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public on how to make agencies more responsive to consumers. The suggestions will form the basis for further action by the Administration.

On March 13, 1976, the President signed into law P.L. 94-239, which expands the Equal Credit Opportunity Act, making it illegal for creditors to discriminate against consumers on the basis of race, color, religion, sex, marital status, age, national origin or receiving public assistance. Under this act, consumers must also be told precisely why they were denied credit.

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

The Federal Energy Authority, the Department of Commerce, and the Federal Trade Commission have cooperated with the President in implementing an appliance labelling program which informs the consumer on the energy consumption and product safety features of household equipment.

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

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

F. Agriculture and Rural Development

"Over one-half of the grain moving across international boundaries throughout the world is grown by you, the American farmer, and we are proud of your efforts and your results... It is imperative that you maintain the freedom to market crops and to find customers wherever you can. Strong agricultural exports are basic to America's farm policy and the freedom of every farmer to manage his own farm..."

President Gerald R. Ford
January 5, 1976

As President Ford's economic policies have reduced inflation and gotten the country moving toward full economic recovery, the Administration's policies for a market-oriented agriculture to meet domestic and export food needs have contributed significantly to the welfare of all Americans. Under these policies, since passage of the 1973 Farm Bill, average net farm income has more than doubled over the level of 1971 and previous years. This has had a major multiplier impact on rural business and employment.

The two years of President Ford's Administration have been among the best years in the history of agriculture.

Combining a new market-oriented, full-production food policy with expanded markets and a leveling trend in production costs, producers have increased net farm income from an average of \$24 billion in 1972-73 to a \$26 billion average during the past two years.

Freed of production controls on wheat, feed grains, and cotton, growers have put over 57 million "set-aside" acres back to work. Peaceful world conditions coupled with growing demand have enabled U. S. farmers to expand their exports in 1976 to an expected \$22 billion -- an all-time high. By comparison, farm exports in 1972 were at \$8 billion.

The President's inflation efforts, which have lowered the rate of annual inflation from 12 percent in the 1973-74 period to roughly 6 percent today, have also stabilized the long upward surge in farm production expenses. These efforts slowed retail food prices rises to 3 to 4 percent in 1976 compared to a 14-1/2 percent rise in the 1973-early 1974 period.

The President also launched, in 1974, a far-reaching effort to relieve emergency global foods needs and to provide

developing nations with economic, trade, credit and other self-help assistance. He asked all nations to join in a global food and energy strategy at the 1974 World Food Conference. In the last year, he consummated a five-year grain sales agreement with Russia that will benefit both American producers and American consumers. In addition, the Administration set up a system to continuously monitor export sales of farm commodities following global shortfalls in grain production.

Under the leadership of President Ford and Secretary Butz, the Administration has also:

- Taken steps to assure that global grain reserves will be held in private hands and by consuming nations.

- Made it clear that farm embargoes would be a thing of the past.

- Launched a strong effort to reduce Federal estate taxes to enable farmers to keep their farms in the family.

- Cleaned up abuses in grain export inspections.

- Supported bonding of livestock packers so farmers will receive payment for livestock in case of packer bankruptcy.

- Negotiated voluntary import quotas on beef.

- Announced in July, 1976, a "School Lunch" beef purchasing program that will help alleviate unprofitable conditions faced by beef producers.

- Provided emergency relief to numerous rural areas affected by drought, flood, and other adverse weather conditions.

- Increased Commodity Credit Corporation loan rates (in February, 1976) for corn from \$1.10 to \$1.25 and for wheat from \$1.37 to \$1.50, while reinstating a soybean loan program with a loan rate of \$2.50 per bushel.

President Ford also stopped evasion of non-fat dried milk import quotas, increased the support price of milk three times during the past two years to bring it to 80 percent of parity, and embarked upon a massive effort to relieve farmers and others of unnecessary, costly, and unwise regulation and red tape flowing from Federal departments and agencies.

As a result of actions by the Ford Administration net farm assets increased from \$313 billion in 1973 to \$427 billion in 1975. During the last two years the decline in the number of operating farms has been reversed, and the farm population has been stabilized. In short, progress on the farm front has been solid and substantial.

Rural Development

Early in the 1970's the long outmigration of millions of rural and smalltown people to urban centers reversed. Rural areas are now growing at a faster rate than metropolitan areas. Nonmetropolitan non-farm job opportunities are increasing at a rate twice as fast as job opportunities in city areas. The principal forces generating changes in rural areas during the last half of the 1970's will continue to be local community leadership and the free enterprise system. Governmental financial and technical assistance can supplement, but cannot substitute for, those two factors.

In addition to its regular Rural Electrification Administration loans to help rural areas meet electric and telephone service needs, the Administration has implemented the REA loan guarantee program to assure financing for construction of power generation facilities in rural areas. During FY 1975, the commitment level for guaranteed electric loans was \$1.2 billion.

In 1975, the Administration allocated \$9.65 million to the Rural Highway Public Transportation Demonstration Program as a new grant program under the Federal-Aid Highway Act of 1973 to improve the quality and effectiveness of public transportation in rural areas. Under this two-year demonstration program the full amount was obligated for 1976 and 1977 programs along with \$15 million of FY 1976 funds.

The Department of Agriculture has established a program to provide one-stop Agricultural Service Centers to improve delivery of agricultural conservation and community development programs for rural areas. As of July 30, 1976, over 1119 centers have been designated and about 456 were operational.

In addition to major new programs instituted to assist community development and to stimulate business and industrial growth in rural America, the Administration has greatly expanded existing Department of Agriculture programs to provide housing, electricity, community facilities, and other benefits to rural citizens.

Rural Health Care

President Ford has supported two significant programs to improve rural health care:

-- The National Health Service Corps. Participating doctors, dentists, and paramedics receive a salary in exchange for spending two years in a rural community with a critical health manpower shortage. The projection for FY 1977 calls for 433 doctors, 128 dentists, and 115 paramedics serving 650,000 people. The Administration has requested \$24.5 million in the 1977 budget, an increase of 67 percent. The National Health Service Corps will continue as a separate program, funded independently from other health care programs.

-- Rural Health Initiative. The Assistant Secretary for Health established this program under the jurisdiction of the Public Health Service. The Rural Health Initiative coordinates and integrates existing programs in rural areas (community health centers, migrant health programs, and the National Health Service Corps, for example) and recommends new approaches, policies and programs. In 1975, the Rural Health Initiative program included 47 projects and a budget of \$7.2 million. The approximate figures for 1976 include 77 projects at a budgeted cost of \$9 million.

G. Commerce

During the first two years of the Ford Administration the business climate in the United States has begun a dramatic upswing.

The Gross National Product has risen by some 10 percent, the rate of inflation has been reduced by more than half, the rate of employment is at an all-time high, and American business is now operating on a full-production basis.

Because America has begun to prosper once again, American businessmen are finding increased markets for their products, since real per capita disposable income has risen by nearly 5 percent.

In addition, the Administration's efforts to create a more favorable environment for the Nation's business have included major initiatives to remove restrictive regulation and improve the competitive climate.

In speaking of these efforts, President Ford said, on April 28, 1975:

"I will propose changes in 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 consumers the cost savings on large orders."

The Ford Administration supported legislation that would end the so-called fair trade laws, which had allowed States to permit manufacturers to dictate the price of their product. These laws, enacted during the Depression, were costing American consumers \$2 billion a year.

Mr. Ford signed the repeal legislation on December 12, 1975.

International Trade

President Ford has renewed the trade policy the United States has pursued for over 40 years. This policy is based on the principles of multilateralism, non-discrimination and freer trade. Through this approach the opportunities for American producers to broaden and expand their export markets are greatly enhanced.

-- At both the Rambouillet and Puerto Rican economic summit meetings of heads of state of major industrial countries a commitment was made to complete the multi-lateral trade negotiations in 1977.

-- The value of U.S. exports has grown from \$100 billion in current dollars in 1974 to something over \$110 billion (annual rate) through the first half of 1976 a growth rate of 5 percent a year during a period of international economic recession. Over the period of 1968 to 1976, the ratio of exports to our total production (Gross National Product) has risen from 3.9 percent to 6.6 percent.

-- The U.S. has taken the lead in seeking trade liberalization by putting forth proposals for a tariff cutting formula and a subsidies code.

-- Sensitive to the potentially damaging consequences to American industry of excessive growth of imports, the Administration has administered the various provisions of the Trade Act of 1974 referring to import relief, dumping by foreign governments, and countervailing duties so as to protect American firms while at the same time obtaining for the American consumer the benefits associated with international trade.

To ensure that small business not only survives but thrives, the President has attacked three primary problem areas for small business: inflation, overregulation, and overtaxation. His economic policies have cut the rate of inflation by more than half. In the other two areas, President Ford has:

-- Proposed legislation to raise the state tax exemption for both small businessmen and farmers from \$60,000 to \$150,000; to stretch out the payments at low interest rates over 25 years; and to exempt from taxation the transfer of a business between spouses;

-- Reduced by 12 percent the number of Federal forms required of small business -- forms that cost an estimated \$18 billion a year to complete, not to speak of the cost of having people read them.

-- Proposed a retention of the \$50,000 corporate surtax exemption and a 2 percent reduction in the maximum corporate income tax rate.

-- Advocated a 33 percent increase in the Small Business Administration's loan guarantee program.

-- Begun a thorough reform of government regulation which too often strangles small business in excessive and unnecessary red tape.

-- Sought to revitalize urban neighborhoods whose residents are the lifeblood for thousands of small, family-owned businesses.

H. Education

The President's philosophy with regard to the Federal role in education is summarized in his March 1, 1976, message to Congress on education:

"The education of our children is vital to the future of the United States. From the start, our Founding Fathers knew that ignorance and free government could not coexist. Our Nation has acted from the beginning on the sound principle that control over our schools should remain at the State and local level. Nothing could be more destructive of the diversity of thought and opinion necessary for National progress than an excess of control by the central government."

Because the President places a high value upon education, he has initiated a series of structural and financial reforms consistent with his philosophy:

--On March 1, 1976, the President proposed the Financial Assistance for Elementary and Secondary Education Act. This proposal stresses the President's belief that Federal intrusion into State and local educational affairs must be minimized. "Too often we have found ourselves asking whether Federal forms have been properly filled out, not whether children have been properly educated," the President noted.

