

The original documents are located in Box 42, folder “Presidential Campaign (11)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

file

THE WHITE HOUSE
WASHINGTON

September 8, 1976

MEMORANDUM FOR: JIM BAKER

FROM: JIM CANNON

JMC, ed

You might be interested in this report from the Southern
Governors.

attachment



THE WHITE HOUSE

WASHINGTON

September 2, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SM*

SUBJECT:

Campaign Organization
in Southern States

As I indicated to you on the telephone, there was a clear message that came from the Southern Governors' Conference in regard to the President's prospects in the South.

1. It was clear that even amongst Democratic Governors there was a feeling that the President has pulled to within a very close position with Carter, and that particularly within the border states the President has great potential.
2. Clear, visible and near term actions must be taken to overcome the initial impression left in any people's minds that the President has "written off" the South. Perhaps the initial statement attributed to Rog Morton was incorrect; however, that impression is in the minds of many people and it is important that we take steps very soon to allay fears on this neglect.
3. That the best approach to the south will be to force people to understand what the Democratic platform says, and then force Carter to defend it. Without the initiative of the Republican Campaign, many people will support Carter strictly because of his southern heritage. It will be our initiative that will be necessary to force people's consideration of the Democratic platform and of Carter's position on specific issues.
4. Concern was expressed to me both by Governor Edwards of South Carolina and Governor Holshouser of North Carolina that indications to date show that the campaign and advance people are still not doing a "professional" job in organizing campaign activities and ensuring that they are coordinated with the existing Republican Party structure.



I have no way to verify these complaints other than to pass them along to you.

I think these are interesting observations you should be aware of and perhaps relay to Rog Morton and Jim Baker.

ATTENDEES AT SOUTHERN GOVERNORS' CONFERENCE

REPUBLICAN GOVERNORS

Governor Holshouser of North Carolina
Governor Edwards of South Carolina
Governor Bond of Missouri
Governor Godwin of Virginia
Governor Moore of West Virginia

GOVERNORS

Governor Pryor of Arkansas
Governor Carroll of Kentucky
Governor Blanton of Tennessee
Governor Askew of Florida
Governor Busbee of Georgia
Governor Finch of Mississippi
Governor Tribbitt of Delaware
Governor Mandel of Maryland
Governor Boren of Oklahoma
Governor Briscoe of Texas
Governor King of Virgin Islands

THE WHITE HOUSE
WASHINGTON

September 22, 1976

"IVE Rile"
Jesse
mfo
1976 SEP 24 48

ADMINISTRATIVELY ~~CONFIDENTIAL~~

MEMORANDUM FOR: JAMES M. CANNON

FROM: JAMES E. CONNOR *JEK*

SUBJECT: Paper Entitled "Thoughts on
Substantive Strategy in President
Ford's Campaign"

The attached was received in the President's outbox with the following notation:

"Copy of V.P. s suggestions. I have the O. [original]."

Please follow-up with the appropriate action.

cc: Dick Cheney



THOUGHTS ON SUBSTANTIVE STRATEGY
IN PRESIDENT FORD'S CAMPAIGN

I. Basic concept

If everyone accepts the idea that

A. President Ford for the past two years has been acting in a sense as a caretaker President dealing with the most unbelievably difficult problems of

- Loss of confidence in government at home
- Inflation
- Recession and unemployment at home and abroad
- World crises

and, that he brought this country through all of these problems with flying colors, restored confidence and respect at home and abroad, and a revitalized economy; and

B. Now the President has been nominated by his party for a four-year term and that he now seeks a mandate from the American people to deal, no longer with the past, but rather with his vision as to the great opportunities that lie ahead, and his plans for dealing with both the problems and the opportunities of the crucial four years ahead;

C. Then he must unfold both the broad outlines of the vision for the future and some examples of the kind of measures he plans to implement in order to overcome the problems and to realize the opportunities, leading to a better quality of life for all.



- II. Mr. Teeter has outlined very ably the concerns and aspirations of the people.

Below are suggested initiatives related to Mr. Teeter's specific issues to dramatize the President's leadership abilities which qualify him, in fact make him essential, to the American people and the world as our leader during the next four years.

A. Foreign Affairs and Defense

1. Republican versus Democratic records over the past few decades.

B. Quality of Life - Suggested initiatives to illustrate the President's sound and creative approach to problems.

1. Crime

- a. Establishment of his programs and danger of Democratic Congressional inaction and lack of effective leadership.

2. Housing

- a. Maximizing Private Home Ownership through Stimulating Private Investment in Housing Construction. TAB A

3. Education

- a. Increasing Access To Education for All American Families TAB B

4. Urban Problems

- a. Federal Assistance of Urban Development and Employment in Major Urban Areas TAB C



5. Conservation

- a. Parks program - already done

6. Health Cost

- a. A Three-Phased Federal Program to Control Health Care Costs. TAB D

7. Jobs

- a. Providing Job Scholarships for Low-Income Youth TAB E

- b. Developing a School Work Program TAB F

- c. Encouragement of the American Enterprise System to Provide Stable Employment Opportunities



A



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Maximizing Private Home Ownership
Through Stimulating Private Investment
in Housing Construction

Background

The lagging housing market and high unemployment in the construction industries are widely recognized problems. The release of Section 235 funds has demonstrated concern for the problem, but the Administration remains vulnerable on the housing issue. A major part of the problem is the high cost of mortgage credit.

Any meaningful Federal program to address the shorter-term housing problem is very costly (such as more tandem-plan money, increasing and directing Section 8 funds into new construction, or expanding Section 235). A potentially useful initiative may be put together at low Federal cost in which private pension plan reserves (now some \$200 billion) may be directed toward mortgages. At the end of 1974, only \$3.5 billion or so of the private pension fund reserves were invested in mortgages (about one-half of the amount invested in mortgages in 1969); in 1975, significant new pension fund investments were made in mortgages (perhaps an additional \$3-4 billion). Another \$3-4 billion is invested in real estate. The assets of public pension funds are now about \$190 billion, some \$90 billion of which is U.S. Government pensions invested in Treasury securities and some \$100 billion of which is assets of state and local pension funds invested primarily in corporate securities.

