

ISSUE: EMERGENCY SCHOOL DESEGREGATION ACT

Administration Position

The Administration is committed to continuing emphasis upon the equality of educational opportunity for all children. For school districts that are in the process of desegregating, the Emergency School Aid program is designed to provide assistance to improve the educational achievement of children in these districts.

Administration Actions

In fiscal year 1976, the \$215 million appropriated for Emergency School Aid will:

Support an estimated 386 school districts that are in the process of desegregating.

Provide an overall total of some 818 awards (to non-profit groups, local and State educational agencies) to serve an estimated six million children.

In addition, Title IV of the Civil Rights Act of 1964, will provide a total of \$26.7 million that would support a total of 168 grants to State and local educational agencies, training institutes and general assistance centers to provide technical assistance to school districts that are desegregating.

FLM
11/6/75



ISSUE: EQUAL RIGHTS AMENDMENT

Administration Position

President Ford strongly supports the Equal Rights Amendment. He has called for its ratification by the requisite number of States in numerous speeches and addresses.

Administration Action

Both the President and Mrs. Ford have specifically advocated ratification of the Equal Rights Amendment.

RDP
11/6/75

ISSUE: GUN CONTROL

Administration Position

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

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

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

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

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

1. legislation requiring the imposition of a mandatory minimum term of imprisonment for any person convicted of using or carrying a handgun in the commission of Federal offenses;
2. legislation banning the importation, domestic manufacture and sale of cheap, highly concealable handguns -- known and "Saturday Night Specials" -- which have no apparent use other than against human beings;
3. legislation strengthening current law to strike at the illegal commerce in handguns and to emphasize the responsibility of gun dealers to adhere to the law; and
4. expansion, by the Bureau of Alcohol, Tobacco and Firearms, of its firearms investigative efforts in the nation's ten largest metropolitan areas through the immediate employment and training of an additional 500 firearms investigators.

Administration Actions

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

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

RDP
11/6/75

ISSUE: Illegal Aliens

Administration Position

President Ford stated on September 12, 1974: "We have been trying to strengthen the arm of the Immigration and Naturalization Service, the Department of Justice, in order to handle in an appropriate way the illegal alien problem.

"Florida has a serious problem. California has an equally serious problem. We are trying to work with the Mexican government, for example, primarily out in the Western states. We are fully cognizant of the adverse impact that illegal aliens have on employment opportunities of American citizens, but we are trying to stop the flow in. We are seeking to send back illegal aliens as quickly as possible under the laws of the United States.

"The Illegal Aliens legislation is necessary to establish clear guidelines regarding the law for employment of aliens who work in this country."

The President also said on November 18, 1974: "Current estimates by the Immigration and Naturalization Service indicate that there are some 4 to 7 million illegal aliens in the United States. Prompt action on a pending illegal alien bill would help solve this critical problem by providing sanctions against the hiring of illegal aliens. This would make more jobs available for our own citizens."

The Administration supports legislation that would establish graduated penalties for employers who hired illegal aliens, increase INS resources, and conduct studies to determine location and the impact of illegal aliens on jobs and welfare.

Administration Actions

President Ford created the Domestic Council Committee on Illegal Aliens on January 6, 1975, to develop, coordinate and present policy issues that cut across agency lines to provide better programs for dealing with the illegal aliens problem.

The Department of Justice submitted a budget supplemental for a \$1 million study to determine the numbers, location and economic impact of illegal aliens.

The Secretary of State established an Inter-Agency Committee for Study of Problems Related to Illegal Mexican Migration into the United States.

FLM
11/6/75

ISSUE: JOB SECURITY (LAST HIRED, FIRST FIRED)

Administration Position

The question of whether long-standing seniority rules should be changed to counter past discriminatory practices is extremely complex. In many cases it involves the continuing employment rights of both those who have worked hard and long to earn them, and those who have been denied that opportunity. The courts are now considering cases involving these conflicts of rights. Since each case is different, such court action appears the appropriate way of resolving the issue.

The fact is, however, that an unstable economy is the enemy of equal opportunity. Equality of opportunity can be sustained only in the context of economic stability. Therefore, the most important thing the Administration can do in this area is to ensure a stable, growing economy that allows all -- black and white, men and women -- to realize their full potential.

Administration Actions

The Equal Employment Opportunity Commission in conjunction with the Equal Employment Opportunity Coordinating Council is examining the issue of seniority in lay-offs. More generally, however, the President is attempting to restore to America the kind of economic stability and growth which will render consideration of this issue moot.

RDP
11/6/75

ISSUE: JUVENILE DELINQUENCY

Administration Position

In his special message to the Congress on crime, the President said:

"I know that grave questions have been raised by qualified experts about the ability of the corrections system to rehabilitate offenders. These are important and serious questions. They go to the very heart of the corrections system. While the problem of criminal rehabilitation is difficult, we must not give up on our efforts to achieve it, especially in dealing with youthful offenders. Crime by young people represents a large part of crime in general. The 1973 statistics indicate that 45 percent of persons arrested for all crimes are under 18 years of age. Whatever the difficulty, we must continue our efforts to rehabilitate offenders, especially youthful offenders. To do less would be to write off great numbers of young people as unsalvageable before they have even come of age. I have directed the Attorney General, as Chairman of the Cabinet Committee on Crime Prevention and Rehabilitation, to work in close cooperation with the Secretary of Labor, the Secretary of Health, Education, and Welfare and other concerned agencies of the Executive Branch to ensure that the Federal government is making the best possible use of its resources in this crucial area."

