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THE WHITE HOUSE
WASHINGTON

September 28, 1976

MEMORANDUM FOR THE PRESIDENT

FROM DAVE GERGEN DS

SUBJECT: Newsweek Interview

Enclosed are some background materials for your interview with Newsweek. As you know, the magazine is preparing a cover piece on you similar to the one that was run recently on Carter.

We understand that the thrust of their questions will concern your plans for the next four years rather than campaign strategy. Included here in addition to Q & A materials is a piece that was drafted for your signature and run in the Hearst newspapers about your goals for the next four years as well as Monday's article in the Monitor by Godfrey Sperling on prospects for your next term.

For Hearst Newspapers .

A few years ago, Eric Severeid observed that leaders in Washington could often be divided into two classes -- boys who want an office because they want to be somebody, and men who want an office because they want to do something.

During the past quarter of a century, as I have served in the House of Representatives, the Vice Presidency, and now the Presidency, I have always tried to bear that distinction in mind.

As I said in my acceptance address in Kansas City, "it is not the power and the glamour of the Presidency that leads me to ask for another four years. It is something that every hard-working American will understand -- the challenge of a job well begun but far from finished."

I have been acutely aware that I was not elected to this office by people's ballots. In my inaugural, I asked instead that I be confirmed by peoples' prayers.

Now I seek a mandate in my own right so that we may build upon the accomplishments of these past two years. Much has been done since those August days of 1974:

- America is at peace; the anguish and divisiveness of Vietnam are behind us.
- The American economy is moving forward on a broad front. Inflation is less than half of what it was in 1974, and more people are at work than ever before. While I am certainly not satisfied with the current rates of inflation and unemployment, we are making sound and encouraging progress.
- Americans now have reason to be proud of their country again. The world once again respects our leadership -- our commitment to freedom, our firmness in the cause of peace, our

generosity and understanding in improving the quality of life in developing nations.

-- And, Americans now have reason to be proud of their government again. Honesty and integrity have been restored to the executive branch, we are seeking to be more open and responsive, and we are moving forward with growing momentum.

Our Bicentennial celebration, more than any single event, showed that national unity and a "spirit of civic happiness" are again facts of life in the United States.

If I am elected this fall to a full term, and can approach the Congress as a President who speaks with authority for the entire country, I am optimistic that far more progress can be made on legislative initiatives that I have submitted to Congress. Specifically, during the next four years, we will work toward:

- A permanent tax cut of \$28 billion offset by a large reduction in projected Federal spending. Such a tax cut would mean that personal income tax exemptions could be raised from \$750 to \$1000.
- A catastrophic health program that will mean Americans over the age of 65 will never again have to pay more than \$500 for hospital or nursing-home care or more than \$250 a year for the services of a doctor.
- Tough new criminal penalties which would insure that repeat offenders and persons convicted of highjacking, kidnapping, or trafficking in hard drugs while using dangerous weapons would automatically go to prison.
- Strong limitations on the use of forced busing by Federal courts. All American children have a right to quality and equality in education, but forced busing has proved that it is not the answer.

- A regularized system for reviewing and overhauling the enormous complex of Federal regulations. The Democratic Congress doesn't like this proposal because it would force them to vote on reforms I would propose in the same year that I propose them.
- Laws which will cut consumer prices for services such as motor carrier transportation, aviation and banking.
- Reforms which will increase coal production in the United States by 50% in the next decade as well as other initiatives that would put us solidly on the road toward energy independence.

Unless America is strong and at peace, of course, our hopes for the future will go unfulfilled. Therefore, I have placed high priority on maintaining America as a bastion of military strength. Over the past decade, the Congress has cut some \$50 billion from proposed defense budgets. One of my greatest sources of satisfaction as President is that this year, under strong prodding, the Congress has finally been persuaded to provide most of the funds that we need to renew and strengthen our military forces. In the next four years, I want to guarantee that our fighting men will get what they need to protect America and to allow us to fulfill our role as leader of the free world community.

Let me conclude with a few lines from my acceptance address in Kansas City that capture my own thoughts as we enter the fall campaign:

"I seek not a Republican victory, but a victory for the American people. You are the people who pay the taxes and obey the laws. You are the people who make our system work. You are the people who make America what it is. It is from your ranks I come and on your side I stand."