Proposal

Pension fund investors (private, state and local) would be encouraged to invest at least 15% of their funds in mortgages or mortgage-backed securities.

This would be accomplished in two ways:

- a) Investments, through the tax structure, would be developed to encourage up to 15% of their pension fund investment in mortgage and mortgage-backed securities.
- b) G.N.M.A. would be instructed to expand the development and use of mortgage-backed securities, including bonds.



- c) A new Pension Benefit Guarantee Corporation would administer this requirement, reporting any tax obligations to the Internal Revenue Service.

\$20 billion of new mortgage investment could be created by this proposal, although the actual investment would probably be less than this.

There would be some minimal administrative costs, but no significant Federal costs.



B



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Increasing Access to Education for All
 American Families

Background

One of the most valuable resources of America is its well-educated and highly trained population. Access to education is also a necessary factor in the American approach to equal opportunity.

However, the high cost of tuition in our education institutions is placing access to education beyond the reach of many American families. The cost of tuition, which in some institutions exceeds \$5,000 per year, means many middle and low-income families in this country are being denied access to preferred institutions.

While there are a number of scholarship programs available, these are generally limited in size and, for the most part, are focused only on low-income families. Middle-income families are increasingly being priced out of the market.

Rising costs are also leading to the demise of many high quality private institutions which can no longer compete with publicly-subsidized institutions.

We need to assure that quality education is available to all American families without undue financial hardship, and that America's strong private education system is maintained.

Proposal

In order to reduce the financial burden on families, it is proposed that a full tax deduction for all education tuition, books, and fees at the elementary, secondary, and post-secondary levels be allowed.

Such a tax deduction is analogous to tax incentives provided for business investment, since education costs are investments in America's "human capital" and thus similar in nature to business investment.

The proposal would significantly reduce the burden on families of educating their children and would greatly assist the private university system in attracting students and continuing to be financially viable.

C



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Federal Assistance For Industrial Development
and Employment in Major Urban Areas

Background

Many of the older major cities, such as New York, Boston, Philadelphia, Detroit, Cleveland and Newark, suffer from deterioration of their assessed valuation, outward migration of industry, high unemployment and large welfare costs.

Any long-term solution that will save these cities will require that a sizeable portion of industry and jobs must be attracted back to the cities.

Previous Federal policy, such as the Federal Housing Programs, the Federal Highway program, Federal electrification programs, etc., has encouraged urban decentralization. If the cities are to be reinvigorated, Federal policy must encourage it. Cities today are faced with a multitude of internal problems. Therefore, the actual progression of an industrial redevelopment program will require Federal involvement.

These cities have vast areas of slums which are producing little revenue and constitute not only "eyesores", but are areas of degradation, crime and delinquency. The properties in some of these areas have already been acquired by municipalities through tax delinquencies.

A Federal program to assist in the acquisition of certain of these areas for large scale industrial parks would provide a necessary stimulus to the economy of the cities. Many of these areas could be made available for industrial usage if the land costs are written down, if they are cleared, and if the basics of utilities and transportation are provided.

Proposal

A program of Federal incentives to stimulate jobs through the development of large scale industrial parks in major urban areas.

Federal assistance could be made available in the following forms:

1. Federal funds to assist state and local governments in acquiring necessary additional land, clearing sites, and in writing down land values. Municipalities would be allowed to use land they now own to match Federal funds.



2. Modification of the "Ribicoff Amendment" that currently limits the amount of tax-exempt revenue bond financing for industrial development. This modification should be designed to permit larger amounts of tax-exempt industrial revenue financing for urban areas that have had consistently high unemployment.
3. Consideration should be given for industrial development in communities with consistently high unemployment rates above certain levels to:
 - a) the additional stimulus of a modification of the corporate income tax, and
 - b) a five-year tax write-off for capital outlays.

The matching financial assistance and the liberalized "Ribicoff", and the possible modification of the corporate tax incentives, would be limited to:

1. Urban areas where there has been a rate of unemployment of more than 9% for at least 2 years.
2. Urban areas that have lost manufacturing, assembling, packaging or warehousing jobs aggregating more than 27% of their employment in such fields.
3. Urban areas where states have established public benefit corporations for industrial development that:
 - a) Have power to issue revenue bonds, acquire and develop properties.
 - b) Have a continuing life and consistency of management.
 - c) Have power to lease and sell by mortgage such industrial properties.
4. Urban areas would be required to provide a form of real property tax protections for the developments.

Singapore's experience as a prototype:

In 1964, Singapore's population of 3 million Chinese had a per capita GNP of \$300. The leaders of the sovereign city decided to make Singapore a haven for international corporations. They believed that the only way to prevent Communist takeover was to advance economic and social programs for the people of Singapore.



To carry out this objective, Singapore built a 880-acre industrial park in which over 620 corporations employing nearly 70,000 workers have located in the short space of 12 years. The per capita GNP has gone up from \$300 in 1964 to \$2,000 today -- the third highest in Asia. They are now expanding to 14,000 acres and expect to attract over 1,000 factories.

This development demonstrates what can be accomplished by imaginative governmental policy to attract industry. The basic concept is adaptable to major city redevelopment here in the United States.



MEMORANDUM FOR THE PRESIDENT

SUBJECT: A Three-Phased Federal Program to Control Health Care Costs, to Assure Availability of Quality Health Care to All Americans Within a Viable Fiscal Policy

Background

Health care costs have risen more rapidly than the cost of other goods and services in the economy. During the 1950's, medical care amounted to 4% of the Gross National Product, while today it consumes 8%. The cost of health care has become a major expense for the average family and health insurance premiums have become a major cost for business.

The financial burden on families has been a continuous problem. It is being recognized by the health insurance companies for 75% of all new insurance policies now cover catastrophic expenses in excess of \$100,000. However, the unemployed and certain low income persons are without catastrophic coverage.

It is estimated that 19 million Americans are without any basic health insurance coverage. There is evidence that comprehensive maternity care and preventive care for children is the form of preventive medicine that has the highest pay-off.