The President's proposal is an effort to return the responsibility and initiative for educational decision-making to the local level. The proposal insures that no state will receive less money than it did in FY 1976. To assure that students with special needs receive proper attention, the proposal provides that at least 75 percent of a state's allocation be spent on the educationally deprived and handicapped.

--The President has asked the Congress to increase support for the National Institute of Education, focal point for the conduct of education research and development, by a 28 percent increase over the 1976 appropriation.

--President Ford has supported the concepts of equal educational opportunity for handicapped children by signing into law the Education of All Handicapped Children Act of 1975.

--The President believes that no student should be denied access to a post-secondary education because of financial barriers. Those in need should receive grants while others with higher family income should be helped to borrow to meet the costs. Further, he has supported the concept that higher education aid should be provided to individuals rather than institutions. In this way, the student -- who is the ultimate consumer in the education process -- can exercise choice, not on the basis of the aid that a school receives, but on the basis of the kind of education the student wants.

To carry out these beliefs, the President requested full funding of the Basic Education Opportunity Grants program both in 1976 and 1977, which will enable needy students to receive up to \$1,400 per year but no more than one-half of the funds they need to meet their educational costs. Additional funds to meet the remainder of student needs are obtained through loans, work study programs and the student's own resources. When it was determined earlier this year that far more students were going to request funds under this program than was anticipated when the 1976 budget was submitted, the President requested an additional \$612 million for this program.

The Republican Platform states:

"We favor consideration of tax credits for parents making elementary and secondary school tuition payments.

"Local communities wishing to conduct non-sectarian prayers in their public schools should be able to do so. We favor a constitutional amendment to achieve this end.

"We propose consolidating federal categorical grant programs into block grants and turning the money over to the states to use in accordance with their own needs and priorities and with minimum bureaucratic controls. A single program must preserve the funding that is directed at the needs of such special groups as the handicapped and the disadvantaged."

"Primary responsibility for education, particularly on the elementary and secondary levels, belongs to local communities and parents. Intrusion by the federal government must be avoided. Bureaucratic control of schools by Washington has the potential for destruction of our educational system by taking more and more decisions away from parents and local school authorities. Total financial dependence on the federal government inevitably leads to greater centralization of authority. We believe, therefore, that a study should be

authorized concerning funding of elementary and secondary education, coupled with a study regarding return to the states of equivalent revenue to compensate for any loss in present levels of federal funding.

"Unless steps are taken immediately, soaring prices will restrict a college education to the rich and those poor enough to qualify now for government aid. Federal higher education policy should continue to focus on financial aid for needy individuals, but because the financial ability to go to college is fast slipping out of the grasp of middle income families, more realistic eligibility guidelines for student aid are essential.

"Government interference in the management of colleges and universities must be stopped. Federal support to assist in meeting the grave financial problems of higher education should be forthcoming, but such funds should never be used as devices for imposing added controls.

"Diversity in education has great value. Public schools and non-public schools should share in education funds on a constitutionally acceptable basis. Private colleges and universities should be assisted to maintain healthy competition and to enrich diversity. The cost of expanding public campuses can be kept down if existing private institutions are helped to accommodate our student population.

"We favor continue special federal support for vocational education."

Vocational Education

The Administration has supported basic vocational education programs and vocational research. The Administration has proposed that both of categorical grant block grant programs be consolidated into the Financial Assistance for Elementary and Secondary Education. These block grants will:

- Decrease the bureaucratic burden caused by the present categorical programs
- Increase State discretion over the use of funds for education
- Enable Federal funds to complement more effectively existing State programs

In FY 1976 the Administration proposed spending \$422.7 million (estimated) for vocational education and \$18 million (estimated) for vocational research. If Congress fails to enact the block grant for 1977, the Administration proposes to spend \$481.5 (estimated) million for vocational education and \$53.5 million (estimated) for vocational research. The latter figure is a 200% increase over the previous year.

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Busing

President Ford has long been concerned about the fact that the controversy over court-ordered busing has detracted from the search for ways of achieving the critical national goal of providing quality and equality in education for America's schoolchildren.

In the President's view, there are times when school busing is constitutionally required to achieve school desegregation, but there are many instances in which it has been used when it was not constitutionally required, when better methods of solving school problems were readily at hand.

Therefore, the President ordered the Department of Justice in November of 1975 to begin a search for legal means of controlling the use of court-ordered busing as a remedy in school desegregation suits. After months of study by Administration officials and meetings held by the President with large numbers of concerned groups, the President sent to Congress on June 24, 1976, the School Desegregation Standards and Assistance Act of 1976.

This legislation was designed to limit busing to those instances only where it is constitutionally required, and to provide alternative means of solving school desegregation problems. The legislation does this by requiring Federal courts to look carefully at the cause of racial concentrations in affected schools and to order busing only when the cause of the racial concentration is one for which school officials can appropriately be held responsible. After careful consultation with respected legal scholars throughout the United States -- most notably Attorney General Levi -- the President is convinced that his solution is constitutional, that it is feasible, and that it will place the emphasis in school suits where it ought to be placed.

In his message to Congress accompanying the bill, the President said:

"At the outset, let me set forth certain principles governing my judgments and my actions.

"First, for all of my life I have held strong personal feelings against racial discrimination. I do not believe in a segregated society. We are a people of diverse background, origins, and interests, but we are still one people -- Americans -- and so must we live.

"Second, it is the duty of every President to enforce the law of the land. When I became President, I took an oath to preserve, protect, and defend the Constitution of the United States. There must be no misunderstanding about this -- I will uphold the Constitutional rights of every individual in the country. I will carry out the decisions of the Supreme Court. I will not tolerate defiance of the law.

"Third, I am totally dedicated to quality education in America -- and to the principle that public education is predominantly the concern of the community in which people live. Throughout the history of our Nation, the education of our children, especially at the elementary and secondary levels, has been a community endeavor. The concept of public education is now written into our history as deeply as any tenet of American belief."

Later in the message, the President described the objectives of and means proposed by the legislation:

"To maintain progress toward the orderly elimination of illegal segregation in our public schools, and to preserve -- or, where appropriate, restore -- community control of schools, I am proposing legislation to:

1. Require that a court in a desegregation case determine the extent to which acts of unlawful discrimination have caused a greater degree of racial concentration in a school or school system than would have existed in the absence of such acts.

2. Require that busing and other remedies in school desegregation cases be limited to eliminating the degree of student racial concentration caused by proven unlawful acts of discrimination.

3. Require that the utilization of court-ordered busing as a remedy be limited to a specific period of time consistent with the legislation's intent that it be an interim and transitional remedy. In general, this period of time will be no longer than five years where there has been compliance with the court order.

4. Create an independent National Community and Education Committee to help any school community requesting citizen assistance in voluntarily resolving its school segregation order."

"Every American, in my opinion -- wants quality education.

"I think that quality education can be enhanced by better school facilities, lower pupil-teacher ratios, the improvement of the neighborhood, as such. Those are better answers, in my judgment, than busing under a court order."

Gerald R. Ford
September 12, 1975

I. HEALTH CARE

Better delivery of services, a greater concentration of resources on those who truly need help, fewer resources for those who can look after themselves, greater dignity for those who receive help, and less red tape -- those are the hallmarks of the President's approach to health and social services.

"The Federal Government should help, within the limits of national resources, those who are in need; but we should not give \$1 of Federal assistance to those not in need."

President Ford is committed to the goal of insuring that every American has access to quality health care.

Toward that end, the President has taken action on a wide front:

-- In his 1976 State of the Union Address, he proposed a catastrophic health insurance program that would protect the elderly against the devastating impact of a serious illness. Under the President's proposal, anyone eligible for Medicare would, after reaching the age of 65, have to pay no more than \$500 a year for covered hospital or nursing home care nor more than \$250 a year for doctors' bills.

-- A central feature of the President's 1976 medicare reforms is his proposal to hold down the inflationary surge in health costs. The President proposes to limit increases in Federal reimbursements for medicare to 7 percent a year for hospital costs and to 4 percent a year for physicians' services. By holding down the increases in reimbursements, the government can in effect hold down the increases in charges to the patient.

-- In his 1976 State of the Union Address, the President also proposed that 16 Federal health programs, including Medicaid, be consolidated into a single \$10 billion block grant to the states. The total aid to states under this program would increase and each state would have far more independence in deciding what needs ought to be met.

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-- The President has also strengthened the nursing home improvement program so that the quality of life and health care in skilled nursing facilities is improved through higher standards and better enforcement.

-- The President has pushed for expansion of the National Health Services Corps which places health professionals in critical health manpower shortage areas.

On April 3, 1976, in response to a question on what the President proposed for rural health care needs, he said: "In the first place, in the last five years there has been a tremendous increase in medical school education facilities... We are expanding our medical schools. We have many, many more doctors being trained all over the country. We have a number of new medical schools. So the supply of doctors will increase."

"The problem is how to get them out in to the rural communities. I am told that...more and more of (the medical students)...are indicating that they want to move to our small towns and into rural America. That is one trend that I think will help solve the problem..."

-- The President initiated the coordination of rural health activities to serve individuals in those rural areas.

-- This spring, after conferring with many of the Nation's leading medical authorities, the President initiated a program of unprecedented scope to immunize all Americans against a possible outbreak of swine flu. That program has encountered snags, but through a series of meetings, phone calls, and letters, the President is working with industry, science, and the government to create a working partnership and to make the vaccine available on a nationwide basis as quickly as possible. Without the President's leadership, it is very doubtful the program would ever have gotten off the ground.

On the question of a national health insurance plan, the President said in his 1976 State of the Union Address that "we cannot realistically afford Federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of

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such plans. But I do envision the day when we may use the private health insurance system to offer more middle income families high quality health services at prices they can afford and shield them also from catastrophic illnesses." At the President's direction, the Domestic Council staff and others in the government are now studying alternative means of providing health insurance to those Americans -- currently less than 20 percent of the population -- who are not adequately insured.

National Institutes of Health

In his 1977 Budget the President proposed that Congress authorize expenditures for the National Institutes of Health according to functional categories (e.g., research grants, training, disease control) rather than providing a detailed authorization of the amount to be spent by each of the specialized Institutes. Within the broad functional categories, the Director of NIH would be authorized to allocate funds. The Administration felt that providing greater administrative discretion to the Director would lead to a better allocation of resources, a more efficient use of money, and an increase in the role which the best professional judgment had in determining how NIH allocated its resources.