Something wonderful happened to this country of ours the past two years. We all came to realize it on the Fourth of July...We saw again the pioneer vision of our revolutionary founders and our immigrant ancestors. Their vision (was) of a free man and a free woman enjoying a limited Government and unlimited opportunity.

The mandate I want in 1976 is to make this vision a reality..."

Point #10:
Making a
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The 10 Most Im Will Do If Ele

President Ford and Democratic presidential candidate Jimmy Carter shortly will begin in earnest their quest for the office of President of

GERALD FORD

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in hard drugs while using dangerous weapons would automatically go to prison.

5.—Strong limitations on the use of forced busing by federal courts. All American children have a right to quality and equality in education, but forced busing has proved that it is not the answer.

6.—A regularized system for reviewing and overhauling the enormous complex of federal regulations. The Democratic Congress doesn't like this proposal because it would force them to vote on reforms I would propose in the same year that I propose them.

7.—Laws which will cut consumer prices for services such as motor carrier transportation, aviation and banking.

8.—Reforms which will increase coal production in the United States by 50 per cent in the next decade as well as other initiatives that would put us solidly on the road toward energy independence.

9.—Guaranteeing that our fighting men will get what they need to protect America and to allow us to fulfill our role as leader of the

free world community.

10.—Making a reality the vision of a free man and a free woman enjoying a limited government and unlimited opportunity.

Let me conclude with a few lines from my acceptance address in Kansas City that capture my own thoughts as we enter the fall campaign:

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"The mandate I want in 1976 is to make this vision a reality."

USIVE

Important Things I Want as President

the United States. Each candidate herewith lists for the Hearst Newspapers his ten most important goals if elected.



JIMMY CARTER

1.—It is time for the government to deserve the people's trust. We must have a government that is open, responsive, efficient, and accessible to the people it must serve. I want to restore those qualities, because I believe it is time to give the government of this country back to the people of this country.

2.—I believe that everyone who is able to work ought to work—and ought to have an opportunity to work. I am determined to have a balanced budget, and end the inflationary spiral, by putting our unemployed people back on the job.

3.—We must invest in our people, by ensuring that high quality education is available to all our children, and by providing a comprehensive program of health insurance for all our people.

4.—In every one of my decisions as president, I would bear the interests of the American family in mind, and would do every thing I can to strengthen the family structure.

5.—Our tax system is a national disgrace. We must have a comprehensive, thorough overhaul of the tax system, instead of the piecemeal

attempts at reform which have failed for so many years.

6.—It is time for the law to be enforced. We cannot create harmony among our people, or preserve basic human freedom, unless we have an orderly society. We must also restore a sense of decency and honor to public service, so our government leaders respect the law no less than the humblest citizen.

7.—We must preserve our resources — our natural heritage, our energy supplies, and our reserve of agricultural productivity. We need a coherent energy policy which emphasizes conservation and the environmentally-sound development of native sources, especially coal.

8.—The foremost responsibility of any presi-

dent is to guarantee the security of our nation, with a lean, muscular military force strong enough to meet any challenge, but free of flabbiness and waste.

9.—Our foreign policy must be conducted in the open, and must emphasize improved relations with our traditional allies, a concern for human rights and dignity around the world, and a combined demonstration of goodwill and strength.

10.—We must restore a sense of unity, and return to the values that have made our country great. Business and labor, farmers and consumers, government and citizens should not struggle in isolation from one another, but should be able to strive toward mutual goals and shared opportunities.

LATE SUNDAY TV CHANGES

SEE TV PREVIEWS

5 P.M.

(5) MEET THE PRESS Guest: Eldridge Cleaver, who recently returned from a self-imposed exile.

7 P.M.

(7) (12) 60 MINUTES Features the Leventritt Piano competition; Report on "Kepone: a highly toxic insect killer"; Morley Safer reports on a paper airplane that could revolutionize the aircraft industry.

FORD: WHAT TO EXPECT IF HE'S ELECTED

By Godfrey Sperling Jr.