Proposal

Establish a time-phased approach to improved health insurance coverage for all Americans beginning with major cost containment. Implementation of a comprehensive program would be contingent upon a sound economic situation.

1. It would require cost-control measures and budgetary savings as a condition of movement toward a more extensive system of health finance.
2. It would save approximately \$700 million in FY 1978 and provide an opportunity to learn from experience as we proceed toward broader health insurance coverage.
3. It would move carefully to fill in gaps in coverage and to control costs without totally replacing the health care system with a new, Federally controlled system.
4. It would continue the President's effort to decentralize full Medicaid program authority and responsibility to the state level.



The program would be implemented in three stages.

A. Stage I -- cost containment effective January 1977.

1. Limit increases in per diem costs for all hospitals of 8% in FY 1978. Exceptions for higher rates of increase for new capital formation or negative cash flow, could be requested.
2. States would be required to institute a prospective reimbursement system by FY 1979. Cost controls have been demonstrated to be effective over short periods of time, but for long-term solutions they must be replaced by more systematic mechanisms to limit inflation.
3. Federal Medicaid regulations would be modified to provide the states with maximum program authority and responsibility. Federal financial aid would be provided to states to assist them in locating fraud and abuse.
4. Improve the competitive position of Health Maintenance Organizations through amendments to current law and through tax incentives to attract increased private investment capital into this area.
5. Expand PSRO review to include outpatient care.
6. Provide support for Health Planning Agencies and PSROs through Federal Financial Assistance, personnel training and by providing technical assistance.

B. Stage II -- further cost containment and expanded coverage effective January 1979.

1. Medicare modifications:

- a) Combine Medicare parts A and B into a single benefit package and administrative structure.
- b) Establish a \$150 deductible on all covered services.
- c) Provide full payment of covered services after \$750 of out-of-pocket expense.
- d) Require 10% cost sharing on in-patient hospital services.

2. Broaden Medicaid coverage:

- a) Provide, through state-administered Medicaid, coverage for maternity care and children through age 6.



- b) Provide Medicaid catastrophic coverage to persons not insured due to poverty or loss of benefits through unemployment. This provision would be activated after a family had incurred \$750 in expenses. The family would also be subject to the Medicaid cost sharing provisions outlined below.
- 3. Establish minimum benefit standards for private insurance policies which would include coverage against catastrophic illness. They should also include comprehensive coverage for maternity care and children through the age of 6.
- 4. Cost sharing provisions:
 - a) For private insurance plans, require a \$150 deductible and 25% co-payments for maternity and childrens benefits.
 - b) For Medicaid eligibles, deductibles for families would be scaled from 0 at \$4000 income to a \$5000 deductible at \$14,000 income. Maximum liability would rise with income from 6% of income at \$4000 to \$7500 when income reached \$14,000. Co-payments would rise from 10% of medical costs at \$4000 to 25% at \$14,000 and above.
 - c) Comprehensive coverage for maternity benefits and children through age 6 would be provided for Medicaid recipients. Those with incomes over \$4000 would pay a \$150 annual deductible and a co-payment of 25%. The maximum out-of-pocket liability would be \$750.
- 5. Through increased cost control and cost sharing, the expanded coverage should be a budgetary "wash".
- C. Stage III -- expanded benefits for the unemployed and the non-Medicaid covered low income population.

Stage III would expand full Medicaid coverage to all unemployed and low income persons who cannot otherwise obtain comprehensive health coverage. The benefits would be subject to the cost sharing provisions outlined above.

Advantages of the Proposal

The Democratic platform and Carter have embraced the Kennedy-Corman bill which would totally Federalize the health care system and would transfer approximately \$70-80 billion of current private expenditures to the Federal budget. If Carter wishes to balance the budget at the same time as instituting this proposal, it would require an annual tax increase of approximately \$500 per capita.

The three-phased proposal provides a well-organized plan for cost containment and expansion of coverage with as little disruption as possible to private health insurance and to the private health care system.

It provides a balanced strategy which:

- Controls health care costs and restructures the delivery system to emphasize quality health care and disease prevention.
- When costs are controlled and the system is properly restructured, it moves to expand coverage, first by covering catastrophic illnesses and then gradually moving to provide broad basic benefits for all Americans through private and public programs.
- As a fiscally responsible approach to reform, it is also "realistic" and has a reasonable chance of enactment. In effect, it "buys" its cost-control provisions with the promise of improved coverage. Approaches which attempt to "cap" current programs or withdraw from Federal responsibilities without improving coverage would have virtually no chance of enactment and would be politically unrealistic.



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Providing "Job Scholarships" for
Low Income Youth

Background

Youth unemployment statistics remain very high. The August 1976 figures indicate that among youth 16 through 19 years of age, the unemployment rate is 19.7% or 1.8 million persons. Among minority youth the rate is 40.2% or 393,000 persons.

One problem is that many jobs open to untrained youth are unsatisfactory to the youth. They do not present a long-term career path to youth seeking full-time employment. As a consequence, youth tend to quit their jobs at a high rate, thus leaving large numbers to be counted unemployed and continuously seeking new job opportunities.

Employers are reluctant to employ youth in jobs in which they have to pay the costs of training plus the minimum wage. Consequently, employers tend to offer youthful job seekers low-skilled work which requires little or no training. Jobs leading to skilled work are reserved for those applicants who are more likely to stay long enough to provide a return on the training investment.


An issue is whether more should be done to provide disadvantaged and minority group youth seeking full-time work more opportunities to acquire skilled jobs and receive useful training.

Among the proposals that have been considered has been the lowering of the minimum wage for youth. This is not considered realistic because of the strong union pressure to raise the minimum wage.

An alternative which may be more politically viable is to provide a financial incentive to employers to take youth into skilled jobs and to train them. The "Job Scholarship" proposal represents this type of an approach.

Proposal

A "Job Scholarship" is a voucher which the youth would exchange with employers for a skilled job and training for a specified period of time.



The concept of the "Job Scholarship" is similar to the Basic Opportunity Grant Scholarship with which disadvantaged youth can obtain a college education.