In cancer research alone, the appropriation signed by the President in 1976 exceeded \$760 million.

Industrial Illness

The Administration has indicated strong opposition to legislation pending in Congress to provide "black lung" benefits to miners based solely on length of service. The Administration believes that legislation providing such automatic benefits is both unwise and unfair. Under present law, about 500,000 miners or their survivors are receiving black lung benefits at a cost of about \$1 billion per year to the Federal government.

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Malpractice Insurance

On March 6, 1976, the President said, "The cost of malpractice insurance has risen 300, 400, 500 percent. The net result is that the doctors of this country are faced with buying the insurance with the necessity of added costs in health care throughout the United States. These matters have generally been handled at the State level, and I think properly so. But, if these circumstances expand, become more acute, more serious, reaching near disaster proportions, I think the Federal government would be neglectful of its responsibilities if we did not in some way first study the problem, and if there is a Federal answer, submit it across the country. I don't think we are at that point at this time, but it is something that certainly ought to be analyzed, and it will be."

"I have in the past felt that we could broaden the utilization of our private coverage firms with the Federal government participating, but the coverage for broader health insurance would come from the utilization of our private health insurers."

Health Training and Manpower

The Ford Administration supports the development of additional capacity for training doctors, nurses, and paramedical personnel. Study groups in the Department of Health, Education, and Welfare are working with the medical community in planning for the future health needs of America.

Drug Abuse

The President has endorsed the White Paper on Drug Abuse, which called for: (1) more selectivity and targeting of resources; (2) better intra- and inter-agency management; (3) recognition of the vital but limited role the Federal government can play; and (4) more visible Presidential leadership.

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In line with the recommendations contained in the White Paper, the President's FY 1977 budget requests additional resources for:

- . the growing problem of amphetamine and barbiturates abuse;
- . an additional 7,000 community treatment slots;
- . better targeting of law enforcement efforts at high-level traffickers;
- . improving job opportunities for ex-addicts; and
- . maximizing the effectiveness of border interdiction forces.

Abortion

Speaking at a Press Conference on July 17, 1976, President Ford answered a question on abortion:

"I do not believe in abortion on demand. I do think you have a right to have an abortion where the life of the mother is involved, where there was rape. I don't go along with those who advocate an amendment that would be so ironclad you couldn't under any circumstances have an abortion.

"I reiterate what I have said on a number of occasions. I think an amendment which permits the voters in a State to decide whether in that State they want or don't want (abortion) is a proper way to give the people of this country in their respective States the decision-making power.

The Republican Platform position follows:

"The question of abortion is one of the most difficult and controversial of our time. It is undoubtedly a moral and personal issue but it also involves complex questions relating to medical science and criminal justice. There are those in our Party who favor complete support for the Supreme Court's decision which permits abortion on demand. There are others who share sincere convictions that the Supreme Court's decision must be changed by a constitutional amendment prohibiting all abortions. Others have yet to take a position, or they have assumed a stance somewhere in between polar positions.

"We protest the Supreme Court's intrusion into the family structure through its denial of the parents' obligation and right to guide their minor children. The Republican Party favors a continuance of the public dialogue on abortion and supports the efforts of those who seek enactment of a constitutional amendment to restore protection of the right to life for unborn children. "

J. Housing and Urban Community Development

Throughout its first two years, the Ford Administration has battled to return decision-making power to State and local government through its revenue sharing and block grant programs.

The Community Development Act and the General Revenue Sharing Program are cornerstones of the President's urban policy. They inaugurated a major change in the way the Federal Government deals with urban communities -- instead of telling local officials exactly how they must handle their problems, these programs provide flexible resources for elected officials to meet the particular needs of their constituents. Revenue Sharing also aids communities to plan their budgets by giving greater certainty that funding levels will not vary from year to year.

When he signed the Housing and Community Development Act of 1974, President Ford observed:

"I think we can say without any reservation that the move from the narrow programs of the past in community development to programs that are very broad gauged -- a consolidation of programs such as model cities and urban development--will give a real impetus to local decision-making, local action, and local responsibility."

The Administration is concerned with the growing problem facing many older cities and neighborhoods. On June 30, 1976, the President established a Commission on Urban Development and Neighborhood Revitalization chaired by Carla Hills, Secretary of Housing and Urban Development. The Commission is charged with recommending to the President by October 1 ways to revitalize urban areas and neighborhoods. The Commission is now conducting a review of all Federal programs that impact upon urban areas and is soliciting the views and recommendations of local officials and neighborhood organizations.

Over the past two years, the President also has met frequently with mayors and other elected officials on revenue sharing and other community development issues.

The Ford Administration has also worked hard to improve the quality of housing available to low and moderate income families. The emphasis of the past on construction and maintenance of large Federal housing projects has been replaced with a program providing rent supplements for lower income families. The Housing and Community Development Act of 1974

provides programs which emphasize the use of existing housing rather than new construction. This approach allows for more families to be assisted at lower cost to the taxpayer, and maximizes freedom of choice for lower income families seeking housing, by relying on the private sector for the construction, financing, and management of housing for these families. The President's 1976 budget authorized HUD to enter into subsidy agreements with over 400,000 families. The Ford Administration has also increased the maximum Federal mortgage insurance moderate income families can obtain toward the purchase of a new home: The Housing and Community Development Act of 1974 increased mortgage credit for single family homes by \$10,000 to \$20,000 for various types of insurance programs.

The basic home purchase policy of the Ford Administration has been to make available to homeowners sufficient mortgage credit repayable over an extended term at reasonable interest rates, and to moderate extreme changes in the availability of mortgage credit. To accomplish these goals, the President:

- Signed the Emergency Home Purchase Act of 1974 which extends Government National Mortgage Insurance on a limited basis to conventional mortgages;

- Signed the Emergency Housing Act of 1975, which provides emergency mortgage foreclosure relief; and,

- Signed the Tax Reduction Act of 1975, which provides up to a \$2,000 tax rebate for the purchase of new homes in 1975.

Ethnic leaders have been concerned that Federal housing policies may tend to break up long established ethnic neighborhoods. The Ford Administration policy eschews arbitrary placement of low-income housing in both cities and suburban areas. Questioned about use of the term "ethnic purity," President Ford said, "I would not use that term to describe any of my policies. An ethnic heritage is a great treasure of this country, and I don't think that Federal action should be used to destroy that ethnic treasure."

The President's busing position is consistent with his views on this issue.

A recent Supreme Court decision in the Gautreaux Case authorized the Northern Illinois District Court to order remedial action for HUD low-income housing programs in the Chicago suburbs. The Department of Housing and Urban Development is preparing its case for appeal to the District Court.

K. Justice

In speaking at the celebration of the 150th anniversary of the Yale University Law School, President Ford said:

"I ask you to think along with me about the concern of so many Americans about the problem of crime. And let us start with the great Preamble of our Constitution which seeks 'to ensure domestic tranquility.' Have we achieved on our streets and in our homes that sense of domestic tranquility so essential to the pursuit of happiness?

"The Founding Fathers governed well and governed prudently, with restraint and respect for justice and law. The institutions they have founded became durable and effective.

"A leading feature of the American Revolution was its devotion to justice under law.

"Our revolutionary leaders heeded John Locke's teaching: 'Where there is no law, there is no freedom.' Law makes human society possible. It pledges safety to every member so that the company of fellow human beings can be a blessing instead of a threat. Where law exists and is respected and is fairly enforced, trust replaces fear." (emphasis added)

April 25, 1975

Combatting Crime

"In thinking about this problem, I do not seek vindictive punishment of the criminal, but protection of the innocent victim. The victims are my primary concern. That is why I do not talk about law and order, and why I return to the Constitutional phrase -- insuring domestic tranquility."

President Gerald R. Ford
Yale University Law School
April 25, 1975

When President Ford came into office in 1974, crime was increasing at the rate of 18 percent a year. By the end of 1975, that rate had dropped to 9 percent and the latest figures -- covering the first quarter of 1976 -- show only a 4 percent increase.

In a special crime message that President Ford sent to Congress on June 19, 1975, he identified three important areas of responsibility for the Federal government:

- To provide leadership through improvements in Federal laws and the Federal justice system;

- To enact and vigorously enforce laws covering criminal conduct that cannot be adequately regulated at the State and local level; and,

- To provide financial and technical assistance to State and local law enforcement authorities.

The President's crime message specifically called for:

- Enactment of a comprehensive criminal code to replace the highly complex and confusing set of laws now on the books;

- Enactment of a standard minimum sentence law that would make imprisonments a certainty for persons convicted of a Federal offense involving the use of a dangerous weapon and those convicted of extraordinarily serious offenses such as hijacking, kidnapping, and trafficking in hard drugs. The standard minimum sentence would also apply to repeat offenders who are convicted of crimes that could cause personal injury to others.

In that same crime message, the President also set forth a number of proposals to improve the criminal justice system at the Federal level. Among his proposals:

- Establishment of "career criminal" programs designed to assure quick identification and prosecution of persons who repeatedly commit serious offenses.

- Continuation and expansion of programs designed to divert certain first offenders into rehabilitation prior to trial.

- Creation by the Congress of additional Federal District Court judgeships and expansion of the criminal jurisdiction of United States Magistrates.

- Upgrading of prison facilities, including the replacement of large, outdated prisons with smaller, more modern ones.

-- Enactment by the Congress of legislation to provide limited compensation to victims of Federal crimes who suffer personal injury.

The President added:

"Protecting the life and property of the citizen at home is the responsibility of all public officials but is primarily the job of local and State law enforcement authorities.

"Americans have always found the very thought of a Federal police force repugnant and so do I. But there are proper ways in which we can help to ensure domestic tranquility as the Constitution charges us.

"To keep a convicted criminal from committing more crimes we must put him in prison so he cannot harm more law-abiding citizens. To be effective, this punishment must be swift and certain.

"To speed Federal justice, I propose an increase this year in U.S. Attorneys prosecuting Federal crimes and reinforcement of the number of U.S. Marshals.

"It is unrealistic and misleading to hold out the hope that the Federal Government can move in to every neighborhood and clean up crime. Under the Constitution, the greatest responsibility for curbing crime lies with State and local authorities. They are the frontline fighters in the war against crime.

"As President I pledge the strict enforcement of Federal laws and -- by example, support, and leadership -- to help State and local authorities enforce their laws. Together we must protect the victims of crime and ensure domestic tranquility."