Washington

A SUMMARY OF MAJOR FORD ACCOMPLISHMENTS

1. Inflation has been cut by more than half.

-- When President Ford took office in August 1974, the consumer price index was rising at the annual rate of 16.6%

-- In August 1976 the annual rate of inflation was 5.8%

2. Over 4 million people have obtained jobs.

-- A year ago, total employment stood at 85.3 million

-- Today, 88 million people are at work -- an increase of 2.7 million. In the last 18 months, employment has increased by 4 million, the largest increase in any 18-month period in peacetime history.

3. The unemployment rate has been significantly cut.

-- In early 1975, unemployment peaked at 8.9%

-- Today it is at 7.9%

4. Key economic indicators are moving strongly upward.

In the past year:

-- Housing starts have risen by 40%

-- The Gross National Product has risen by some 10%

-- Real per capita disposable income -- money left after taxes and inflation -- has risen by nearly 5%

5. Farmers are scaling new heights.

-- Net farm income in 1976 reached \$26 billion, a record high

-- Farm exports in 1976 reached \$22 billion, a record high

6. The growth of crime has been cut by more than 75 percent.

-- When President Ford took office, crime was increasing at a rate of 18 percent a year

-- In 1975, the rate of increase was cut to 9 percent

-- In the first half of 1976, it was cut to 3 percent

7. Dangerous downward trends in defense spending have been reversed.

-- In the decade before President Ford took office, the Congress cut proposed defense budgets -- Democratic and Republican -- by almost \$50 billion

-- In 1976, President Ford has reversed that trend, persuading the Congress to vote the first major increase in defense spending

8. Our alliances with the Atlantic Community and Japan have never been stronger.

-- President Ford took office at a time of great turmoil and uncertainty in the international community over the constancy of American will and leadership

-- Today the industrialized democracies are carrying forward an ambitious program of cooperation in economics, energy, East-West diplomacy, anti-terrorism, arms control and in relationships with developing nations.

9. The Nation is a peace abroad.

-- When President Ford took office, the United States was still deeply embroiled in Southeast Asia and tensions were high in the Middle East

-- Today Mr. Ford is the first President since Dwight Eisenhower who can seek the highest office in the land without a single American fighting overseas

10. Finally, the Nation is at peace with itself.

-- When Mr. Ford took office, the Nation was rocked by scandal and inner doubts about its leaders and institutions

-- Today the strain of scandal has been erased from the White House, doubts have been replaced by growing national confidence, and the mood of the country has brightened perceptibly

QUALITY OF LIFE

Remarks by the President at Vail, Colorado on August 27, 1976

Our campaign is national, and we believe--as I said in the acceptance speech--we concede no State, we concede no vote.

Secondly, we have refined the areas that we think important for this campaign to emphasize:

Number one, jobs, meaningful jobs with an opportunity for advancement.

Number two, an accelerated home ownership program. That is something more Americans are more interested in today than almost anything as we look at the polls that have been taken and the surveys that have been made.

Number three, quality health care that is affordable to the American people. We have to keep pressure on the costs of health care and make sure the quality of health care they are getting today will be continued and expanded.

Number four, crime. As I said in the acceptance speech, we will not tolerate the kind of crime rate increases that have taken place over the last three or four years, and we have not only a reiteration of what I have said in three or four speeches on the crime issue, but also some new thoughts and ideas that will be announced in the campaign.

The last, in the domestic area, recreation. Some -- or, I hope, all -- of you are going with us to Yellowstone Park on Sunday. We will have some announcements at that time that I think will show we are interested in the increased quality of life.

They really incorporate five points: Jobs, home ownership, quality health care, a reduction in crime and better recreation facilities. One other falls under that category, and that is in the field of education.

But, there is one other point that has to be made because it is sort of all-encompassing -- peace throughout the world. As I said in the acceptance speech, we want peace at home and peace throughout the world.

Those will be the thrust, those will be the emphasis, those will be the objectives we will try to convey to the American people that the Ford-Dole Administration of the next four years will emphasize.

DOMESTIC



FIRST DEBATE

Q. Who won the first debate?

A. I think that I did. According to all the polls we've seen so far, those who watched the first debate agree with me -- except for that one speech expert who thought Elizabeth Drew won.