The Scholarship is envisioned as a fixed grant of \$1,000 for one year of training or employment which would be renewable for an additional year if the recipient successfully completed the first year's program.

The Scholarship would be limited to those with incomes below 150% of the poverty level. It could only be used to purchase employment in full-time skilled jobs, determined by the Department of Labor to provide a clear long-term career path and significant potential for increasing wages and responsibility.

The program would be coordinated by a newly created Youth Job Service which would be responsible for seeking out and certifying job opportunities which would be eligible for participation in the "Job Scholarship" program. It would also determine recipient income eligibility.

The "Job Scholarship" concept should be phased in at a point when the economy approximates full employment, projected to be near the third quarter of FY 1978.

A program which would provide approximately 450,000 scholarships will require funding at about \$.5 billion per year. This is estimated as the amount necessary to cover unemployed disadvantaged youth.

Advantages of the "Job Scholarship" Approach

- o The "Job Scholarship" is a visible response to the youth unemployment rate.
- o The "Job Scholarship" program, as opposed to the more general CETA programs, is focused directly on youth and their employment needs. Only about 27% of those in CETA "On The Job Training" programs are youth.
- o The use of a voucher allows the youth flexibility in the labor market and provides him with the independence to select the type of employment which he feels would be most interesting and satisfying.
- o The "Job Scholarship" provides a direct incentive for employers to hire and train youth for more skilled jobs than they would otherwise be able to obtain.
- o From an equity point of view, the "Job Scholarship" provides career opportunities for disadvantaged youth entering the labor market in the same way that the Basic Opportunity Grant program opportunity for youth going to college.

F



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Developing a "School Work" Program

Background

The Administration has developed programs which supply summer jobs for over 1.5 million youth, including \$528.4 million for 888,100 jobs through the summer youth program.

There is a need to provide to youth attending school jobs which can be continued during the school year, as well as in the summer months.

Proposal


A "School Work" project could be established to provide part-time and summer jobs for youth within the neighborhood school setting. Projects would be designed to restore the damage caused by vandalism to the school facility.

The program could be financed partially with funds from existing programs and directed to part-time and summer jobs for youth in their own schools.

The students would engage in full-time jobs at the minimum wage during the summer, and quarter-time work during the school year. The youth would be trained to perform such jobs as cleaning and painting the schools, repairing broken windows, restoring furniture, building new facilities, etc.

The proposal is based upon the concept that the school is more than a learning facility. It is also a community institution that can serve as a recreational facility and a community center. The jobs are provided at the school site to increase pride in the school and provide a strong sense of community identification for the youth.

The projects would be directed by the coaches, the school principals, or other respected faculty members. A coach is generally recognized and respected as an authority figure within the school and can successfully instill both a sense of discipline and a sense of self-confidence. Federal funds could be channelled through the State Employment Service or local CETA prime sponsors directly to school districts that establish programs in accordance with specified criteria.



THE WHITE HOUSE
WASHINGTON

*Rie
Campaign*

September 8, 1976

MEMORANDUM FOR: JIM CANNON
FROM: ART QUERN *Art Quern*
SUBJECT: Doug Smith Request Re: California Letter

The key substantive points in this letter which fall into our assignment areas are:

1. Crime
 - no problem with text of letter.
2. Common Situs Picketing
 - I would delete since it raises a number of problems.
3. New York City "Bail Out"
 - hope no one in New York catches sight of this letter.
4. Section 14 B
 - no problem with text.

The letter also refers to issues which need clearances from other staff entities:

1. Defense Spending
 - OMB
2. Humphrey/Hawkins
 - EPB
3. Wage and Price Controls
 - EPB

Overall, the letter is rather weak.



9/8

THE WHITE HOUSE
WASHINGTON

Jonny Smith -

In general,
this letter
states me
as less
than
Presidential
Jim



THE WHITE HOUSE

WASHINGTON

September 4, 1976

MEMORANDUM TO: JACK MARSH
BRENT SCOWCROFT
JIM CANNON ✓
JIM LYNN

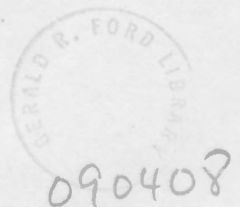
FROM: DOUG SMITH

We have an urgent request to approve this letter for use in California. It has been cleared by General Counsel, but we want to be certain as to factual accuracy.

Could you please give your comments as to accuracy and policy to us as soon as possible.

Thank you!

copy : ~~Attorney General~~
Quem for response



THE WHITE HOUSE
WASHINGTON

From: Robert T. Hartmann

To: _____

Date: _____ Time: 9-3-31 a.m.
p.m.

I will not approve
this sloppy draft
for signature by
the President and
I do not have
time to completely
redo it. Have
PFC resubmit a
decent, accurate and



Presidential draft x

RFA



THE WHITE HOUSE

Mr. John Doe
6151 West Century Boulevard
Los Angeles, California 90045

Dear Mr. Doe:

Did you ever stop to think that you and I are two of the most fortunate people on earth? We enjoy the freedom and opportunities of citizens of the United States of America. Ninety-three percent of the world's population is less fortunate.

But this, like all fortunes, must be carefully guarded. Your help is needed. America is clearly at a crossroad, and must choose a direction. Democrats in Congress offer an alternative that I believe to be unacceptable.

In a world where the principal guarantee of peace and freedom is the strength of the U.S. armed forces, Congressional Democrats propose that we cut our defense by up to seven billion dollars. The Republican members oppose these cuts as unwise and unsafe. ?

Crime is a serious and persistent problem. I have proposed mandatory sentencing for certain violent crimes. However, crime will remain a problem until we hold the criminal -- not society -- responsible for criminal acts. Evidently, Democratic Congressmen do not agree.

The Democratic Party platform supports the Humphrey/Hawkins bill which would cost us 40 billion dollars and add millions of employees to the

- - M O R E - -

*Lynn figure
from Nat. Ind. is \$10 B.*



public payroll. It endorses big labor's notorious Common Situs Picketing Bill and calls for the repeal of historic protection against mandatory unionization nationwide. (Section 14 B of the Taft Hartley Act).