Administration Action

Federal efforts in dealing with juvenile delinquency are operated primarily by the Law Enforcement Assistance Administration (LEAA) in the Department of Justice. Through its existing block and discretionary grant programs, LEAA contributes funds to State and local governments and other agencies for juvenile delinquency programs. Approximately \$140 million annually has been devoted to projects focusing on delinquency prevention, court services and residential facilities.

The Juvenile Justice and Delinquency Prevention Act of 1974 required additional Federal involvement in the area of juvenile delinquency. An Office of Juvenile Justice and Delinquency Prevention was established in LEAA to coordinate all juvenile delinquency programs and to initiate new projects through a categorical grant program. This office is now in operation and has received numerous grant proposals from interested State, local and other agencies for possible projects.

New projects which are in operation, or planned in the near future, include removing "status offenders" from institutions, increased delinquency prevention and delinquency diversion. Twenty-five million dollars has been appropriated to the OJJDP to enable it to initiate these activities.

The Department of HEW is also involved in juvenile delinquency, with the Runaway Youth Program in the Office of Human Development. This program currently utilizes about \$15 million in Federal funds annually.

At the President's direction, the Cabinet Committee on Crime Prevention and Rehabilitation is attempting to ensure that these programs are having the maximum positive effect.

11/6/75

ISSUE: Native Americans

Administration Position

The President stated on January 9, 1975: "My Administration is committed to the furthering of the self-determination of Indian communities without terminating the special relationships between the Federal Government and the Indiana people."

This policy rejects two extreme approaches of the past: (1) paternalism, under which the Federal Government dominates decision-making in programs conducted within Indiana communities and (2) termination, under which Indian people would have to lose the protection of Federal trusteeship responsible for their natural and financial resources to gain some measure of control over their future.

Administration Actions

On January 4, 1975, the President signed into law S. 1097, the Indiana Self-Determination and Educational Assistance Act, which increases the ability of Indian tribes to plan and manage the programs serving their communities (P.L. 93-638). Regulations implementing this law have been published in the Federal Register.

The President's budget for fiscal year 1976 includes appropriations to the full extent authorized in the Indian Financing Act of 1974 for direct loans, guaranteed loans, interest subsidies and business development grants for Indians. With respect to the Bureau of Indian Affairs law enforcement efforts, the budget was more than doubled from the \$10 billion spent in fiscal year 1975.

ISSUE: Needs of the Federal Court System/Judiciary Salaries

Administration Position

The President stated on July 13, 1975: "Despite the importance of the judiciary, its problems often go unnoticed and unreported. Too often, we pay attention only when Federal court decisions are controversial or the problems of court management become overwhelming.

"This Administration supports the recommendations for additional district and circuit court judgeships, which judicial conference studies show are needed. Legislation to create these judgeships needs swift bi-partisan action.

"The number of Federal judges and adequate salaries are important issues. But other problems also need attention.

"In my Crime Message, I strongly supported legislation to expand the jurisdiction of the United States magistrates.

"Action on the scope and process of Federal jurisdiction -- including the range of diversity jurisdiction, the advisability of three-judge courts, possible avenues of Federal-State cooperation and related proposals -- all could help to reduce caseloads.

"The Administration also is aware of the need to consider the judicial impact of any new legislation, and we will examine the potential for litigation arising from our proposals. Too often, Federal laws have been passed without adequate consideration of their effect on Federal courts."

Administration Actions

The President has requested a comprehensive review of Administration efforts on judicial improvements and an examination of the full spectrum of problems facing the judiciary, including judicial salaries and benefits.

FLM
11/6/75

ISSUE: Privacy

Administration Position

The President said on October 9, 1974: "Renewed national efforts to strengthen protections for personal privacy should begin in Washington. We should start by enacting uniform fair information practices for the agencies of the Federal government. This will give us invaluable operating experience as we continue to examine and recommend needed actions at the State and local level and in the private sector.

"The immediate objective should be to give every citizen the right to inspect, challenge and correct, if necessary, information about him contained in Federal agency records and to assure him a remedy for illegal invasions of privacy by Federal agencies accountable for safeguarding his records. In legislating, the right of privacy, of course, must be balanced against equally valid public interests in freedom of information, national defense, foreign policy, law enforcement, and in a high quality and trustworthy Federal work force."

Administration policy is to reduce unwarranted and unnecessary government intrusion into the privacy of individuals and to establish specific safeguards to maintain the right of privacy.

Administration Actions

The President signed into law the Family Educational Rights and Privacy Act guaranteeing student and parent access to school records and restricting disclosures of such records.

Issuance of an Executive Order restricting White House access to income tax returns.

Appointment of several special committees, including one chaired by the Vice President, to investigate alleged abuses by agencies with intelligence gathering functions.

The President signed into law a landmark statute, the Privacy Act of 1974, to safeguard the privacy rights of individuals who, for one reason or another, are subjects of records maintained by Federal agencies and establishing a Privacy Protection Study Commission.

Promulgation of Agency guidelines for the implementation of the Privacy Act on September 27, 1975.

ISSUE: Repeal of Fair Trade Laws

Administration Position

The President stated on April 28, 1975: "Another element of our program is pending legislation in the Congress, which would end the so called fair trade law. Federal law today now permits States to allow manufacturers to dictate the price of their product and drives up the cost on such items as books, cosmetics, shoes and hardware.

"These depression-era laws, which cost consumers an estimated \$2 billion a year, should be laid to rest, along with the NRA Blue Eagle of the same period.