As for Federal financial aid for State and local law enforcement, the President in 1976 proposed that the Congress continue the Law Enforcement Assistance Administration through 1981 at a higher authorized funding level. The President's bill, now making its way through Congress, will authorize \$6.8 billion for the Law Enforcement Assistance Administration through the next five years. The bill places additional emphasis on improving State and local court systems and on funding "high impact" crime-prevention projects in crime-ridden urban areas.

Improving the Quality of Federal Laws

Antitrust

In answering a question put to him on February 14, 1976, Mr. Ford said:

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

President Ford has signed into law a bill increasing the penalties for criminal violations of the Sherman Act from one to three years imprisonment, and from a maximum fine of \$50,000 to \$100,000 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 secured repeal of "fair trade" laws and proposed a narrowing of antitrust immunities for ICC and CAB rate bureaus and collusive agreements.

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

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

"I question whether Federal legislation is desirable which authorizes a state attorney general to sue on behalf of the state's citizens to recover treble damages that result from violations of the Federal antitrust laws. The States have the ability to amend their own antitrust laws to authorize parens patriae suits in their own courts."

Busing

President Ford has made it clear that it is his intention to see that court orders relating to school desegregation are faithfully executed. It is his personal view, however, that there is a better way to achieve quality education for all American youngsters than through court-ordered busing to achieve racial balance. He has said:

"Let me here state, simply and directly, that this Administration will not tolerate unlawful segregation.

"We will move swiftly and effectively against anyone who engages in violence.

"I assure the people of this Nation that this Administration will do whatever it must to preserve order and to protect the Constitutional rights of our citizens.

"The strength of America has always been our ability to deal with our own problems in a responsible and orderly way.

"We can do so again if every American will join with me in affirming our historic commitment to a Nation of laws, a people of equality, a society of opportunity.

"I call on the Congress to write into law a new perspective which sees court-ordered busing as a tool to be used with the highest selectivity and the utmost precision.

"I call on the leaders of all the Nation's school districts which may yet face court orders to move voluntarily, promptly, objectively, and compassionately to desegregate their schools.

"We must eliminate discrimination in America.

"We must summon the best in ourselves to the cause of achieving the highest possible quality of education for each and every American child."

The President has directed the Secretary of Health, Education and Welfare and the Attorney General to work with his White House staff to develop better methods of achieving quality education within an integrated environment for all children. This review is on-going.

To help assure peaceable implementation of Phase II of the court-ordered school desegregation plan in Boston, the

Department of Justice has established a Federal Task Force. 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 have been instrumental in helping State and local officials avoid violent outbreaks in Boston such as were experienced last year.

Gun Control

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

"Criminals with handguns have played a key role in the rise of violent crime in America. Hundreds of policemen have been killed in the past decade through the use of handguns by criminals. The most effective way to combat the illicit use of handguns by criminals is to provide standard 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 efforts 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 standard minimum term of imprisonment for any person convicted of using or carrying a handgun in the commission of Federal offenses;

2. Legislation banning the importation, domestic manufacture and sale of cheap, highly concealable handguns -- known as "Saturday Night Specials" -- which have no apparent use other than against human beings;

3. Legislation strengthening current law to strike at the illegal commerce in handguns and to emphasize the responsibility of gun dealers to adhere to the law; and

4. Expansion, by the Bureau of Alcohol, Tobacco and Firearms, of its firearms investigative efforts in the Nation's 10 largest metropolitan areas through the immediate employment and training of an additional 500 firearms investigators.

Juvenile Delinquency

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

"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 come of age."

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.

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.

Drug Abuse

Decriminalization of Marijuana

In response to an inquiry concerning his view on marijuana, the President stated:

"Until there is a higher degree of unanimity among the scientific world that marijuana is not harmful to the individual, I do not think we should decriminalize marijuana.

"I think that we should do as the White House Domestic Council review recommended - concentrate our efforts at the Federal level on hard drugs, the trafficker, and the others.

"But, I re-emphasize, I do not believe in the decriminalization of marijuana under the present circumstances."

Remarks of the President and
Question and Answer Session
University of New Hampshire
Durham, New Hampshire
February 8, 1976

Drug Abuse Law Enforcement

"For nearly a year," President Ford said this April, "I have been devoting increasing attention to a problem which strikes at the very heart of our national well-being, drug abuse. I have initiated and then endorsed a major study of this issue. I have met with foreign heads of state, Members of Congress and members of my Cabinet to express my deep concern and the need for action, and I have publicly spoken about this as one of the most serious and tragic problems our country faces."

The comprehensive drug program sent to the Congress by the President calls for action on many different fronts. It would:

-- Require maximum standard prison sentences for persons convicted of high-level trafficking in heroin and similar narcotic drugs.

-- Enable judges to deny bail in the absence of compelling circumstances if a defendant arrested for trafficking in heroin or dangerous drugs is found (1) to have previously been convicted of a drug felony; (2) to be presently free on parole; (3) to be a non-resident alien; (4) to have been arrested in possession of a false passport; or (5) to be a fugitive or previously convicted of being a fugitive.

-- Require masters of ships -- including pleasure vessels -- arriving in the United States to report immediately to Customs upon arrival, rather than within 24 hours, as is now required.

-- Expand Customs' authority to search for cash and other monetary instruments being smuggled out of the country.

The President during his first two years in office also acted to improve the management of drug programs and to enhance international cooperation by:

-- Establishing two new Cabinet committees to provide direction for, and coordination of, Federal drug programs and activities.

-- Directing the Secretary of HEW and the Attorney General to develop plans to improve coordination between the treatment and criminal justice system, so that drug users in the criminal justice system are identified and provided with treatment and rehabilitation services.

-- Directing one of the new Cabinet Committees to give high priority to identifying specific ways to improve job opportunities for former addicts.

-- Directing the Secretary of the Treasury and the Commissioner of the Internal Revenue Service, in consultation with the Attorney General and the Administrator of the Drug Enforcement Administration, to develop a tax enforcement program aimed at major drug traffickers.

-- Intensifying diplomatic efforts at all levels in order to encourage the greatest possible commitment from other governments and continuing to provide technical and equipment assistance, formal training of foreign enforcement officials, and assistance through cooperative enforcement efforts of U.S. agents stationed abroad.

-- Urging the Congress to expedite approval of the 1971 Convention on Psychotropic Substances, an international treaty which would provide a system for the control of synthetic drugs similar to that which exists for narcotic drugs.

-- Proposing the expansion of Federal treatment capacity to ensure that those who are addicted have an alternative to crime.

Although drug abuse remains a serious problem, progress has been made during the past two years.

-- There have been 36 percent more arrests of heroin users in 1976 than 1975.

-- There has been a 65 percent increase over the past year in the number of DEA arrests of high level traffickers.

-- The seizure of heroin by all Federal agencies has increased 54 percent since the third quarter of 1975.

-- The seizure of marijuana by all Federal agencies is up 63 percent from the third quarter of 1975.

-- There has been a 137 percent increase in the number of seizures of heroin and morphine by the combined forces of foreign and U.S. agencies since the third quarter of 1975.

-- The number of marijuana users in Federally-sponsored treatment has decreased significantly over the past year.

Death Penalty

In his remarks at the Federal Bar Association dinner in Miami, Florida, the President said:

"I favor the use of the death penalty in the Federal criminal system in accordance with proper Constitutional standards. The death penalty in appropriate instances should be imposed upon the conviction of sabotage, murder, espionage, and treason. Of course, the maximum penalty should not be applied if there is duress or impaired mental capacity or similar extenuating circumstances. But in murders involving substantial danger to the national security, or when the defendant is a coldblooded hired killer, the use of capital punishment is fully justified."

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

Amnesty

"We are proud of what the President has accomplished in his clemency program. He implemented his program courageously, in the face of criticism both from those who thought he did too much and those who thought he did too little...We consider ourselves to have been partners in a mission of national reconciliation, wisely conceived by the President. A less generous program would have left old wounds festering. Blanket, unconditional amnesty would have opened new wounds. We are confident that the President's clemency program provides the cornerstone for national reconciliation at the end of a turbulent and divisive era. We are proud to have played a role in that undertaking."

Report to the President by the Presidential Clemency Board - 1975

In his Proclamation of September 16, 1974, President Ford created a program of conditional clemency for roughly 13,000 civilians and 100,000 servicemen who had committed draft or military absence offenses between the adoption of the Gulf of Tonkin Resolution and the day the last American combatant left Vietnam. He authorized the Departments of Justice and Defense, respectively, to review applications for the 4,522 draft offenders and the 10,115 undischarged servicemen still at large. He created the Presidential Clemency Board to consider applications from the 8,700 convicted and punished draft offenders and the estimated 90,000 servicemen given discharges for absence offences. All eligible persons were given six and a half months to apply and each case was reviewed individually. The President stipulated that, where appropriate, applications would be asked to earn clemency by performing up to 24 months of alternate service in the national interest.

Under the Clemency Board program, convicted draft offenders were offered the opportunity to earn full Presidential pardons. Former servicemen who had received less than honorable discharges could earn clemency discharges from the armed services and full Presidential pardons. A small number of applicants were denied the opportunity to earn a pardon because of the circumstances surrounding their offense; where appropriate, some applicants were granted pardons without having to do alternate service. The majority of applicants were given a full pardon after completing an appropriate period of alternate service.

In sum, the President's clemency program led in most cases to a Presidential pardon, but it was not a blanket pardon of all offenders, and in the majority of cases it was contingent on the performance of alternate service. In the tradition of American justice, each case was judged in the light of all the relevant circumstances and accorded an appropriate remedy.

Clemency Board Recommendation - Civilian Cases

Outright Pardon	82%
Alternative Service	17%
No Clemency	1%

Clemency Board Recommendation - Military Cases

Outright Pardon	36%
Alternative Service	57%
No Clemency	7%

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L. Labor

When Gerald Ford took office on August, 1974, unemployment was rising and inflation was robbing the American public of its useable income at an annual rate of 12 percent. The construction industry was particularly hard-hit, but working people throughout the United States faced problems they had not experienced since the difficult times of the Depression. President Ford acted quickly to reverse trends that threatened the American economy.

He addressed the problems of unemployment, particularly among young people whose rate of unemployment was often twice or three times the rate of the rate for all Americans by initiating, along with the coopertion of the private sector:

-- CETA Summer Youth Employment Program -- 888,100 jobs for disadvantaged youth.