Democratic Congressmen are openly calling for a bail-out of New York City, while asking for few or new concessions with respect to its spending rate. And, they are advocating a return to the use of discredited wage and price controls "at the discretion of the President."

These are specific issues on which Republicans and Democrats in Congress disagree. I have challenged Mr. Carter to debate these issues, but I cannot debate with the entire Congress as well. I can only call attention to the voting record of each individual Congressman and let the American people decide. When you consider how close the vote was on many of my vetoes, you begin to see how important this is.



Congressionally, California may be the most important state in the Union. There are at least eight key races for Congress in California that will be decided by a handful of votes. A switch of eight votes on the floor of the House of Representatives would provide a margin of sixteen votes, and by itself could completely change the complexion of Congress.

For that reason, we have created a special Republican Federal Election Fund in California. Money raised for this fund will be targeted into Congressional elections in California where it can mean a difference between victory and defeat. A properly funded effort in California could mean a switch of sixteen votes in the House of Representatives, and the replacement of John Tunney with Dr. S.I. Hayakawa in the Senate.

This is an excellent cause. I know there are many causes competing for your attention, but since this one is for your home state of California, and since it will have such a strong impact upon the direction of Congress and the future course of our nation, I hope you will give it priority.

Most Americans will donate two, three or four dollars for each of the eight key races (sixteen, twenty-four or thirty-two dollars). Your contribution of any amount is very much appreciated.



America is at a crossroads with this election. To affect the choice of directions, you must pick up your checkbook now, and write a check to the Republican Federal Election Fund. If not, you leave the choice to others.

I appreciate your help and support. Best wishes from Betty and me.

Sincerely,

Gerald R. Ford



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

GEORGE F. BERLINGER
595 MADISON AVENUE
NEW YORK, N. Y. 10022

file
Campaign
976 SEP 14 PM 2 05 76

Sept. 13, 1976

Mr. James Cannon
The White House
Washington, D.C.

Dear James:

I am enclosing herewith a copy of a letter I wrote to the Editors of the NEW YORK TIMES, which they published on Sept. 11th, in which there is reference to Sugarman that you may find useful.

Will you please be sure to return to me all the things that I have sent you as soon as you are through with them.

Sincerely,

G. F. Berlinger



Letters to the Editor

'Th Welfare Rip-Off'

To the Editor:

With all due respect to the Moss committee Medicaid report, it has no new revelations regarding Medicaid or the larger welfare rip-off; nor does it begin to address itself to the broad areas pursued by the New York State Welfare Inspector General during 1971-72.

Review of OWIG's annual reports for those years will provide sufficient evidence of the city's mismanagement, along with conclusions and recommendations to enable any competent and sincere administration to not only clean up the entire welfare scandal but in the process save enough money to obviate the need for Big Mac and the Federal bail-out.

Unfortunately, the then Comptroller and present Mayor has taken no action in the alleviation of that mess.

Former Administrators Sugarmen and Goldberg, the creators of the welfare monster, which even Sugarman's \$10 million worth of management geniuses could not control, claim they were locked into positions by state and Federal regulations, and sometimes the story is not enough regulations. New regulations are not the answer, nor are they necessary.

Effective control of Medicaid and welfare is impossible when that control runs "contra" to the politics of the union chiefs and their surrogates, the city administration.

Electric

Room 5600
30 ROCKEFELLER PLAZA

September 24, 1976

To: 1976 OCT 1 Vice President Nelson A. Rockefeller

FROM: George L. Hinman

GH

Al Gordon, Sr. called
to say he has it from a reliably
informed source that Schlesinger
is helping Carter prepare for
the next debate.

✓

✓

Jim -

The VP wanted

*you to see - Ann
Nice to talk to
you today*



100404

*Pres Campaign
(Republican)*

THE WHITE HOUSE
WASHINGTON
9/30/76

TO: JACK MARSH
FROM: JIM CANNON *Jm*

I support the idea of such a task force. To do otherwise would deny hope to the families of those who are still missing.



THE WHITE HOUSE
WASHINGTON

September 29, 1976
1976 SEP 29 PM 4 55

MEMORANDUM FOR:

PHILIP W. BUCHEN
JAMES M. CANNON
JAMES H. CAVANAUGH
JAMES E. CONNOR
MICHAEL DUVAL
MAX L. FRIEDERSDORF
JERRY H. JONES
BRENT SCOWCROFT

FROM:

JOHN O. MARSH, JR. 

The Republican Platform contains a plank calling for the creation of a Presidential Task Force to look into the problem of our missing in action in Southeast Asia. Attached is the wording for the plank.

I have held one "in-house" meeting to consider the advisability of such a Task Force and to discuss responsibility, authority, membership, chairmanship and term, should we decide to move in that direction.

The National League of Families which is composed of many of the families of those listed as missing in action and as prisoners of war is pressing for the formation of the Task Force and for membership from their group on such a panel. We have also had some congressional interest. In addition, the opposition candidate for President has indicated that he would form a Task Force if elected.

While our meeting was not conclusive, there was a general feeling that we should satisfy the requirements of the plank but that in doing so we should select individuals of stature who could do more than just meet on occasion. We also agreed that any such body would have to spend its initial period pouring over previous information concerning the MIA's which exists at the Defense and State Departments and with the Select Committee of the Congress.

Also, the Chairman of a Task Force for this purpose should be carefully selected and be one who would be considered acceptable to the families. There was mixed feeling about participants by a member of the League of Families on the Force. However, there was agreement that a League representative could be in an ex-officio position.



092926

It was also agreed in principle that the Task Force would be given three phases for its actions. First, to review what has been done up to now; second, to recommend the next steps considered necessary toward securing an accounting; and, third, to satisfy any further Presidential mandate on the matter. The League has been seeking an Executive Order to halt all changes in status from missing in action to killed in action until there is an accounting and that could be another point for Task Force consideration.