"In addition, I will propose changes in other laws which restrain competition and deny buyers substantial savings. The Robinson-Patman Act is a leading example of such laws. It discourages both large and small firms from cutting prices, and it also makes it harder for them to expand into new markets and to pass on to customers the cost savings on large orders."

Administration Actions

The Administration has supported legislation introduced by Senator Brooke to repeal the exemption to the Sherman Act that sanctions State Fair Trade Laws. The Domestic Council Review Group on Regulatory Reform has plans to schedule a public hearing on Robinson-Patman involving small businessmen, consumers and other related groups prior to drafting legislation on this issue.

FLM
11/6/75

ISSUE: SPANISH SPEAKING AMERICANS

Administration Position

The Ford Administration is firmly committed to improving the quality of life for the 16 million Americans of Hispanic descent. This includes greater job opportunities and more responsible jobs, greater opportunity to participate in the elective process and greater opportunity to participate in government generally.

Administration Actions

In addition to having appointed numerous capable Hispanic Americans to high government office, President Ford has taken several significant actions manifesting his commitment to Hispanic Americans:

- . He advocated and signed legislation extending the protection of the Voting Rights Act to the Spanish speaking;
- . He increased from \$42 million to \$70 million Federal assistance for Bilingual/Bicultural Education programs; and,
- . He has met with Hispanic American leaders (October 17, 1974), Spanish-speaking Congressmen (September 4, 1974) and with the National Service Employment Redevelopment Board of Directors (July 17, 1975).

Additionally, the President has directed that the Small Business Administration's Minority Contracting Program be strengthened and made more effective to better serve the needs of the minority business community.

Administration Position

President Ford is a strong supporter of women's rights and he has affirmatively addressed himself to this issue on numerous occasions in the past.

Administration Actions

a) Equal Rights Amendment

As a Member of Congress, President Ford was a strong supporter of the Equal Rights Amendment.

Since becoming President, he has spoken out in favor of the Amendment on the following occasions: Women's Equality Day Proclamation on August 22, 1974; meeting of the National Women's Organization leaders on September 6, 1974; his signing statement of January 9, 1975 for Executive Order 11832, establishing the National Commission on the Observance of International Women's Year; and on April 14, 1975, at ceremonies honoring members of the Commission; in his June 5, 1975, speech to the graduates of Holton Arms; and, most recently, in his August 26, 1975, Women's Equality Day Proclamation, when he said:

"On August 26th, 1920, American women finally gained the right to vote when the Nineteenth Amendment was certified as part of our Constitution.

"Today, fifty-four years later, the women of America are actively participating in and contributing to all aspects of our economic, social and political life. Many obstacles on the road to equal opportunity have been removed as legislative and executive actions have helped to reduce sex discrimination in education, training and employment. Special efforts have been made in the Federal Government, so that women now contribute more fully than ever before to the formulation and execution of public policy.

"But although we as a Nation have come a great distance since 1920, we still have a great distance to go. In 1970, on the floor of the House, I said that the Equal Rights Amendment to the Constitution was an idea whose time had come. Today I want to reaffirm my personal commitment to that amendment. The time for ratification of the Equal Rights Amendment has come just as surely as did the time for the 19th Amendment.

"As 1975 approaches, widely proclaimed as International Women's Year, Americans must deal with those inequities that still linger as barriers to the full participation of women in our Nation's life. We must also strengthen and support laws that prohibit discrimination based on sex."

b) Employment and Appointment of Women

The President has made several strong statements regarding his commitment to appoint more women to policy-making positions in his Administration. The first statement was made at a meeting with his women Presidential appointees in August of 1974.

In the President's January 9, 1975, statement on the International Women's Year, he said: "The vast potential of women has only been partially explored. Opening up new doors to approximately half the world's population is vital to solving many of our international problems."

The President's March 6, 1975, memorandum to heads of departments and agencies regarding the employment of women and minorities sets the President strongly behind affirmative action to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement in the Federal government.

Also, in his April 14, 1975, statement to the IWY Commission, the President reiterated his commitment by saying:

"Statistics on the employment of women in Federal Government demonstrates, I think, the problems that remain in assuring true equal opportunity . . ."

"This Administration, as the records will show, recently reminded the heads of all Federal departments and agencies that a strong affirmative action is needed to see that everyone has the opportunity to compete with -- or on a fair and equal basis. The Federal Government, in my judgment, has a very special responsibility and a special opportunity to set an example and this we intend to do"

The most recent statement on employment was issued August 26, 1975, and stated:

"Women's Equality Day gives me another welcome chance to assure all Americans that their Government is firmly committed to achieving a record



during this important year which will be a source of national pride to us and inspiration to others. We are determined to make our Government a showcase of equal opportunity. Guided by the firm belief that our nation derives its vitality from this basic concept, we shall not waiver in our task to make it the cornerstone of daily life throughout our country."

c) Enforcement of Laws

The President again said, to IWY Commission members on August 14, 1975:

"Although the growing concern about the special and legal and social problems of women has paved the way for many, many new laws and important court decisions, real change, as I see it, will depend upon the caliber and degree of enforcement."