Q. Do you expect, or are you seeking, any changes in the format of the debates.

A. That's an issue that is under discussion this week.

Q. What is your attitude about the remaining two debates?

A. I'm eagerly looking forward to them. The debates are serving my original purpose of clarifying where my opponent and I stand on the key issues and giving the American people the best possible opportunity for judging us as leaders. As these debates progress I expect my support to grow.

- Q. It is generally considered that you will have tremendous advantage over Mr. Carter in the second debate. Do you agree that you will be going into next week's debate, not as the underdog as was true in the first debate, but rather as the favorite?
- A. I feel that the unquestioned winners in these debates are the American people because they are getting a unique opportunity to examine the positions of the two candidates in this race.

I must confess that my personal feeling is that I won our first encounter and I have been heartened by the general response that seems to agree with me about this.

With regard to next week's debate on foreign policy and national defense, I do have the advantage of greater experience and exposure to major foreign policy and defense issues. That, in fact, is a strong reason why I believe I am better qualified than he is to keep the U.S. at peace over the next four years.

But I should also point out that Mr. Carter speaks only for himself, whereas I speak as President of the United States. As I am sure you realize, this means that my statements can have far-reaching ramifications around the world, growing out of interpretations which our allies and adversaries might place on something I might say. In addition, because of diplomatic and national security considerations, there will be certain subjects about which I will have to be more discreet than I might like. In other words, I believe Mr. Carter will have the advantage of greater freedom in framing his remarks.

GROWTH IN NUMBER OF POOR

Q. Census Bureau figures released Saturday indicate that more American families slid into poverty in 1975 than in any year since 1958. What is your answer to Mr. Carter's charge that this is one more indication of economic mismanagement on the part of your Administration?

A. My answer is that these figures are for last year, and last year the economy was in the grips of a deep recession and a stubborn inflationary spiral.

As to this year, from what we know about the current state of our economy, we can say that by now the number of people living in poverty has undoubtedly declined to the 1973 and 1974 levels. Furthermore, we firmly believe that, with the improvement we foresee for 1977, the number of people living in poverty will decline next year to an all-time low.

We were in trouble last year because of recession and a high inflation rate. Now the inflation rate has been cut in half, the economy is recovering, and this improvement is reflected in the current situation of the poor.

Note: The poverty statistics are somewhat misleading because they count cash income, but do not count in-kind benefits -- like food stamps, Medicaid and housing subsidies. If the major in-kind programs were taken into account, the number of poor would be substantially less than reported.

9/28/76/CEA

VISION OF THE FUTURE

- Q. Some observers say that you lack a vision for the future of America and that this is your critical weakness. Please comment.

- A. Let me answer your question this way:

I did not seek this job. I was happy as a Congressional leader in the House. I didn't seek to be Vice President, but when I was called, I met my responsibility. I had no desire to be President, but when the constitutional crisis developed, I again faced my responsibility. Taking office at a difficult and a grave time, I have tried to do my level best to serve all of the people of this country.

I think you will agree times are happier today than they were two years ago. We saw it last 4th of July when millions of people of all ages and races, without riot or incident, spontaneously came out to show love of their country. That day revealed to the world a country that had regained her faith as guardian of democratic hopes and dreams. No, I don't claim that this was due to any domestic program of mine. The people of America reached back into the roots of their past and rekindled the hopes for the future. No President, by enacting a program or signing a bill, lifts the spirit of a nation. He can only hope that, by choosing the right legislative voice and setting the proper Presidential tone, he helps to restore faith and renew confidence.

This I have tried to do. I have tried to heal the wounds of War and Watergate. I have tried to check the inflation and revive the economy. But there is much yet to be done, and I want the chance to finish the job. I want a chance to build upon the foundations of the last two years -- to do what is needed to improve the quality of American life. For most Americans this means meaningful jobs, home ownership, protection of health, good education, protection against crime, and the opportunity for personal renewal through recreation. These six goals will be the goals of my next four years.

Shortly after the war my good friend General Eisenhower, while at Columbia University, bought a farm in Gettysburg. At the closing, a clerk in the courthouse asked, "General, why when you live in New York did you buy this farm in Pennsylvania?" General Eisenhower replied, "I want to take a piece of land and return it to God better than I found it."