My review of the Lawson file which contains information concerning previous discussions about a White House Task Force indicates that there was a recommendation for its formation. The question became moot when the House Select Committee was formed and supported by the National League of Families.

I am about to make a recommendation to the President on this and would first like your comments. Can I have your opinion of this by close of business on Friday, October 8, 1976.

Additionally, we should consider the impact on this subject of the recent selection of James Wilson whose duties also have a MIA orientation. Please see the attached.

Attachments



We must achieve the return of all Americans who may be held in Southeast Asia and a full accounting of those listed as Missing In Action. We strongly urge continued consultation between the President and the National League of Families of American Prisoners and Missing in Southeast Asia. This country owes at least this much to all of these courageous people who have anguished so long over this matter. To this end and to underscore our top priority commitment to the families of these POW's and MIA's we recommend among other actions the establishment of a Presidential task force headed by a special Presidential representative.



Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate James M. Wilson, Jr., of Bethesda, Maryland, to be Coordinator for Human Rights and Humanitarian Affairs. This is a new position created by Public Law 94-329 of June 30, 1976. He will be responsible for matters pertaining to human rights and humanitarian affairs including matters relating to refugees, prisoners of war, and members of the United States Armed Forces missing in action, in the conduct of foreign policy. Mr. Wilson has been Coordinator for Humanitarian Affairs at the Department of State.

Born on July 8, 1918, in China of American parents, Mr. Wilson received his A.B. degree in 1939 from Swarthmore College and his M.A. in 1940 from the Fletcher School of Law and Diplomacy. He attended Harvard Law School and received his LL.B. in 1948. He served in the United States Army as a Lieutenant Colonel from 1941 to 1946, and was a Staff Officer in the United States Air Force from 1948 to 1951.

In 1953, Mr. Wilson became a Defense Advisor in Paris and Bonn for USRO and from 1955 to 1958, he was Director of the Office for Military Rights, International Security Affairs in the Office of the Secretary of Defense. From 1958 to 1961, he was the Assistant Coordinator for Mutual Security at the State Department, and during 1961, he was the Assistant Coordinator for Foreign Assistance. From 1961 to 1964, he was Counselor of Economic Affairs, then Deputy Director of USOM in Madrid and later Deputy Director.

Mr. Wilson became the Deputy Chief of Mission in 1964 in Bangkok, with the rank of Minister and was the Deputy Chief of Mission in Manila with the rank of Minister from 1966 to 1970. He was Deputy Assistant Secretary of the Bureau of East Asian and Pacific Affairs from 1970 to 1972. He was Special Assistant for the Bureau of East Asian and Pacific Affairs during 1973, prior to becoming U.S. Deputy Representative for Micronesian status negotiations.

Mr. Wilson is married to the former Joan Rathvon and they have five children.

#



PRESS CONFERENCE NO. 37
of the
PRESIDENT OF THE UNITED STATES

11:50 A.M. EDT
September 30, 1976
Thursday

In the Oval Office
At the White House
Washington, D.C.

QUESTION: Mr. President, you are well aware of all the stories of allegations concerning your Grand Rapids past and the campaign financing, I know, and that the records allegedly have been subpoenaed by a Special Prosecutor. So, this must be very disturbing, and I suppose you want it cleared up before the election.

I know you believe the Judiciary Committee covered it all, but can you say categorically that there has never been any misuse of your campaign funds when you ran for Congress?

THE PRESIDENT: First, let me say very emphatically that I strongly believe in the Special Prosecutor concept. I support it; the Administration supports the continuation of a Special Prosecutor. I was pleased when the Senate passed a version that included such a provision. I am disappointed that the House apparently is not going to do it.

I should add that I have full confidence in the integrity of Mr. Ruff in his responsibilities as the Special Prosecutor.

Number two, I also believe in the full integrity of the Department of Justice, and I am certain that they will do whatever they are required to under their responsibilities.

Let me add that nobody on my staff has any authority whatsoever to contact either the Special Prosecutor or the Department of Justice to in any way hinder or impede whatever investigations are going on.

MORE

What I know about the Kent County situation I have picked up in reading the newspapers or seeing on television and radio what has been reported.

I, therefore, am not familiar with the precise charges, whatever they may be. But, I can say with complete confidence that I am certain that when the investigation is completed, that I will be free of any allegations such as I have read about.

I would add this final comment: There is a saying that is prevalent in the law that "justice delayed is justice denied." I am certain that the people responsible for any investigation will live up to the high standards required in the Canon of Ethics for the legal profession, which does require that in any such investigations that they be full, complete and concluded as readily as possible.

QUESTION: Well, you don't know for certain whether there are charges or whether you are the target, or do you?

THE PRESIDENT: No.

QUESTION: Doesn't your curiosity--even if you made public the fact that you were going to ask, I don't think that would be undue pressure, would it?

THE PRESIDENT: We are trying to be so circumspect, so that we are not under any circumstances accused of any improprieties, that I have told members of my staff that under no circumstances should they make contact with either the Special Prosecutor or the Department of Justice.

QUESTION: Mr. President, don't you have the right under the current law to ask if you are the target of the Special Prosecutor's investigation and, if that is the case, why don't you want to know that, at least?

THE PRESIDENT: I can't tell you whether under the law I can or can't. But, even if we do have that right, I think an inquiry by me or somebody on my staff would undoubtedly be misconstrued, and I just don't want any such allegations being made by anybody.

QUESTION: Mr. President, could you clear up a matter that has been pending for some time and was referred to in this investigation--or at least it was referred to in a newspaper article the other day--that when you were in the House you used to go down here to the Seamen's Institute, 22nd Street or somewhere, like a lot of other House Members did of both parties, and read a little speech that they gave you to read at noon luncheons and then they would give you a nice little check, maybe they would give you an extra \$1,000 or \$500 because you were Majority Leader? I am sure this was probably done by a lot of other Congressmen, but was that true?

MORE

THE PRESIDENT: Any time I make a speech, Sarah, I solicit from members of my staff--I did up in the House, and I asked any organization that I was speaking to to give me ideas on what they thought would be appropriate comments in speaking to that organization.