One of the three amendments to the General Revenue Sharing Act proposed by the President was to strengthen the civil rights provisions of the existing statute.

d) Title IX of the Education Amendments of 1972

The President signed the implementing regulations for Title IX on May 27, 1975. The President discussed the opening of new educational opportunities to women in his speech to the Holton Arms graduates. The only published statements of the President regarding Title IX, however, are his letters of July 21, 1975 to Senator Williams and Representative O'Hara in which he expresses concern with allegations that Title IX will destroy intercollegiate athletics. The President does say in those letters that he believes that the Regulation is a reasonable implementation of the statute.

e) Credit

In August 1974 and October 1974, the President signed two pieces of legislation which included anti-sex discrimination provisions. In signing the most recent of these, the President said:

"Another extremely important provision in this legislation prohibits discrimination on the basis of sex or marital status in the granting or denying of credit. While there has been a voluntary improvement in credit procedures in recent years, women are

still too often treated as second-class citizens in the credit world. This legislation officially recognized the basic principle that women should have access to credit on the same terms as men."

RDP
11/6/75

HOUSING AND
COMMUNITY AFFAIRS

ISSUE: Housing Assistance

Administration Position

The policy of the Ford Administration is to assist low-income families in obtaining decent homes and suitable living environments, through programs which:

- emphasize the use of existing houses rather than new construction so more families can be assisted with a given amount of Federal resources;
- maximize freedom of choice by offering a subsidy directly to the low-income family;
- rely on the private market for the construction, financing, and management of housing for federally-subsidized families.

Administration Actions

President Ford signed the Housing and Community Development Act of 1974 on August 22, 1974. This Act established a new Section 8 program of housing assistance for low-income families which authorizes the Federal government to pay the difference between (i) the fair market rent and (ii) a portion of such rent -- between 15 percent and 25 percent of the gross income -- affordable by the tenant. This new program has the following advantages over the old subsidized programs:

- the lowest income families can be reached since subsidy payments cover the difference between what a family can afford and what it costs to rent the unit;
- freedom of choice is increased because tenants are free to choose their own housing units and are not forced into subsidized housing projects;
- costs can be better controlled through the use of rent levels prevailing in the private market.

President Ford's 1976 Budget authorized HUD to enter into subsidy agreements with over 400,000 families.

The Administration approved HUD's reactivation of a revised homeownership subsidy program (Sect. 235) which will subsidize over 250,000 new single family units.

TRH
11/6/75



ISSUE: Housing Finance

Administration Position

It is the policy of the Ford Administration to provide a housing finance mechanism that:

- makes available to homebuyers sufficient mortgage credit repayable over an extended term at reasonable interest rates;
- moderates the extreme swing in the availability of mortgage credit.

Administration Actions

President Ford signed the Housing and Community Development Act of 1974 on August 22, 1974. This Act increased the availability of mortgage credit by:

- extending all of the unsubsidized FHA insurance programs until June 30, 1977;
- increasing the size of mortgages that can be insured by the FHA -- from \$33,000 to \$45,000 for single family homes;
- increasing the size of mortgage loans by savings and loans associations -- from \$45,000 to \$55,000 for single family homes;
- increasing the size of mortgage loans that can be purchased by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation -- from \$35,000 to \$55,000 for single family homes;
- increasing the size of mortgage loans that could be purchased by GNMA -- from \$33,000 to \$38,000 for single family homes;
- lowering the down payments required on FHA insured mortgages.

TRH
11/6/75

- President Ford signed the Emergency Home Purchase Assistance Act of 1974 on October 18, 1974. This bill authorizes the Government National Mortgage Association within the Department of Housing and Urban Development to make commitments up to \$7.75 billion at predetermined interest rates to purchase mortgages on both new and existing homes, which are not insured by the Federal Housing Administration or guaranteed by the Veterans Administration -- the so-called "conventional mortgages" which comprise about 80% of all mortgages. The advantage of the plan is that with the GNMA commitment, the home-buyer, the builder and lender have an assured source of financing at a known, favorable interest rate. The cost to the government is limited to the loss which GNMA realizes if its selling price for the mortgage is less than the original purchase price.
- President Ford authorized the Secretary of Housing and Urban Development to release the remaining \$2 billion in mortgage purchase authority available to GNMA on June 24, 1975.
- President Ford vetoed the Emergency Housing Act of 1975 because its high cost, ineffectiveness and delayed stimulus would damage the housing industry and damage the economy. At the same time, the President urged enactment of alternative emergency housing legislation. The President's veto was sustained.
- The President signed the Emergency Housing Act of 1975 on July 2, 1975. This Act includes provisions for addressing the mortgage foreclosure problem, and expands the mortgage purchase programs of GNMA recommended by the President at the time of his veto on June 24, 1975.
- President Ford has proposed the Financial Institutions Act which is now before the Congress. The coordinated and interrelated financial reforms incorporated in this Act, such as the mortgage interest tax credit, will greatly strengthen our financial institutions, offer better financial services and great rewards to savers, and assure a greater and more stable flow of funds into mortgage markets without the need for government intervention.
- President Ford signed the Tax Reduction Act of 1975 on March 29, 1975. This Act included a provision for every person who buys a new home as his principal place of residence to claim five percent of the purchase price, up to a maximum of \$2,000, as a tax credit on his Federal Income Tax Return.

TRH
11/6/75

ISSUE: URBAN COMMUNITY DEVELOPMENT

Administration Position

It is the policy of the Ford Administration to deliver Federal resources to state and local governments in a flexible and equitable manner to assist locally-selected officials as they strive to define the needs and priorities of their communities and design policies and programs to address these needs.