-- Federal Summer Employment Program -- 54,000 jobs for disadvantaged youth. An additional 30,000 young people were brought into the summer work force through merit staffing procedures.

-- Youth Conservation Corp -- 26,000 jobs for young people under the Department of Agriculture and Interior Department.

-- National Alliance of Businessmen (NAB) -- 200,000 jobs for disadvantaged youth.

President Ford has encouraged Congress to enact a meaningful youth differential for the minimum wage provisions because "it is very important to get good work habits established with young people. And an employer needs to have some incentive to employ a young person who is inexperienced."

Responding to the high national rates of unemployment, in early 1975, President Ford recommended extensions of the Federal Supplemental Benefits and Special Unemployment Assistance programs, saying that these extended programs had to have a built-in provision for reducing or terminating the programs when the unemployment rate decreased to a specified level. The Administration has asked the Special Unemployment Assistance provisions be continued through the first quarter of 1978, while it has recommended the Federal Supplemental Benefits program expire on March 31, 1977.

The President's concern about the financial soundness of the Unemployment Trust Fund was met when Congress adopted many of his suggested amendments intended to prevent a \$16.5 billion deficit in State unemployment funds in 1979.

President Ford's objections to the Humphrey-Hawkins proposals currently being debated in Congress are discussed elsewhere in this volume, but the President is unalterably opposed to Federal make-work programs.

The Government work force has received close fiscal scrutiny during the past two years and will continue to do so consistent with President Ford's belief in systematic reform of the Federal bureaucracy. Recent amendments to Executive Order 11491 increase significantly the scope and level of union-management negotiations by expanding the range of matters that can be bargained.

In another application of public employee collective bargaining, the President has expressed his opposition to Federal involvement in labor-management relations of State, county, or city, asserting that these decisions are strictly local prerogatives.

In addition, President Ford vetoed the Hatch Act amendments in order to ensure an impartial and efficient Civil Service and "strike a delicate balance between fair and effective Government and the first amendment rights of individual employees." The House of Representatives sustained the President's veto.

In the private sector, the recovery from the Recession has been encouraging, but in early January, 1976, President Ford vetoed the Common-Situs Picketing Bill because "neither the building industry nor the Nation can take the risk that . . . a permanent change in the law will lead to loss of jobs and work hours for the construction trades, higher costs for the public, and further slowdown in a basic industry. There is a possibility that this bill could lead to greater, not lesser, conflict in the construction industry."

The President has also expressed his opposition to repeal of the State "right-to-work" Taft-Hartley Act.

Equal Employment Opportunity Commission

The President has charged the Equal Employment Opportunity Commission with the responsibility for oversight of two programs concerning fair employment practice in the private sector.

-- Affirmative Action. The President believes the concept of affirmative action is a moral and political imperative at the Federal level. He is convinced that the use of inflexible mechanical means of achieving equality of opportunity -- such as quotas -- is inappropriate, however, 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.

-- Job Security. The continuing employment rights of both those who have worked hard and long to earn them and those who have been denied that opportunity are equally important. The courts are now considering cases involving these occasionally conflicting rights. Along with its continuing effort to sustain a stable employment market in a growing economy, the Administration, through the EEOC, is examining the issue of seniority in lay-offs.

The Republican Platform position on collective bargaining follows:

"Free collective bargaining remains the best way to insure that American workers receive a fair price for their labors.

"The special problems of collective bargaining in state and local government should be addressed at those levels. Washington should not impose its standards on local governments. While we oppose strikes by public employees, we recognize that States have the right to permit them if they choose.

"Union membership as a condition of employment has been regulated by state law under Section 14(b) of the Taft-Hartley Act. This basic right should continue to be determined by the States. We oppose strikes by Federal employees, the unionization of our military forces and the legalization of common-situs picketing.

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"Employees of the Federal government should not engage in partisan politics. The Civil Service System must remain non-partisan and non-political. The Hatch Act now protects Federal employees; we insist that it be uniformly administered.

"Among the rights that are the entitlement of every American worker is the right to join a union--large, small, or independent; the right to be protected against racial discrimination and misuse of dues; the right to union elections that are fair and democratic; and the right to be assured of ultimately receiving his or her promised pension benefits.

"Safe and healthful working conditions are goals of utmost importance. We should expect the Occupational Safety and Health Administration to help employers, particularly in small businesses, comply with the law, and we will support legislation providing on-site consultation."

M. Science and Technology

"Like our ancestors, we are always at the edge of the unknown. In the next 100 years, the American spirit of adventure can:

-- find out even more about the forces of nature, how to harness them, preserve them;

-- explore the great riches of the oceans, still an uncharted frontier;

-- turn space into a partner for controlling pollution and instant communication to every corner of the world;

-- learn how to make our energy resources renewable and draw new energy from Sun and Earth;

-- develop new agricultural technologies so all the deserts of the Earth can bloom;

-- conquer many more of humanity's deadly enemies, such as cancer and heart disease.

"As Thoreau reminded us, 'The frontiers are not east or west, north or south, but wherever man fronts a fact.' The American adventure is driven forward by challenge, competition, and creativity. It demands of us sweat and sacrifice and gives us substance and satisfaction. Our country must never cease to be a place where men and women try the untried, test the impossible, and take uncertain paths into the unknown."

President Ford at Dedication
of the Air and Space Museum,
Smithsonian Institution
July 1, 1976

Since taking office President Ford has taken several steps to realize the contributions which science and technology can make to the strength and vitality of the Nation. For example:

-- In June, 1975, Mr. Ford submitted to Congress his proposal to establish an Office of Science and Technological Policy (OSTP) and announced that the Director of that Office would also serve as his adviser on science and technology.

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A year later the President signed into law the National Science and Technology Policy, Organization, and Priorities Act of 1976. This legislation created the OSTP, declared a national science and technology policy, and created a Presidential committee to study Federal Science and technology policies, programs, and organization.

-- The President's nominee for Director of OSTP, Dr. H. Guyford Stever, the distinguished Director of the National Science Foundation, was confirmed by the Senate on August 9 and sworn in later that week.

-- The President's 1977 budget provides for significant increases in Federal funding for scientific and technological activities. He has proposed a total of \$24.6 billion for research and development, an increase of 11 percent over the amount estimated for 1976. This request includes \$2.6 billion for basic research, which provides fundamental knowledge upon which future advances in science and technology depend.

-- The recent Viking Mariner landing and exploration of the planet Mars is the climax of an American space program that began less than 20 years ago.

N. Transportation

One of the greatest unsung successes of the Ford Administration has been its progress in improving the Nation's transportation system.

The President's goal in transportation policy is to promote a fully coordinated and balanced national transportation system. At the heart of the President's philosophy is the view that the Federal Government has a special responsibility to promote those elements of national transportation that are essential to interstate commerce and national defense. Beyond that, he believes that State and local government authorities should assume a large measure of responsibility, assisted but never dictated to by Washington.

One year after entering office, the President enunciated a comprehensive policy on national transportation, and since that time he has taken steps in many different areas to carry out that policy.

Rail Transportation

In May of 1975, the President submitted the Railroad Revitalization Act, calling for the elimination of outdated regulation and increased reliance on competition in the railroad industry.

In September of 1975, the Department of Transportation and the United State Railway Association (USRA) jointly proposed the Second Regional Rail Reorganization Act to implement the Final System Plan. This plan called for a new corporation, ConRail, to provide essential freight service in the Northeast and Midwest.

In November of 1975, the Administration offered its plan for improvement in high speed, intercity passenger service between Boston and Washington.

Then in February of this year, the President signed into law one of the most important transportation bills of the 1970s: the Railroad Revitalization and Regulatory Reform Act of 1976. Through a \$6.4 billion program of appropriations and loan guarantees, this bill encourages the revitalization of the deteriorating rail freight system both in the Northeastern United States and across the Nation. It provides badly needed financial assistance to help the railroads improve their physical plant.

It encourages a desired restructuring of the railroad system. And it makes substantial improvement possible in rail passenger service in the densely populated Northeast.

Air Transportation

-- The Administration has endorsed a seven-point program to assist U.S. international airlines to compete more effectively with subsidized foreign carriers.

-- The President, on March 17, 1975, submitted new Airport and Airways Development legislation to increase and improve the financing and planning of airport facilities and to provide more equitable collection of aviation user charges.

-- The Administration, on August 19, 1975, advocated the direct pass-through of energy costs in setting airline fares.

-- The President, on October 8, 1975, submitted to Congress the Aviation Act of 1975 to improve the regulatory environment of the airlines.

-- On July 12, 1976, the President signed the Airport and Airway Development Act of 1976 to help modernize our Nation's airports, take needed steps to deal with airport noise, and simplify airport grant procedures.

The Concorde

In 1975, the President directed Transportation Secretary William Coleman to conduct a thorough investigation in the controversial issue of whether the Concorde should be allowed commercial landing rights in the United States.

On February 4, 1976, Secretary Coleman decided to permit the Concorde to conduct limited scheduled commercial flights into the United States under stated conditions for a 16-month test period. The President in his press conference of February 8, 1976, fully supported this decision. The Secretary of Transportation has asked the Secretary of State to enter into an agreement with France and Great Britain to establish a monitoring system for measuring ozone levels in the stratosphere.

Urban Transportation

On June 5, 1975, the President signed the Federal Aid Highway Land Bill that provides States with greater flexibility in the use of Federal-Aid Highway funds to enable them to defer temporarily their matching share funds for projects of immediate need. One example of an application of the provisions of this legislation is METRO, Washington, D.C.'s rapid transit system.

Only two weeks after signing the bill, President Ford directed Secretary of Transportation Coleman to develop a financing plan for METRO through this transfer provision. Within several months, Secretary Coleman, working with local leaders, approved the first transfer grant of \$286.5 million. Of the \$4.65 billion cost estimate for completing the METRO system, Federal financing through these provisions will contribute almost \$4 billion.

In this case, as in similar decisions throughout Government, the President is committed to providing greater flexibility in State and local decision-making.

Federal Highway Program

The President in January of 1975 signed the Highway Amendments of 1974, adding approximately \$500 million for rural highways and providing for selected program restructuring.

The President in July of 1975 sent to the Congress his proposals for renewing and revising the Federal-Aid Highway program. Emphasis was put on completing the Interstate System and providing greater flexibility in State and local transportation decisions.

In February of 1975, President Ford released an additional \$2 billion in highway construction funds to stimulate employment in the construction industry.

