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THE PRESIDENT HAS SEEN.....

THE WHITE HOUSE

WASHINGTON

September 3, 1976

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MEMORANDUM FOR

JIM CAVANAUGH

FROM

JIM REICHLEY

SUBJECT

QUALITY OF LIFE ISSUES

During the first two years of the Ford Administration, President Ford necessarily concentrated on three areas of pressing concern to all Americans:

- Strengthening national defense
- Pursuit of world peace
- Economic recovery without inflation

Good progress has been made in all of these areas. Our armed forces are prepared to deal with a challenge from any aggressor. The U.S. is at peace, bonds with our allies have been strengthened, and potential trouble spots all over the world have been defused. The economy is growing along a steady course, while inflation has declined.

On the basis of improved security, at home and abroad, the President is now able to concentrate, as he looks toward the new administration that will begin next January, on positive programs to improve the quality of American life.

President Ford has identified six basic needs or goals, that most Americans regard as essential:

- * < -- A job
- A home
- Protection of health
- High quality education
- * -- Protection against crime
- * -- Opportunity for personal renewal through recreation

Americans of course have many other needs, but these six are perhaps the most fundamental. By concentrating on these six objectives at the beginning of the new administration, President Ford aims to achieve the same kind of rapid progress that has already been made in the areas of national defense, world peace, and restoration of economic health.

In each of these areas, the President has already made specific proposals. Congress has stalled on many of these proposals for political reasons. If Congress fails to act during the remainder of this session, the President will make these "quality of life" proposals top priority items in the new administration -- when he will stand before Congress with a mandate from the voters. In some areas, the President will make additional proposals as the campaign progresses.

The President expects to push most of these measures through to enactment during the first hundred days of the new administration.

These are the most pressing problems in each of the six priority areas, and what President Ford proposes to do about them:

JOBS (supplementary to material from Greenspan and Seidman)

Despite the current recovery, far too many Americans still remain without jobs. Almost 88 million workers now have jobs -- more than ever before in American history. But the unemployment rate continues to hang above seven percent. Even for heads of households, unemployment has been over five percent during four of the last seven months.

Some areas, moreover, suffer from chronic joblessness. These are areas -- such as the Detroit, San Francisco, and Jersey City labor market areas -- that have not benefitted as much as the overall economy from the present recovery.

It is the President's aim that every American who wants a job shall be able to find one. Jobs are the key not only to our economic problems but also to many of our social problems. Full employment will aid the restoration of our cities as good places to work and live, make it easier to overcome discrimination against minorities and women, and dry up many of the causes of delinquency among youth.

President Ford proposes to produce full employment through two basic economic policies:

- Holding down the growth in federal spending, which is one of the major underlying causes of job-killing inflation.
- Freeing up investment capital, through reduction in federal taxation, which leads to the creation of more jobs in private industry.

In addition, to aid areas of chronic unemployment, the President proposes a Job Incentives Bill that will give favorable tax treatment to companies that build or expand plants in areas where unemployment rose above seven percent in 1975.

The opposition party in Congress, unfortunately, has consistently resisted all of these policies aimed at producing full employment.

- Budget-breaking appropriations voted by the Democrats in Congress, if they had not been blocked by President Ford's vetoes, would have stirred up further inflation, which is one of the major causes of unemployment.
- By failing to pass the full tax cut requested by President Ford, the Congress has held down the supply of investment capital needed for economic growth.
- So far, the Democrats have not even passed the President's Job Incentives Bill, despite their professed concern for areas of chronic high unemployment.

The President's policies are aimed at achieving full employment by 1978. The opposition candidate does not aim for full employment before 1979. But the inflation that would be set off by enactment of the Democratic platform would leave the economy such a shambles that full employment would be put off for at least a generation.

HOMEOWNERSHIP (to come from Lynn and O'Neill)

PROTECTION OF HEALTH CARE

What are the nation's fundamental health care problems?

- Skyrocketing medical and hospital costs
- Lack of emphasis on preventive medicine. -- many more Americans are killed or disabled by failure to observe good health rules than by communicable disease
- Shortages of doctors, nurses, and other medical personnel in under-served areas, such as some rural counties in the South and West, and ghetto neighborhoods in big cities.