Administration Action

President Ford signed the Housing and Community Development Act of 1974 on August 22, 1974. This Act, along with the General Revenue Sharing program, forms the cornerstone of the President's urban policy and marks a complete and welcome reversal in the way the Federal government tries to help urban communities solve their problems. The Act replaces seven rigid categorical grant programs such as urban renewal and model cities with a single "block grant" program for community development. The allocation formula is based on objective criteria of need -- population, the amount of housing overcrowding, and the extent of poverty. This new approach will put Federal funds to work on behalf of cities and towns far more effectively than before by:

- providing communities with greater certainty about the level of Federal funding they can expect;
- distributing Federal funds to communities according to what they need rather than who they know;
- replacing Federal judgments on community development with judgments of the people who live and work in the communities;
- allowing locally-elected officials to concentrate on comprehensive programs for community betterment instead of grant applications for individual projects.

This act also ties community development and housing together for the first time. That is to say, that when communities submit their application for the block grant funds, they must take into consideration the city's housing needs, as well as other needs. It is the Administration's policy to make maximum use of the cities' existing housing stock as one approach to revitalizing urban centers.

In signing this legislation, the President said:

"In a very real sense, this bill will help return power from the banks of the Potomac to the people in their own communities. Decisions will be made at the local level. Action will come at the local level. And responsibility for results will be placed squarely where it belongs -- at the local level."

TRH
11/6/75

ISSUE: Capital Formation

Administration Position

President Ford stated on August 25, 1975:

"As always, economic progress depends on our ability as a Nation to foster capital investment and increase the productivity of our workers. The share of our gross national product committed to the private sector investment must increase significantly over the next few years if we are to reach our economic potential . . . we must now not permit bottlenecks and shortages to reappear as the economy gains momentum. We must not condemn our fellow citizens to unemployment because the modern tools needed to compete in world markets are lacking. Capital . . . is vital to all segments of our economy to expand agricultural production, to develop domestic resources of energy and raw materials, reducing our dependence on oil imports and to preserve and to improve our economy."

On August 30, 1975, the President said:

"Economic progress depends on our ability to foster Capital Investment and to increase the Productivity of our workers the length and the breadth of this country. . . . This Administration has proposed some reform to the Congress to stimulate what economists call 'capital formation' through tax incentives. I like a better definition or a better combination of words; I prefer the term 'job creation.' That is what my recommendations are all about."

Administration Actions

The President signed the Tax Reduction Act of 1975 which provided for an increase in the investment tax credit to 10 percent through December 31, 1976, and an increase in the corporate surtax exemption to \$50,000 for 1975.

In testimony on July 8, 1975, before the House Ways and Means Committee, Secretary of the Treasury William E. Simon:

Proposed repeal of the withholding tax on interest and dividend payments to foreigners in order to encourage the inflow of foreign capital.

Supported the Ways and Means Committee's 1974 proposals to lower capital gains taxes.

Proposed, as a means of stimulating construction of electric utility facilities and creating new construction jobs:

- a permanent 12 percent investment tax credit for electric utility property except generating facilities fueled by petroleum products;
- immediate investment tax credits on progress payments for construction;
- extend 5-year amortization of pollution control facilities;
- permit 5-year amortization of the costs of converting petroleum-fueled generating facilities to a non-petroleum fuel;
- permit depreciation for tax purposes to be taken as construction progress payments are made;
- permit shareholders of a regulated public electric utility to postpone taxes on dividends by reinvesting in common stock.

The changes in the investment tax credit and depreciation would require that the benefits be "normalized" for ratemaking purposes. These proposals were recommended by the President's Labor-Management Committee.

On July 31, 1975, in testimony before the Ways and Means Committee, Secretary Simon:

Proposed increasing the limits on deductible contributions to Individual Retirement Accounts to encourage increased savings by individuals for their retirement.

Proposed deductability of deposits of new individual savings to special Individual Savings Accounts to stimulate savings and investment by individual citizens.

Proposed elimination of the double tax on income from savings invested in corporate assets by a combination of corporate deductions for dividends paid and individual tax credits to be phased in over six years beginning January 1, 1977.

The Administration has resisted further increased in the fiscal year 1976 budget deficit in order to leave sufficient savings available for private investment.

The Administration has supported the general 10 percent Investment Tax Credit and liberalized depreciation rules.

The Economic Policy Board has established an interagency task force to develop Administration proposals on international tax issues, some of which will effect capital formation.

PCL
11/6/75

ISSUE: Inflation

Administration Position

President Ford said on September 2, 1975:

"Even in the midst of recession, inflation continues at an uncomfortably high rate. While some progress has been made, the simple truth is that re-establishment of a durable and noninflationary period of economic growth in the world will not be easy. In the United States, recovery is well underway. Each week brings additional evidence of renewed economic health, and I am determined to fight against an acceleration of inflation that could restrain this recovery."

Chairman Greenspan of The Council of Economic Advisors stated on September 16, 1975:

"... I do believe that there are quite significant inflationary risks against which we must guard. At root inflation is a financial problem. This is why moderate fiscal and monetary policies in this period of economic recovery are essential if we are to avoid re-igniting strong inflationary pressures; not in the immediate weeks or months ahead, but later in 1976 and more likely, in 1977 and beyond. Stable economic growth would be almost impossible to sustain under such conditions.

"The presumption that we need greater expansionary policies to spur economic activity I believe misreads the nature of the underlying economic forces confronting the U.S. and the other industrial countries of the world . . . Inflationary fears have increased uncertainty and buyer caution. As a consequence the recoveries of many nations abroad have lagged. I believe it is becoming clear to many of us that a necessary condition of sustainable recovery is a restoration of confidence. This in turn can be accomplished only by embarking on steady economic policies which give us a fighting chance to defuse the inflationary pressures which still reside within our economies."