In May of 1976, the President signed the Federal Aid Highway Act of 1976, which will provide \$17.6 billion over the next 27 months for highway construction, restoration, rehabilitation and safety programs. Although the bill will not change the operation of the Highway Trust Fund, past Presidential statements and Congressional debate clearly indicate that the next Congress must carefully review this

important issue. The current bill does consolidate three existing highways categories under a new, basic primary system, and gives the States greater flexibility to shift funds between non-interstate categories.

Automobiles

President Ford, on September 4, 1974, sent a message to the Congress summarizing the results of Federal actions and urging a combination of efforts to improve vehicles, highways, and driver skills. At that time, President Ford stated, "A well managed program and well managed use of our resources will continue to have a positive effect in improved highway safety."

Several weeks later the President signed the Motor Vehicle and School Bus Safety Amendments, providing additional safeguards for highway travel and the recall of faulty motor vehicles.

The Secretary of Transportation, on April 9, 1976, sent to Congress the National Highway Safety Needs Report, recommending mandatory safety belt use and uniform enforcement of the 55 m.p.h. speed limit.

In a May, 1975, meeting with Senior White House Staff, the Secretary of Transportation, and the Attorney General, the President indicated support for the "concept" of no-fault insurance, but indicated his opposition to Federal legislative standards because, in his opinion, it is an item for the individual States to determine.

Regulatory Reform in Transportation

The President, on October 8, 1974, proposed to the Congress establishment of a National Commission on Regulatory Reform to examine practices and procedures of the independent regulatory agencies.

The President, on October 3, 1975, submitted to the Congress the Aviation Act of 1975 to reform and simplify Government regulation of the airline industry.

The President, on November 13, 1975, submitted to the Congress the Motor Carrier Reform Act to modernize and simplify the regulation of the motor carrier industry.

Rural Transportation

The Department of Transportation is implementing a new special rural mass transportation program for which \$500 million is authorized through fiscal year 1980.

The Federal-Aid Highway Act of 1976, signed by the President, allows for the transfer of funds between system categories to allow States increased flexibility in the use of highway funds where they are needed.

The President has also proposed a program of partial Federal financial assistance to maintain rural branch rail lines for two years.

Energy Conservation in Transportation

The Department of Transportation has issued regulations requiring urbanized areas to develop energy conservation and operating efficiency programs as a prerequisite for receiving Federal mass transit assistance.

The President has repeatedly endorsed the 55 m.p.h. speed limit to improve efficiency of automobile operations.

The Department of Transportation has initiated proposals for the possible electrification of railroad rights-of-way, and for increasing load factors within the airline industry.

The Department of Transportation, Environmental Protection Agency, and the National Transportation Safety Board have worked jointly on new automobile designs to, among other things, achieve greater fuel economy.

The Administration has coordinated a voluntary joint industry-government automobile fuel economy improvement program that should achieve 40 percent improvement in fuel economy by 1980.

Finally, the Federal Aviation Administration is implementing a seven-point program for jet fuel conservation.

0. Energy

"I will not sit by and watch the Nation continue to talk about an energy crisis and do nothing about it. Nor will I take half-way measures which fail to change the direction that has put our Nation in this position. We have the resources in this country, the technological capability, and the spirit to regain our energy independence. I will ... use all my powers as President to make certain that we succeed."

President Gerald R. Ford
January 21, 1975

In his first State of the Union Address, President Ford pointed out that America's vulnerability to economic disruption at the hands of a few foreign nations would continue to grow unless the U.S. had a comprehensive energy policy and program.

He outlined three major goals:

-- To halt our growing dependence on imported oil during the next few critical years.

-- End our energy dependence and vulnerability by 1985. This would be done by reducing oil imports to between 3 and 5 million barrels per day -- with an accompanying ability to offset any future embargo with stored petroleum and emergency standby measures to conserve energy.

-- Mobilize our technology and resources to supply a significant share of the free world's energy needs beyond 1985.

The President's plans and actions for achieving these goals have been based on three fundamental principles:

-- Energy should be provided at the lowest cost consistent with our need for adequate and secure supplies;

-- We should rely on the private sector and market forces as the most efficient means to achieve the goals; and,

-- We must achieve a balance between our efforts to preserve the environment and our need for energy.

The President's Blueprint -- Building upon the goals and principles set out early in his Administration, the President developed the Nation's first comprehensive blueprint for achieving energy independence for the United States.

That program envisions:

- Reducing the rate of growth in energy consumption by cutting waste and improving energy efficiency.

- Increasing coal production from 640 million tons to 1 billion tons per year by 1985.

- Increasing domestic oil and natural gas production.

- Increasing the share of electricity generated by nuclear power from the current 9 percent to 26 percent by 1985.

- Completion of a strategic petroleum storage program.

- The development of advanced technology needed to maintain energy self sufficiency in future years.

President Ford has submitted legislation to Congress to create a self-liquidating Energy Independence Authority, a government corporation designed to assist the private sector's energy projects through providing loans, loan guarantees, price guarantees, or other financial assistance to be used only for projects that contribute directly to energy independence. With financial resources of \$100 billion (\$25 billion of equity, \$75 billion of debt), the EIA's funds will be directed to development of synthetic fuel technology commercialization, solar and geothermal energy, and further development of conventional technologies such as coal and nuclear power.

Acting under authority provided in legislation passed in October, 1974, the President established the Energy Research and Development Authority, effective January 19, 1975. The Administrator of ERDA has submitted a "National Plan for Energy Research, Development, and Demonstration" which

- outlines recommendations for national energy R&D goals and priorities;

- summarizes the Nation's energy situation and energy needs;

-- summarizes current and planned Federal energy R&D activities; and

-- emphasizes the importance of energy conservation R&D, particularly originating in the private sector.

The President's FY 1977 budget calls for \$2.9 billion for energy research and development compared to \$2.2 billion in 1976.

How far have we come in two years? By one measurement, we have actually gone in the wrong direction. Two years ago, the United States was dependent upon imports for 37 percent of its oil needs; today that dependence has grown to 40 percent. But this level of imports is less than would have occurred without the actions that have been taken.

By another measurement, however, the energy outlook is considerably brighter today than it was two years ago. For the first time, the United States is now moving forward within the framework of a comprehensive energy program -- a program set forth by President Ford. We are making progress but this does not mean the problem has been solved.

To be specific, the Congress over the past two years has passed six of the President's major energy proposals which achieve some of his objectives and thus puts the United States in a much stronger position over the long term:

-- Naval Petroleum Reserves Act -- This new law authorizes production of oil and gas from the government-owned petroleum reserves in California and in Wyoming. It also authorizes further exploration for oil and gas on the large government-owned reserve in Alaska with the expectation that it could eventually be developed and ready for production.

-- Strategic Petroleum Reserves -- This new provision establishes petroleum reserves which would help to reduce the impact of another emergency such as an embargo. Reserves of at least 150 million barrels would be established within three years and about 500 million barrels in about seven years.

-- Coal Conversion -- This provision extends the authority to require electric utilities and large industrial users of oil and gas (which are in short supply) to switch their facilities to the use of coal (which is plentiful in the U.S.).

-- Energy Labeling -- This provision requires manufacturers of automobiles and major appliances to include labels on their products informing consumers of the amount of energy used and permitting comparison of relative energy efficiency of products.

-- Emergency Standby Authority -- This provision authorizes the President to promulgate -- with the approval of Congress -- standby energy conservation and rationing plans which could be used in the event of a serious energy emergency such as another embargo.

-- Energy Development Impact Assistance -- The Coastal Zone Management Act Amendments signed by the President this summer included elements of his February, 1976 proposal to assist communities significantly affected by the development of Federal energy resources by providing financing for public facilities (such as roads, schools, and hospitals) required to accommodate large increases in population. The new amendments apply to coastal states and states touching the Great Lakes.

While six Presidential proposals have been adopted, 17 others are still caught in a Congressional logjam. They include:

-- Natural Gas -- The President has asked for the removal of Federal price controls from new natural gas supplies and legislation to permit expediting selection of a route and constructing the transportation systems to bring natural gas from Alaska to the lower 48 states. He has also limited imports of liquified natural gas to supplement our supply needs while avoiding the risk of dependence on any particular energy source.

-- Nuclear Power -- The President is still awaiting action on his proposals to improve nuclear plant licensing, to authorize commercial pricing for government-supplied uranium enrichment services, and to increase the Nation's capacity for producing enriched uranium for domestic and foreign nuclear plants. The latter bill provides the authority to begin the transition to a private competitive uranium enrichment industry, ending the 30-year government monopoly and avoiding the need to commit \$30-50 billion in tax funds to new plants over the next 15-20 years.

-- Coal -- President Ford has proposed measures which would increase coal production from 640 million tons in 1975 to one billion tons by 1985 to help relieve America's

dependence on foreign oil. These measures include extension of authority to require use of coal instead of oil or gas in energy using facilities and amendments to the Clean Air Act to permit the use of more coal.

-- Energy Facilities -- President Ford has submitted several legislative proposals, including bills to create an Energy Independence Authority that would assist private sector financing of new energy facilities to authorize loan guarantees to aid in construction of synthetic fuel plants (e.g., from coal and oil shale), to expedite siting of energy facilities, to reform utility rate structures, and to encourage construction of coal and nuclear power plants.

-- Energy Conservation -- The President has proposed legislation providing \$55 million in weatherization assistance for low-income and elderly persons, providing a 15 percent tax credit for energy conservation improvement in existing residences, and setting thermal efficiency standards for new buildings.

Action by the Congress on the President's legislative proposals is essential, but the President has also moved ahead wherever possible under existing authorities. For example:

-- Nuclear Power -- On January 19, 1975, the President activated the independent Nuclear Regulatory Commission (NRC) with responsibility to assure the safety, reliability and environmental acceptability of commercial nuclear power facilities. He requested increased funding in his 1977 Budget to increase the safety of nuclear plants, improve safeguards, and provide long-term nuclear waste storage. On July 27, 1976, President Ford announced plans for a comprehensive review of nuclear power policies and options, including exports and reprocessing.

-- Coal -- At the President's direction, an improved program for leasing and reclaiming Federal coal lands has been implemented by the Secretary of the Interior, coal conversion has been stepped up, and R&D programs have been expanded to develop means for increasing coal production and utilization in ways that are environmentally sound.