In the case of the meetings that you speak of, it was before the Joint Maritime Labor Organization -- that is not the right term -- but it is a combination of all the labor organizations that are involved in the maritime industry.

Yes, I asked them for suggestions as to what they thought would be appropriate for discussion before their group and they, along with the Executive Branch of the Government that had jurisdiction over shipbuilding or any aspects of the maritime industry--I also got recommendations from them, and this combination of ideas for a speech, people on my staff put together in a speech. But they were not the ones who wrote the speech that you are speaking of.

They submitted what they thought would be appropriate and we took their ideas with the suggestions from the staff committees on the House and Senate side, the Executive Department people, the labor organizations, from the maritime industry overall, and that combination of information went into whatever speeches I made. I think that is a very appropriate way to handle it.

QUESTION: Did they give you a check for this, sir?

THE PRESIDENT: Oh, yes, and those checks were fully reported on my income tax returns. They were reported to any other authority that required it and all of that matter was looked into by the House and Senate committees at the time of my Vice Presidential hearing.

QUESTION: But if they had matters pending before Congress, did you think it was right to take that money when they had matters pending before the Congress?

THE PRESIDENT: Well, I was deeply interested in the new legislation that was before the House and the Senate to expand and upgrade our maritime industry. That was a group that likewise felt that way, and I think it was proper.

QUESTION: Mr. President, in your golf outings or social occasions, or other occasions with Rod Markley of Ford Motor Company or U.S. Steel, did you discuss Government business with them either when you were a Member of the House, or Vice President, or President?

THE PRESIDENT: Not to my best recollection.

MORE

QUESTION: You never discussed business?

THE PRESIDENT: No.

QUESTION: Mr. President, do you think in the headlines that have run for about the last 10 days and the fact that some of these potential allegations have not been resolved, that there has been any damaging effect on your campaign, or would there be if "justice delayed" means there is no resolution of this before November 2?

THE PRESIDENT: I think it is vitally important that any aspects of either one of these matters be fully resolved as quickly as possible. I have no way of knowing what the impact is politically.

QUESTION: Mr. President, one of the issues raised is whether any of this campaign money was actually ever diverted to your personal use. Would you like to say flatly whether that was so or not?

THE PRESIDENT: Well, I don't know whether that is an allegation that is being investigated by the Special Prosecutor's Office, but I can say that there was never money given to me by the Kent County Republican Committee. The Kent County Republican Committee may have done some advertising on behalf of my candidacy or the candidacy of other Republican candidates running for public office. That is their function.

They, for example, always the last week or so would have a full-page ad with the Gubernatorial candidate, the Senatorial candidate, the Congressional candidates, plus some State legislative officers, and so I suppose they spent their money on that, which is a perfectly proper function of the Kent County Republican Finance Committee and county organizations. No money ever went to me personally.

QUESTION: Mr. President, does the timing of the Special Prosecutor's investigation seem strange to you, or do you question the motivation?

THE PRESIDENT: I would not under any circumstances question the motivation or the timing.

QUESTION: Mr. President, are you holding this press conference because Jimmy Carter has accused you of keeping silent on these matters?

THE PRESIDENT: Not at all.

QUESTION: Mr. President, your staff says they are having some trouble getting records of all these various golfing trips and what-not. Have you ever asked Mr. Whyte if he has records?

THE PRESIDENT: It is my understanding Mr. Whyte issued a two- or three-page statement a week or 10 days ago which outlined the circumstances of the three trips up to Pine Valley and the two down to Disneyland. I understand he issued that.

QUESTION: I mean records of what it cost and who paid and that sort of thing.

THE PRESIDENT: I have no access to their records. They will have to answer that.

QUESTION: Mr. President, you said it is vitally important the matter be resolved as soon as possible. Is it your wish it be resolved before the election? It is vitally important so the voters can see the full story, or the true story.

THE PRESIDENT: It is more important to me personally that it be cleared up because I am very proud of my record of personal integrity and I think that is more important than any impact it might have on the election.

QUESTION: Mr. President, may I just ask you this question: Those Marine unions, the Seafarers and Marine Engineers, supported you down through the years. Then you vetoed the bill that they wanted. I forget the name of it, but I am sure you recall it. After that they shifted over to Jimmy Carter. Do you have any feeling that maybe somebody in the Carter camp may have made some allegation to the Special Prosecutor and that is what triggered this, or is there a political motivation in there somewhere?

THE PRESIDENT: Bob, I wouldn't make any allegations of that kind. I don't think, since I don't know -- I don't think I ought to make any comment.

QUESTION: Obviously the Special Prosecutor wouldn't open an investigation, I would think, on just the basis of rumors. Somebody had to make an allegation there.

THE PRESIDENT: What impresses me the most is a statement by a former Special Prosecutor, Leon Jaworski, who has said, as I understand it, publicly, that before he left the office of Special Prosecutor he looked into such matters and he came to the conclusion that there was no reason for action.

Now, that in no way challenges the right or the integrity of Mr. Ruff, but where any such charges came from, I would have no idea.

QUESTION: Let me just make one follow-up. If I understand it, Mr. Jaworski said he had investigated the Seafarers Union, and I think that was in relation to a \$100,000 contribution they made to Richard Nixon. As far as I know, he never said he looked into MEBA -- the Marine Engineers. Do you know in fact whether or not he did?

MORE

THE PRESIDENT: No, I can't be that precise.

QUESTION: Mr. President, you said that you instructed that your staff shouldn't make any contacts to the Attorney General or to the Prosecutor. Have there been any contacts made by any of these agencies to you so that you have any information at all either that this is going to be resolved quickly or any information at all?

THE PRESIDENT: I have no information whatsoever.

QUESTION: Mr. President, do you have any information from people back in your old home district, the Fifth District, that may have contacted you, presumably old friends of yours?

THE PRESIDENT: I read the Grand Rapids Press, which is a good newspaper, and I read stories concerning this and quotations from people who were former county chairmen or presently county chairmen, so I know what they said. But, they haven't talked extensively about the investigation. I guess they felt that they had testified or made comments to whoever was investigating it, and they didn't really say very much.