Treasury Secretary Simon said on February 26, 1975:

"The waves of inflation that have swept over the country during the last 20 years have gradually carried us to higher and higher plateaus, so that in 1974 we broke the peacetime record for inflation rates in the United States. What is not so widely recognized is that this inflation also tipped the economy into the recession. The forces of inflation, for example, brought

the collapse of both the housing industry and consumer spending, two of the most important sectors of the economy. If we now try to propel ourselves out of the recession by overheating the economy, we can be virtually certain that prices will explode again and within a very short period we will be right back in this same mess again -- only it will be worse.

"What this means is that we must sternly resist the temptation to spend ourselves out of the recession through huge new spending programs, excessive tax cuts, or excessive monetary policies. Any one of these mistakes could reignite the fires of inflation."

Administration Actions

On October 6, 1975, President Ford announced a \$28 billion tax cut and a \$28 billion cut in Federal spending to fight inflation and reduce the influence of government in private lives.

A series of conferences on inflation were organized throughout the country in the fall of 1974.

Even though the economy subsequently slid into a very steep recession, the economic policy response to the recession has been carefully balanced to avoid the danger of renewed high rates of inflation which would result from overly stimulative actions. The Administration has strongly supported responsible monetary and fiscal policies designed to avoid a recurrence of excessive inflation.

The Council on Wage and Price Stability was established in late 1974 and its authority renewed in 1975. The Council has been particularly effective in identifying situations where government agencies intentionally or unintentionally were responsible for increasing prices.

Measures designed to reduce the degree of government regulation have been announced or will be announced shortly. Deregulation will tend to increase efficiency and to reduce prices.

The Administration supported the recent creation of a Congressional Budget Office in the hope that this would lead to more responsible Congressional involvement in fiscal policy and reduced inflation.

To prevent the recurrence of capacity shortages which fuel inflation, the Administration has supported measures to foster capital formation.

On November 28, 1974, the President issued Executive Order 11821 requiring executive departments and agencies to conduct inflation impact analysis of major rules and legislative proposals. On January 28, 1975, the Office of Management and Budget issued instructions to agencies in OMB Circular A-107.

The Administration has advocated free trade measures and floating exchange rates as a means of stimulating international trade and promoting price stability.

The Administration has supported the work of the National Commission on Productivity and Work Quality as one way to promote improved productivity and reduce inflation in the economy.

PCL
11/6/75

ISSUE: Interest Rates

Administration Position

While the Administration has not announced a position on the level of interest rates per se, it does see high interest rates as a symptom of unwise economic policies which tend to reduce the potential for rapid economic growth.

Treasury Secretary Simon said on January 8, 1975:

"Today's high interest rates are caused by today's high rate of inflation and the tremendous demands that built up for loans. As we reduce this demand along with the rate of inflation, interest rates will come down.

"But we can't reverse that sequence. We cannot cut the inflation rate by driving interest rates down through the process of creating much more money and credit. This would only throw fresh fuel on the inflationary fire. Inflation would speed up and interest rates would be driven still higher."

Administration Actions

The Administration:

Vigorously supported responsible monetary and fiscal policies designed to return the economy to health without excessive inflation.

Proposed the Financial Institutions Act which would improve the functioning of financial markets

Opposes interference with the independence of the Federal Reserve Board because increased political interference would lead to a less responsible monetary policy over time.

Attempted gradually to increase the average maturity of the public debt by sale of more longer-term issues, thereby reducing the adverse impact of Treasury financing on the structure of interest rates.

Proposed legislation doubling the amount of long-term Treasury debt permitted from \$10 to 20 billion; exempting debt with a maturity of less than 10 years (rather than 5 years as now is the case) from the 4-1/4 percent interest ceiling; and removing the 6 percent interest ceiling on Series E bonds.

ISSUE: Multi-National Corporations/Foreign Payments

Administration Position

The United States has proposed a code of conduct for multi-national corporations which would prohibit bribery to foreign officials and solicitation of payment by foreign officials.

Administration Actions

Secretary of State Kissinger has established an Interagency Committee on International corporations chaired by the State Department which is currently drafting a code of conduct for members of the Organization of Economic Cooperation and Development. The Committee will also participate in the draftings of a code covering multi-national corporations and trade ethics for the United Nations and the Organization of American States (Opposition by certain countries in each organization may water down or eliminate clauses on bribery and solicitation for payment.)

FLM
11/6/75

ISSUE: Price Controls

Administration Position

President Ford said on September 16, 1975:

"I would like to reiterate my firm opposition to wage and price controls. I don't think it is fair to put all of the burden in the battle against inflation on the shoulders of the Federal Reserve Board. I have repeatedly indicated that Federal fiscal policy was as important as monetary policy in the battle against inflation and that is why I have consistently said we had to hold the line on Federal spending, and that is precisely why I drew that \$60 billion deficit line in the Oval Office three or four months ago.

". . . We do have a wage-price council that has on some occasions investigated price increases and, on several occasions, has been helpful in trying to get a moderation of a price increase, but I do not believe on the basis of past history of wage and price controls during peacetime that they worked. I think it is a quick fix that has long-range detrimental repercussions and, therefore, under the current circumstances, I think it would be unwise to even intimate that I would favor wage and price controls. I am still opposed to them and I think there are better remedies."

Treasury Secretary Simon stated on January 8, 1975:

". . . they are destructive of both our economy and our freedoms. They deal with the results of inflation rather than the causes, like taking aspirin to attack a fever rather than curing the infection.