-- Energy Conservation -- In response to requests by the President, Federal agencies have reduced energy consumption by 24 percent in the past two years, saving the equivalent of over 250,000 barrels of oil per day. The

Government is assisting States and industry in developing energy conservation plans, and implementing auto and appliance energy labelling programs. Funding for research and development in energy conservation was increased by 63 percent in the President's 1977 Budget request. The voluntary agreements achieved with the automobile industry to increase automobile fuel economy were also enacted into law. These will lead to a 40 percent improvement in fuel economy by the 1980 model year.

-- Energy R&D -- President Ford requested \$2.9 billion for energy research and development in 1977, an increase of 30 percent over the \$2.2 billion provided in 1976. These funds will permit working in the industry to develop advanced technologies in nuclear energy, coal, synthetic fuels, solar energy, and geothermal energy and thus permit the country to maintain energy independence beyond 1985.

-- Removing Counterproductive Regulations -- Under President Ford's leadership, petroleum price and allocation controls -- which have discouraged conservation, stifled competition, misallocated supplies, and increased bureaucracy to administer -- are now being removed. During the past six months, controls have been removed from residual oil, diesel fuel, kerosene, and fuel oil. Controls on the price of crude oil -- which have discouraged production from domestic sources -- are being phased out over the next three years.

Oil Corporation Divestiture -- The President stated at a briefing session on the Budget for State officials in Concord, New Hampshire, February 7, 1976:

"I don't think divestiture is the way to solve the problem. It seems to me that a well-managed oil company, big or small, is the best way to solve our energy problem."

The Administration responded to a questionnaire which was sent by Offshore magazine to several likely Presidential candidates:

"The Federal government cannot do a more effective job in developing our domestic oil resources and providing the consumer with refined petroleum products at a lesser cost. However, the government can carefully monitor the actions of the oil industry and there are laws on the books that now permit the government to pursue this task. The potential magnitude and the threat of disruptions caused by divestiture

may be analyzed very carefully before any serious consideration is given to divestiture legislation. The bills that have been proposed to impose either vertical or horizontal divestiture need very close scrutiny because they appear to be inflexible, overly broad and probably will not accomplish the objectives their sponsors intend. The consequences of a poorly conceived solution are so great, both here and abroad, that it would be premature to proceed without carefully considering the effect on the nation's national energy goals and other national objectives."

Offshore, March 1976
Vol. 36, No. 3, p. 47

In March, 1976, the Energy Resources Council initiated an interagency study of the implications of divestiture. The study, which expanded on-going efforts to monitor industry competitiveness, concentrated initially on the degree of vertical integration in the industry, the implications of vertical integration for competition, the economic and financial impacts of divestiture and the likely effects of the transitional period upon the attainment of energy policy goals. A report summarizing the results of the ERC study, "Analysis of Vertical Divestiture" was submitted for the record during the hearings of the Senate Judiciary Committee.

Outer Continental Shelf Oil -- In November, 1974, the President directed the Secretary of Interior to move toward a goal of leasing as much OSC oil and gas acreage as could be done safely and at a fair market price.

Legislation for a comprehensive Oil Pollution and Compensation Act was submitted to Congress in July, 1975. This would provide for consistent application of oil-spill measures that are now part of the Water Pollution Control Act, the Deep Water Ports Act, the Trans-Alaskan Pipeline Act, and the International Convention on Spills From Vessels.

On November 4, 1975, the Department of the Interior promulgated regulations which provide for State consideration of and comments on OCS oil and gas development plans. Prior to Federal approval of the proposed development plan, leasees must submit to the Governor of each directly affected state, information concerning on-shore and off-shore facilities, operations proposed and other required information.

The Coastal Zone Management Act Amendments of 1976 provide \$800 million in loans and loan guarantees, essentially identical to the Administration's program, plus \$400 million in formula grant "entitlements" which can be drawn down for certain limited purposes (planning, public facilities if credit is not available, and unavoidable environmental losses which cannot be attributed to identifiable persons). The Act also provides for State review of OCS exploration and development plans for consistency with Federally approved coastal zone management programs.

Uranium Enrichment Capacity -- President Ford on June 26, 1975, sent to the Congress a message describing his comprehensive plan for expanding the United States capacity to provide uranium enrichment services with financing, ownership, construction, and operations of plants by private industry.

President Ford, also on June 26, transmitted proposed legislation necessary to carry out his program, entitled the Nuclear Fuel Assurance Act of 1975. This includes authority for the Energy R&D Administration to enter into cooperative agreements with private firms to provide for Federal cooperation and certain temporary assurances that are needed to overcome the obstacles to private entry into the uranium enrichment industry.

President Ford and other Administration officials have met with the Joint Committee on Atomic Energy (JCAE) and other leaders to explain the program and urge prompt Congressional action.

P. The Environment

President Ford is firmly committed to achieving a balance between the needs of the environment and the needs of a dynamic, growing economy.

"I am committed to the Nation's effort to clean up the environment," the President told the Council on Environmental Quality this February. "At the same time, I am concerned about the costs and impact on the economy. We can't do it all tomorrow." In responding to a question in February on this issue, the President re-emphasized the need for a careful balance when he said: "I think there is realization now in and out of government that we can't make up in a few years for all the environmental evils we perpetrated on the country over a period of a hundred years."

In pursuing a balance between these goals, the President has:

- Supported the enactment of toxic substances legislation that would control the introduction of toxic substances into the environment;

- Proposed a 60 percent increase in outlays for wastewater treatment plant grants during FY 1977;

- Signed the Safe Drinking Water Act to enhance the safety of public drinking water supplies through the establishment and enforcement of national drinking water standards.

- Proposed a 38 percent increase in funding for implementation of the Safe Drinking Water Act for FY 1977;

- Signed a wetlands loan advance to facilitate public ownership of rapidly disappearing wetlands;

- Proposed the Alaska Conservation Act dedicating 80 million acres to conservation purposes;

- Provided for full funding of the Land and Water Conservation Fund for FY 1977; and,

- Increased appropriations for National Park Service maintenance and operations. This added 400 more park rangers and other National Park Service employees.

- Recommended an extension of the current auto emission standards until 1981, to achieve the best balance among energy, environment, and economy considerations without compromising public health needs.

-- Vetoed the "Surface Mining Control and Reclamation Act of 1975" on the basis that production losses of over 80 million tons of coal are intolerable at a time when we cannot afford to place unreasonable restraints on our ability to achieve energy independence. The President's veto was sustained. The President, however, is firmly committed to preventing abuses that have accompanied surface mining of coal and reclaiming land disturbed by strip mining.

-- Opposed Federal land use legislation on the grounds that it violated his moratorium on new spending programs and preempted the land use decision making of State and local units of government.

-- Supported the existing Federal role of providing technical assistance to States and localities on solid waste/resource recovery. The Environmental Protection Agency currently sponsors four projects to demonstrate advanced technology for recovering energy and materials from solid wastes. The Energy Resource and Development Administration is currently sponsoring a project to convert solid waste to methane gas.

IV. DEFENSE

The President's Defense Posture

In his recent statement to the Congress on the 1977 Defense Budget, President Ford stated:

"My FY 1977 total budget request for national defense is \$115 billion -- as it must be, given the adverse trends which have developed as a result of Congressional cuts in U.S. military expenditures. The Congress must cooperate if we are to be able to successfully arrest these trends in order to assure our own security and, in a real sense, peace and stability in the world."

July 14, 1976

The President's defense program is designed to: maintain U.S. strength as the key element in preserving the worldwide military equilibrium, strengthen deterrence at all levels of conflict, reinforce our allies for our common defense, and underwrite our diplomatic initiatives.

The President's program for strategic forces includes plans to:

- Continue engineering development of the modern B-1 bomber.
- Proceed with the Trident strategic submarine.
- Develop options for future deployment of improved intercontinental ballistic missiles, and continue improvements in missile accuracy.
- Maintain ballistic missile defense systems technology.
- Improve command, control, and communications for the strategic forces.

The President's program for general purpose forces includes plans to:

- Increase our conventional strength, with little or no change in manpower levels, by shifting manpower from support activities to combat functions and by modernizing weapon systems and equipment.

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- Increase production of modern equipment for our land forces, with emphasis on tanks and antitank weapons.
- Continue a vigorous program on new ship construction and modernization for our naval forces.
- Replace older aircraft in our tactical air forces with newer and more capable aircraft, and increase the number of air-to-air and air-to-ground missiles.

The President has taken administrative action and proposed legislation which will permit the Department of Defense to restrain manpower cost growth and to achieve other essential economies.

-- The potential savings from these actions total over \$3 billion in FY 1977 and \$23 billion over the five years from FY 1977-1981.

The CIA

President Ford stated on April 10, 1975:

"The Central Intelligence Agency has been of maximum importance to Presidents before me. The Central Intelligence Agency has been of maximum importance to me....

"I think it would be catastrophic for the Congress, or anyone else, to destroy the usefulness, by dismantling in effect, our intelligence systems upon which we rest so heavily....

"I will say to the leaders of the Congress, the House and the Senate, that I will work with them to devise procedures which will meet the needs of the Congress for review of intelligence agency activities and needs of the Nation for an effective intelligence service."

In regard to covert action, President Ford stated at a news conference on September 16, 1975:

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"I wouldn't rule out necessary political activities by the United States if it involves our security."

President Ford created the Commission on CIA Activities within the United States on January 4, 1975, to determine whether any domestic CIA activities exceeded the Agency's statutory authority and to make appropriate recommendations.

The Commission on CIA Activities within the United States (known as the Rockefeller Commission) submitted its report on June 6, 1975, including 30 recommendations designed to clarify areas of doubt concerning the CIA's authority, to strengthen its structure, and to guard against recurrences of improprieties.

The Commission on the Organization of the Government for the Conduct of Foreign Policy (known as the Murphy Commission), which was established in July, 1972, to submit findings and recommendations in order to provide a more effective system for the formulation and implementation of the nation's foreign policy, submitted its report to the President on June 27, 1975. This report contains a chapter entitled "The Organization of Intelligence" which includes 10 recommendations, some of which directly affect the CIA. Others apply to the Intelligence Community as a whole.

The President indicated in a news conference on September 16, 1975, that the recommendations of the Rockefeller and Murphy Commissions were currently under study by his staff and appropriate agencies. He said that from these and other sources he would make administrative changes in the CIA and propose legislative recommendations to the Congress on the Nation's intelligence-gathering apparatus.