Here is what President Ford proposes to do about these problems:

- The President has called for a catastrophic health insurance program, which will assure that Americans over 65 will not have to pay doctors' bills of more than \$250 or hospital bills of more than \$500 per year. This will relieve older Americans not only of immediate costs but also of the overhanging fear that the savings of a lifetime may be wiped out by a single illness.
- The President also has asked Congress to put limits on increases in charges made under Medicare by both doctors and hospitals -- in effect, establishing a yardstick for charges to private patients, as well.
- The Ford Administration is now developing means, in cooperation with the private insurance industry, to provide health insurance coverage for Americans, regardless of age, who are not now adequately insured. (MUST BE CLEARED WITH OMB)
- To aid the development of preventive medicine, the Ford Administration is undertaking increased research in such areas as alcoholism, drug abuse, and pre-natal care. In addition, the President, despite Congressional foot-dragging, pushed through a program for swine flu vaccination that will protect Americans against recurrence of an epidemic like that in 1918.
- To help place medical personnel in areas where they are now either in short supply or completely lacking, the President has directed that the National Health Services Corps program, which pays doctors and dentists to locate in under-served areas, be quadrupled. This program was formerly devoted mainly to rural areas, but the President has directed that during the coming year one-third of the personnel be assigned to under-served ghetto areas in large cities.

QUALITY EDUCATION

What are the major problems in education?

- Parents in local communities have too little say in the kind of education their children receive.
- Teachers are smothered under layers of bureaucracy.
- Federal aid to education is ensnared in regulations and red-tape which stifle creativity and make it difficult for local school districts and teachers to carry out their missions.
- In many school districts, children who suffer from physical or mental disabilities still are not receiving the kind of help they need to prepare them for productive, active lives.
- In some areas, the cost of education falls too heavily on local school districts, pushing up local property taxes, and placing children and taxpayers in relatively poor districts at an unfair advantage.
- We still are not doing good enough at providing vocational training that fits young people for jobs actually available in American industry.
- The busing issue has caused unnecessary confusion and disruption in some school districts, particularly in metropolitan areas.
- Non-public schools, which make a valuable contribution to the nation's total education effort face serious financial difficulties.
- The costs of higher education are rising out of the reach of the average American family
- Private colleges are particularly vulnerable to the effects of inflation.

Here is what President Ford proposes to do about these problems:

- The President has called for consolidation of 24 Federal grant programs for elementary and high school education into a single grant program -- leaving most decisions to local officials so that direction of education will be restored to local school boards and to the parents and taxpayers that elect them.
- The President's proposal requires that three-fourths of Federal funds in the program be used to help educate handicapped and disadvantaged children.
- Federal funds will be distributed partly on the basis of economic need of families in the state.
- Vocational education also will be targeted for special Federal support under the Ford proposal.
- States will be required to pass through Federal funds to local school districts.
- The Ford Administration is providing aid to students at non-public schools for such services as compensatory education in reading and mathematics, child nutrition programs, and training of children with learning disabilities -- all services that go directly to students rather than to institutions, and therefore are permitted under the Constitution.
- To deal with the busing problem, the President has asked Congress for legislation that will limit the courts to using busing only where racial segregation of school children is the result of unlawful discrimination, and will limit the use of busing to the time that is needed to overcome unlawful discrimination -- generally not more than five years. This legislation would also set up a multi-racial National Community and Education Committee to help any school community requesting assistance in solving its desegregation problem.

- To foster intensified research on educational achievement and performance, President Ford is requesting a 28 percent increase in Federal support for the National Institute of Education.
- To meet the rising costs of higher education, the President has asked for full funding of the Federal Student Aid Program, permitting students to receive grants up to \$1,400 per year. The Administration is now considering a cost differential, which would permit additional aid to needy students attending high-cost institutions. (CLEAR WITH OMB)
- President Ford will continue to place emphasis on aid to students rather than to institutions, so that the student can make his own choice among public and private colleges.

PROTECTION AGAINST CRIME (to come from Cannon)

RECREATION

President Ford shares the belief of most Americans in the value of outdoor recreation as a means for physical development and personal renewal.

The President has therefore proposed the Bicentennial Land Heritage Act, which will establish a ten-year commitment to double the nation's holdings of national parks, recreation areas, wildlife refuges, urban parks, and historic sites.

This program will authorize use of \$1.5 billion for recreation purposes, to be broken down as follows:

- \$141 million for land acquisition
- \$700 million for development of new and existing parks into recreation areas suitable for public use
- \$459 for upgrading and increased staffing of national parks and wildlife refuges
- \$200 million for grants to cities to upgrade existing parks. Under this program the cities will be given broad flexibility in choice of projects and use of funds.

The Bicentennial Land Heritage Act will come in addition to the 1976 Land and Water Acquisition Act, under which \$3.6 billion will be authorized for use over a ten-year period to acquire additional lands for Federal and state parks. The two bills dovetail -- the funds for development and staffing included in the Heritage proposal are needed for use on the new Federal parklands that will be obtained through the Land and Water Acquisition Act.

The states will receive 60 percent of the funds authorized under the Land and Water Acquisition Act, with the remaining 40 percent to go for new or expanded Federal parks.

Together, these two bills will make good the President's commitment to a vast expansion of outdoor recreation facilities.

Jobs...expansion of homeownership...health protection... quality education...protection against crime...expansion of recreation facilities -- these are the high priority goals which President Ford has pledged to pursue to enactment in the opening months of the new administration.