"In 1972-73 controls proved themselves ineffective in holding down inflation. And where controls did in fact suppress prices and wages, they created severe distortions. In some of our basic industries like steel and paper, as profits were squeezed down by controls, expansion plans were cut back, setting the stage for present shortages of these essential products. Ironically, controls thus eventually increased the pressures on prices rather than lessened them.

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

Administration Actions

The Cost of Living Council, which operated the last price control program, was allowed to expire in 1974.

Legislation extending price controls on oil was vetoed and the veto sustained in September 1975. However, the Administration would support a compromise which phased out control of oil prices over a period of time.

The Administration supported the creation of the Council on Wage and Price Stability. However, the authorities of the Council have been carefully limited to avoid any controls over wages or prices or even the implication that the Administration is moving in such a direction.

The Administration has proposed legislation to eliminate price controls on new natural gas.

PCL
11/6/75

ISSUE: Tax Reform

Administration Position

The Administration has consistently advocated basic reforms of the complex Federal tax system to achieve three basic goals as outlined by Treasury Secretary Simon on July 8, 1975:

"Tax equity. We must reinforce taxpayers' confidence that when they pay their fair share everyone else does, too. There is, of course, no single way to define a fair share. Individual opinions differ. Nonetheless, we must have a system which most of the public accepts as fair.

"Simplification. Many provisions of tax law that affect large numbers of individual taxpayers are inordinately complicated. The annual tax return form may never provide pleasure, but it need not be a nightmare.

"Economic growth. The tax system must be conducive to the stable growth of our domestic economy and the long-run improvement of our position in world markets. Any change in the tax law that impedes the productivity of our national economy will risk the loss of the prosperity we now enjoy. We must see that the tax system does not unduly impede the savings and capital investment necessary to economic health."

Administration Action

The Administration:

Proposed a tax on Minimum Taxable Income as a substitute for the current minimum tax to insure that taxpayers with high gross incomes pay a tax which bears some reasonable relation to that income.

Proposed limitations on artificial accounting losses as a means of limiting tax shelters.

Proposed, as steps toward simplification, restructuring the retirement income credit, repealing the sick pay and dividend exclusions, repealing the deductibility of State gasoline taxes, restructuring the medical and casualty loss deductions, limiting a miscellaneous deductions and introducing a standard "simplification deduction" for those who itemize.

Proposed repeal of the withholding tax on interest and dividend payments to foreigners in order to encourage inflow of foreign capital.

Supported the Ways and Means Committee's 1974 proposals to lower capital gains taxes.

Proposed limitations on tax-exempt pollution control industrial development bonds.

Proposed, as a means of stimulating construction of electric utility facilities and creating new construction jobs:

- a permanent 12 percent investment tax credit for electric utility property except generating facilities fueled by petroleum products;
- immediate investment tax credits on progress payments for construction;
- extend 5-year amortization of pollution control facilities;
- permit 5-year amortization of the costs of converting petroleum-fueled generating facilities to a nonpetroleum fuel;
- permit depreciation for tax purposes to be taken as construction progress payments are made;
- permit shareholders of a regulated public electric utility to postpone taxes on dividends by reinvesting in common stock.

(The changes in the investment tax credit and depreciation would require that the benefits be "normalized" for ratemaking purposes.

These proposals were recommended by the President's Labor-Management Committee).

Proposed increasing the limits on deductible contributions to Individual Retirement Accounts to encourage increased savings by individuals for their retirement.

Proposed deductability of deposits of new individual savings to special Individual Savings Accounts to stimulate savings and investment by individual citizens.

Proposed elimination of the double tax on income from savings invested in corporate assets by a combination of corporate deductions for dividends paid and individual tax credits to be phased in over six years beginning January 1, 1977.

PCL
11/6/75

ISSUE: Air Quality

President Ford states on July 3, 1975:

. . . "We all breathe the same air, and it is up to us (to solve pollution problems).

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

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

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

Administration Actions

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

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

The President on January 30, 1975, submitted the Energy Independence Act to the Congress. A portion of the proposed bill recommended certain amendments to the Clean Air Act which would better balance environmental and energy goals. The major CAA amendments recommended by the President related to:

Automobile Emission Standards
Non-Significant Deterioration
Intermittent Control Systems
Expansion of ESECA Authorities

GWH
11/6/75

ISSUE: Energy Development Impact Assistance

Administration Position

At Vail, Colorado on August 15, 1975, the President said that we have to recognize the impact on a relatively small community from energy development that is needed for the country as a whole. Although the Federal Government does not have sole responsibility he said it will take some leadership in working with the States and local people to assure that impacts on the local community are not neglected.

In Congressional testimony and other public statements on the impact of OCS development upon coastal states, Administration spokesmen have said that the Federal role should be "residual". They have recommended against any new Federal assistance programs, maintaining that affected communities should be able to deal with impact via their own bonding mechanisms and through existing Federal programs. This issue is currently under review with the objective of developing a formal Administration position.

Administration Action

On a related matter, the Department of the Interior will publish proposed regulations requiring that prior to departmental approval of OCS development plans, industry must provide affected States with information on the impacts of planned on-shore facilities related to off-shore oil and gas development. Governors will have the opportunity to comment to the Department on this information and on the development plans themselves.