The President is currently studying recommendations on the organization and management of the foreign intelligence community prepared for him by his staff with the assistance of concerned departments and agencies. The President's final decisions and recommendations concerning the Intelligence Community including such issues as budget control, protection of secrecy, and prevention of abuses will be announced in the near future.

Defense Alliances

In remarks at the Pentagon on March 29, 1976, the President said:

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"All of us recognize that the aim of our Alliance is not strength for its own sake but strength for peace. Our aim in Europe is security and the true relaxation of tension -- not perpetual confrontation. The stability that we have insured in Europe by maintaining the military balance for 30 years, which we must maintain, creates opportunities for confident diplomacy. To diffuse powder kegs such as Berlin or to negotiate on mutual and balances force reductions -- this has been NATO's declared policy for nearly a decade.

"The stability also creates opportunities for building bridges, for seeking greater communication and understanding among peoples of Eastern Europe, the Soviet Union and the West. It builds an environment in which free movements of people and ideas can take place.

"As I stated emphatically before all of the leaders of the Communist as well as the Western countries of Europe, there can be no true security and cooperation in Europe until human rights and freedom are expanded everywhere. The United States and the Atlantic Alliance stand for freedom. That is our policy and that is the policy of the American people."

Little more than an hour after the President took the Oath of Office on August 9, 1974, he asked the Ambassadors of the NATO nations to meet with him at the White House, and in that meeting emphasized that the Atlantic Alliance remains the cornerstone of U.S. foreign policy and that he looked forward to working as closely as possible with the nations of Western Europe to ensure a strong and prosperous trans-Atlantic relationship. Since that meeting he has met at least once with the leaders of every member of the Alliance.

Selective Service

The President's program for an All-Volunteer Military Force includes provision for a standby Selective Service program. Under this plan, annual registration of eligible young men has been eliminated. The Selective Service System will retain a residual planning function and could be reinstituted on a national basis, should circumstances necessitate such an action.

As the President said on April 23, 1976, in Indianapolis:

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"I am absolutely convinced that as long as we have a well-led military force, as long as we create the right environment, as long as we pay them a proper wage and as long as we inspire them, I think we can get all of the active duty military personnel that we need under a voluntary program and, therefore, do not need to utilize a selective service program."

The President has acted to:

- Remove the requirement for annual registration of young men.
- Phase our local draft board operations, while maintaining national and state headquarters capabilities, mainly on a standby basis. In case of emergency, the local board system could be reactivated.

In signing the new Reserve Call-Up legislation, the President noted on May 14, 1976, in Louisville:

"Under this legislation, we can more effectively utilize many key elements of our Reserve and National Guard forces. For example, over 60 percent of our tactical airlift and over 50 percent of our strategic airlift capability are made up of Reserve and National Guard personnel."

V. PRESERVING AMERICAN
VALUES

V. PRESERVING AMERICAN VALUESThe Bicentennial

"Something wonderful happened to this country of ours these past two years. We all came to realize it on the Fourth of July.

"Together, out of years of turmoil and tragedy, of wars and riots, assassinations and wrongdoing in high places, Americans recaptured the spirit of 1776. We saw again the pioneer vision of our revolutionary founders and of our immigrant ancestors."

President Gerald R. Ford
Acceptance Speech for the
Nomination of the Republican Party
August 19, 1976

In proclaiming the celebration of the Bicentennial, President Ford wrote:

"I urge all Americans to reflect, from time to time during this Bicentennial year, on the historic events of our past, on the heroic deeds of those whose legacy we now enjoy, and on the compelling visions of those who helped shape our constitutional government.

"I call upon educators, clergy and labor, business and community leaders, as well as those in the communications media, to review our history and publicize the shaping events, people, and ideas of our historic beginnings.

"I call upon every man, woman, and child to celebrate the diversity of tradition, culture, and heritage that reflects our people and our patrimony. Let each of us resolve to cherish and protect what we have achieved in the United States of America and to build upon it in the years ahead, not by words alone, but by actions which bespeak a continuing commitment to a heritage of individual initiative, creativity, and liberty."

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This Bicentennial belongs to all Americans. Therefore, there is no theme or program dedicated to the Nation's 200th Anniversary. Instead, there are many programs and activities throughout the Nation -- nearly 50,000 of them.

In addition, 92 countries throughout the world have announced Bicentennial gifts to the U.S. ranging from special chairs of studies at universities and colleges to a "Sound and Light" Show at Mt. Vernon. The multitude of gifts from Americans presented for the Bicentennial have been accepted on behalf of the Nation and are being displayed appropriately during 1976.

The Arts in America

On June 23, 1975, President Ford stated: "Our Nation has a diverse and extremely rich cultural heritage. It is a source of pride and strength to millions of Americans who look to the arts for inspiration, communication and the opportunity for creative self-expression.

". . . It is my hope that every member of Congress will share my conviction that the arts are an important and integral part of our society."

Then, speaking at the Honor America Program at the John F. Kennedy Center for the Performing Arts on July 3, 1976, he said:

"There are times for solemn ceremonies and there will be many reverent thanksgivings all over America this week and next. But, we Americans are uncomfortable with too much solemnity. We like to make a joyful noise unto the Lord, to sing our country's praise with grateful hearts.

"Laughter and liberty go well together. Ragtime and jazz, marches as well as hymns and spirituals set the beat of the American adventure. We have exported America's happiness to the world with our gramophones, our movies, and our own talented performers.

"Americans sang on riverboats, danced around the wagon trains, joked as they marched into battle. We took all of the arts of those who came to join the American adventure and made new arts of our own. No nation has a richer heritage than we do, for America has it all.

"The United States is probably the only country on Earth that puts the pursuit of happiness right after life and liberty among the God-given rights of every human being.

"When Jefferson wrote that, he pulled off an historic switch. For a long time, English law had used the phrase 'life, liberty, and property' to describe the most precious things that couldn't be taken away from anybody without due legal process.

"But Jefferson dropped property in the Declaration of Independence and substituted the pursuit of happiness. Like any good politician, Jefferson knew how to say exactly what he meant when he wanted to. So, life and liberty are plain enough to everybody, but Jefferson never did say what he meant by the pursuit of happiness.

"If we have liberty, how each of us pursues happiness is up to us. However you define it, the United States of America has been a happy nation over the past 200 years.

"I knew what happiness was when I was a boy. It was the Fourth of July. For weeks we would save up our pennies, nickels, and dimes, and then at the last moment Dad would come through with a couple of bucks for skyrockets. Then, of course, there would be the big Flag to hang out on the front porch and the ice cream freezer to turn and the first big spoonful that gave you a headache.

"There would be a picnic and softball games, the endless wait until it got dark enough for the roman candles, sparklers for the little ones, who really liked the lightning bugs better. When it was all over, you went to bed happy because you knew it would happen all over again the next Fourth of July.

"Here we are on the eve of our 200th, the greatest Fourth of July any of us will ever see. We are a happy people because we are a free people, and while we have our faults and our failures, tonight is not the time to parade them. Rather, let's look to our third century as the century in which freedom finds fulfillment in even greater creativity and individuality.

"We salute the pursuit of happiness as we listen to our exciting past in song and in story. Two hundred years ago today, John Adams wrote his wonderful wife, Abigail, that he expected the glorious anniversary of independence to be observed down through the ages 'with shows, games, sports, guns, bells bonfires, and illuminations from one end of this continent to the other.'

"So, break out the flags, strike up the band, light up the skies, let the whole wide world know that the United States of America is about to have another happy birthday, going strong at 200, and in the words of the immortal Al Jolson, You ain't seen nothing yet!"

Arts and Humanities

The Republican Platform for 1976 states:

"The arts and humanities offer an opportunity for every American to become a participant in activities that add fulness, expression, challenge and joy to our daily lives. We Republicans consider the preservation of the rich cultural heritages of our various ethnic groups as a priority goal.

"During our bicentennial year we have celebrated our anniversary with cultural activities as varied and colorful as our cultural heritage. The Republican Party is proud of its record of support to the arts and humanities during the last eight years. We are committed to steadily increase our support through the National Endowments for the nation's museums, theaters, orchestras, dance, opera and film centers as well as for individual artists and writers.

"This upward trend in funding for the National Arts and Humanities Endowments deserves to continue. But Washington's presence should never dominate; it must remain limited to supporting and stimulating the artistic and cultural lives of each community.

"We favor continued federal assistance to public broadcasting which provides us with creative educational and cultural alternatives. We recognize that public broadcasting is supported mainly through private sector contributions and commend this policy as the best insurance against political interference.

"In 1976, we have seen vivid evidence that America's history lives throughout the nation. We support the continued commemoration throughout the bicentennial era by all Americans of those significant events between 1776 and 1789 which contributed to the creation of this nation. We support the efforts of both the public and private sectors, working in partnership, for the historic preservation of unique and irreplaceable historic sites and buildings.

"We propose safeguarding the rights of performing artists in the copyright laws, providing tax relief to artists who contribute their own talents and art works for public enjoyment, and encouraging the use of one percent of the cost of government buildings for art works.

"Much of the support of the arts and humanities comes from private philanthropy. This generosity should be encouraged by government policies that facilitate charitable donations."

Historic Preservation

On May 7, 1976, the President issued a proclamation declaring National Historic Preservation Week. In the proclamation he said, "In this Bicentennial year, we have many opportunities to recall that the greatness of America is founded upon appreciation of our heritage and upon knowledge of the historic events that have shaped our national identity.

"One of the most important sources of our sense of national direction is our architectural heritage -- the historic sites, structures and landmarks that link us physically with our past. This great fund of cultural resources includes not only sites such as well-known battlefields and structures of national significance such as the homes of famous patriots, but also includes typical houses, office buildings, factories, and stores, and other public buildings such as post offices, courthouses, and railroad stations. Along the streets of our cities and towns and in our rural areas, these sometimes humble but historic properties remind us of the accomplishments of our predecessors and, thereby, help to provide a continuity and historical perspective that are so important to the cultural heritage of any great nation.

"We are a vigorous and mobile people, often oriented more toward the future than the past. It is important for us to preserve our physical heritage in the face of progress.

"So it is a pleasure to note the efforts to those in the historic preservation movement, in both the public and private sector, who have led the movement to preserve these unique and irreplaceable inheritances of the past. An invaluable contribution by them has been to demonstrate how these historic structures of all types can meet the needs of contemporary society and at the same time add to the richness of our cultural heritage."