QUESTION: But you haven't talked to any of them personally?

THE PRESIDENT: No.

QUESTION: Mr. President, a number of Pentagon military officers have received disciplinary reprimands for accepting freebies, free weekends of hunting expeditions. If you think there is nothing improper about a Congressman accepting free golfing weekend, what distinction is there?

THE PRESIDENT: The House passed a resolution sometime in 1968, as I understand it, which says nothing of significance or substance should be received. I do not feel that there was any impropriety on my part or any violation of that regulation.

I am an avid golfer. Most of you know it. I enjoy the company of people while I am playing golf. Every person that has been involved in these allegations I have reciprocated with as far as they coming either to my golf club or coming to our home.

There has been, I would say, substantial reciprocity. Whatever the circumstances of our getting together, it has been in a proper way and in no way a violation, in my judgment, of any rule or ethical standard. These are close personal friends and have been for many years, and I have never accepted -- or I don't believe they have tendered -- any such things on the basis of seeking any special privilege or anything that was improper.

MORE

QUESTION: Mr. President, on June 15, before the Southern Baptist Convention, you condemned very strongly what you call "situation ethics" and I was wondering why this golfing vacation wasn't really "situation ethics," when at that time you said the American people, particularly our young people, cannot be expected to take pride or even participate in a system of Government that is defiled and dishonored, whether in the White House or the halls of Congress.

My question is, do you feel that in view of what the White House has admitted you have lived up to your own standards here?

THE PRESIDENT: I have said that I don't consider these infrequent weekends a violation of either the rules of the House or any ethical standards.

I explained that these were longstanding personal relationships, where there has been virtual reciprocity -- and I wouldn't have accepted if there had been any thought in my mind that it was improper or a violation of any code of ethics.

QUESTION: Isn't that "situation ethics" though?

THE PRESIDENT: I don't think so.

QUESTION: Mr. President, to follow up on Fran Lewine's question earlier, she asked you if any of the funds had been diverted to personal use, and your answer was, sir, you had never received any funds from Kent County.

Are we to understand that as a "no", that you have never used any of these funds for personal use?

THE PRESIDENT: From the Kent County Republican Committee?

QUESTION: From any campaign?

THE PRESIDENT: I will say any campaign funds for personal use.

QUESTION: Do you find these stories personally painful, someone questioning your integrity?

THE PRESIDENT: It naturally has some impact when I know that all of these things have been investigated by some 400 FBI agents and 5 to 6 Internal Revenue agents with my income taxes going back to 8 or 9 years, when I know I have been given a clean bill of health, not only by the FBI but the Internal Revenue Service, by Senate and House committees, an overwhelming vote in the House and Senate.

MORE

When I look at the investigation that was made of my personal life, the financial circumstances, probably more than anybody else in the history of this country, I know that there is no problem. So, I guess to some extent one is bothered a bit, but as long as my conscience is clear I have no real problem.

QUESTION: You brought up the matter of the income tax. It is proper, isn't it, if in case a person receives a gift of an airplane ticket or something of that sort, it has to be listed on their income tax as a gift, or does reciprocity cover that when you buy a ticket later?

THE PRESIDENT: I am not familiar with the details of that, but the IRS went into all of these matters. They have closed out my income tax returns for back 8 or 9 years. They had people go into these with minute detail so I --

QUESTION: What I am asking is, actually I am asking for your legal advice.

THE PRESIDENT: I am not here to give you any legal advice.

QUESTION: Mr. President, is this longstanding personal relationship, personal and friendship though it may be based on -- is nevertheless valuable to United States Steel and to the Ford Motor Company, much as the employers of other people who are friends of yours -- for example, John Byrnes, who represents a great many interests in this town on tax reform and -- perhaps coincidentally, perhaps you believe this -- your position is about like his on tax reform?

I asked you earlier whether you had discussed business during these social outings. Rod Markley said you and he discussed the Clean Air Act. I wonder, do you not see that it is to their benefit for you to have this personal relationship?

THE PRESIDENT: Let me modify what I said a moment before. In a casual way, of course we might informally talk about certain matters, but I happen to feel that they were not asking me and I was not asking them. The times I have played with Rod have been at Burning Tree where we are both members and both pay our own way. John Byrnes, I played golf with him because he is a friend of 28-plus years. I don't see anything improper at all.

MORE

QUESTION: Do you feel you can separate their business as lobbyists and their representation of their corporations as your personal friend?

THE PRESIDENT: As a matter of fact, some of their comments could be helpful in what the status is.

QUESTION: Mr. President, since that seems to be the issue that Carter is raising, though, he seems to be raising the old buddy system issue and saying, in fact, you can't.

What can you say to counter that? How can you?

THE PRESIDENT: Maybe he can't, but I can.

QUESTION: Mr. President, may I ask you, you now are aware that some of these expenses were actually paid by the companies and not by your friends. But you were paying, when you had them to your home, you were paying yourself, the taxpayers were not taking care of this. So, these companies in effect were financing some of this.

What is your thinking about why they wanted to do this, why they were willing to entertain you on these weekends?

THE PRESIDENT: I think you would have to ask the people who offered the invitation. These are personal friends, and I don't ask in advance why you want to pay my green fees. I think that is a matter for them on the basis of their own integrity.

QUESTION: Mr. President, you have been through one debate. Have you got any thoughts on the second one as to a change in format, or anything you would like to do differently?

THE PRESIDENT: We are very satisfied with the format that was used in the first debate. I thought it went very well.

QUESTION: Mr. President, you look more worried than I have seen you in a long time.

THE PRESIDENT: Worried?

QUESTION: Yes. You haven't smiled in a long time. You look troubled, and I have known you for ten years. Does this bother you? Is this something that is going to hurt you badly in the campaign?

MORE

Page 10

THE PRESIDENT: I answered a moment ago I am more concerned about my personal reputation. But, I am not unhappy. I am just worried about getting over to the signing ceremony for one of these bill signings.

THE PRESS: Thank you.

END (AT 12:13 P.M. CDT)