GWH
11/6/75



ISSUE: Land Use

Administration Position

The Administration is committed to improving existing agency procedures to reduce adverse land use effects of Federal programs. At a December, 1974, Cabinet meeting, the President led a discussion concerning the need to better coordinate Federally-assisted planning programs, and assigned the lead responsibility for doing so to HUD.

The President decided to oppose national land use legislation then in the Congress on the grounds that it violated his moratorium on new spending programs, although he took no position on the substantive merits of the legislation. It failed to pass the House this spring and is believed dead for this session.

Administration Actions:

The Department of the Interior is studying existing Federal land use and land resource policies and legislative authorities for the Domestic Council Committee on Land Use. The study will include program recommendations.

Implementation of a program for coastal areas under the Coastal Zone Management Act of 1972, is being pursued by the Department of Commerce, NOAA. All coastal States are participating.

Progress has been made on coordination of Federal planning assistance programs through coordination agreements between HUD (section 701 Comprehensive Planning Assistance), EPA (section 208 Area-wide Waste Water Planning), and Commerce, NOAA (Coastal Zone Management).

In another related area, at a December 17, 1974, full Domestic Council meeting, the President led a discussion concerning the need to better coordinate Federally-assisted planning programs to State and local governments on a variety of subjects in addition to land use. An initial rationalization study completed by HUD has been examined from a programming and budgeting standpoint by the Evaluation and Program Implementation Division of the Office of Management and Budget, and from other program perspectives by HUD.

GWH
11/6/75

ISSUE: REFORM OF MINING LAWS

Administration Position

Mineral development on public lands is based on two out-of-date laws: The Mining Law of 1872 and the Mineral Leasing Act of 1920. The President has not made any statement on proposals for reform of these laws. However, Part V of the 1976 budget referred to proposed mineral leasing legislation. The Department of Interior has supported legislation that would amend the coal portion of the mineral leasing laws and has had introduced legislation relating to oil shale development. Other than these there has been no coordinated Administration position on mineral leasing amendments since submission of the proposed Mineral Leasing Act of 1973.

GWH
11/6/75

ISSUE: Solid Waste/Resource Recovery

Administration Position

The President has not made any policy statements nor taken a public position on this issue. However, the Administration supports the existing Federal role of providing technical assistance to States and localities and has opposed a broader role that would entail a Federal source reduction requirement such as mandatory deposits on nonreturnable beverage containers.

Administration Actions

- EPA is currently sponsoring four projects to demonstrate advanced technology for recovering energy and materials from solid wastes. About 30 communities have implemented systems patterned after these facilities, and many hundreds of others are contemplating such systems.
- On September 12, 1975, the President and Administrator Train visited the EPA-funded St. Louis demonstration project to become more knowledgeable about resource recovery and to lend their strong support to resource recovery and recycling in general.
- Federal agencies, especially GSA and DOD, have taken strong action to stimulate resource recovery and conservation.

ISSUE: STRIP MINING

Administration Position

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

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

Administration Actions

In September 1975, the Department of the Interior published proposed regulations governing the exploration and mining of Federal coal and the reclamation of affected lands.

On May 20, 1975 the President vetoed H.R. 25, the "Surface Mining Control and Reclamation Act of 1975." His veto was sustained by the House on June 10, 1975. No Administration legislation has been proposed and there are no present plans to take the initiative in this area. Regulation requiring reclamation of strip mines on the public lands have been proposed by the Department of Interior.

GWH
11/6/75

ISSUE: WATER QUALITY

Administration Position

In a July 3 speech in Cincinnati, President Ford emphasized the continuing commitment of the Administration to clean air and water:

"I pursue the goal of clean air and pure water, but I must also pursue the objective of maximum jobs and continued economic progress."

Amendments to the Federal Water Pollution Control Act (FWPCA) are now under consideration within the Administration.

Administration Actions

The 1972 amendments to the FWPCA authorized \$18 billion in Federal aid for construction of municipal sewage systems. On January 24, 1975, President Ford directed Administrator Train to allot for FY 1976 \$4 billion of the \$9 billion originally withheld by the Nixon Administration; the remainder of the funds were released in February 1975. To improve the review of grant applications, the President in 1975 authorized a 250-position increase in the EPA staff.

To further improve the review of grant applications and increase the role of State governments in the construction grant process, the Administration has supported an amendment to the FWPCA which would enable EPA to delegate a number of responsibilities to the States and would allow States to use some of their grant money to pay the resulting higher administration costs.

The Administration is conducting an intensive review of a large project to evaluate how well the grant process is working under present statutory requirements and administrative procedures and to determine what changes may be needed to improve the planning of cost-effective projects.

On July 9, 1975, the President transmitted legislation to the Congress to provide a comprehensive system of liability and compensation for oil spill damage and removal costs.

The National Committee on Water Quality, of which the Vice President is Chairman, will soon complete its study of the economic, social and environmental effects of achieving the goals of the existing law. A final report will be submitted early in 1976.

ISSUE: Water Resources

Administration Position

Section 80 of the Water Development Act of 1974 provided for a presidential study of major water resources policy by the President and called for recommendations to the Congress within one year after funds are appropriated. The President on September 23, 1974, assigned responsibility for the conduct of the study to the Water Resources Council (WRC) in a letter to then Chairman, Rogers Morton. The study was also highlighted by a statement in the 1976 budget document.

Administration Actions

The Water Resources Council has created a task force to prepare options for water policy changes to be presented to the President for decisions. The WRC held a National Conference on Water in April 1975 to provide a public forum for the discussion of Federal water resource issues. The task force's study is nearing completion and is scheduled to be presented to the President for policy decisions later this year.