I feel that way about this country and this job. I wish to make America a brighter and happier place in which to live and dream.

JH/AB/9/26/76

EFFECT OF PRESIDENCY ON FAMILY LIFE

- Q. Has the Presidency made any changes in your family life?
- A. Betty, the children and I have always been close as a family and, until the last two years, we were able to spend a lot of time together. Because of the responsibilities of this office, that's not possible any longer -- but the very demands of this office have also tended to bring us even closer together. I know that I enjoy the challenges of the Presidency -- the opportunities to achieve great things for this country -- and I have been very grateful to my family and very proud of the way they have pulled together to support this effort.

9/28/76

RESPONSIBILITIES AND LIMITATIONS OF PRESIDENCY

Q. How have two years as President changed you?

A. I think I realize more fully than I did before the responsibilities that a President carries. A congressman -- or a governor, for that matter -- is a partisan spokesman for a more limited constituency and a representative of its best interests. A President must know the needs and desires of, and he must care about, all the people in all 50 states. He learns quickly that his actions and statements have broad and immediate ramifications at home and abroad. At the same time he learns that there are limitations on the powers of the Presidency -- constitutional limitations, as well as practical limitations stemming from the size and complexity of this country.

For example, I inherited an economy that was sliding into a steep recession. There was no way to turn the ship of state around overnight. It takes more time on the bridge. That's where I've spent a good deal of my effort, and we're succeeding, but as President you cannot achieve all that you want as fast as you want it.

As to other personal changes, I think there have been a few that some members of my staff have noticed:

-- I have a much better sense of what information I need and what people I need to consult, so that I'm a better manager than I was two years ago;

-- While I remain an optimist, I also have a much more sober view of world realities -- what it takes to maintain the peace, the efforts we must make to become self-sufficient in energy, the great prejudices that still exist in the world.

-- I also think I have a much keener sense of judgment than I did two years ago.

But as a person, in the way that I relate to other people, in my values, in my love for my family and my hopes for the future, I would have to say that I am still much the same.

STRENGTHS

Q. What strengths do you bring to the Presidency?

A. One is experience, particularly the experience in working with the problems of this country as President during one of the most trying and complex times in our history. This experience will be invaluable in solving future problems, because running our national government is far more difficult than it may seem to some.

Another is a sense of judgment. After a quarter of a century of public service, I think I have gained a fairly deep understanding of the processes of government and the leadership that is needed to keep the country moving ahead.

Another is that I believe my values, represented in part by my family, along with my hopes and concerns for America, are in tune with the views of a majority of the people of this country.

And, finally, because I have a proven record, the American people know they can trust me. I have achieved the goals I set out to achieve, and I have not promised more than I can produce.

9/28/76

WEAKNESSES

Q. What have been your weaknesses as President?

A. My greatest disappointment has been not being able to get the unemployment rate down as quickly as I would have liked. Unfortunately, there's no button in the Oval Office marked "Instant Prosperity". But we're making progress -- more people have gone to work in the last 18 months than in any similar period in our history and we're protecting the incomes of working Americans from runaway inflation. So I'm disappointed, but still optimistic.

Beyond my disappointment with unemployment, I've experienced the greatest impatience with the struggle to bring the economy around, and the greatest frustration with our efforts to get comprehensive energy and crime legislation out of Congress.

9/28/76

TRUST

- Q. How would you restore trust in the government and Presidency?
- A. I think we have restored trust in the Presidency and in the executive branch of government. The American people know they do not get double-talk or double standards from me or any member of my Administration.

Trust has to be earned, and -- once lost -- it has to be earned twice over. That's been the problem some of our institutions have faced. Americans have been betrayed by politicians trading false promises for votes and by corruption at the highest levels of government. Even today, there are scandals on Capitol Hill and signs of moral decay in some quarters. But not in my Administration! I demand honesty, integrity, and candor from myself, first, and then from every other person serving the public in my Administration. That's the way we restored trust in the Presidency. And by setting the example of high standards, we're encouraging trustworthiness in other parts of the government.

AB/9/23/76

SPECIAL PROSECUTOR'S INVESTIGATION

- Q. Would you comment about reports that the Special Prosecutor is investigating possible misuse of campaign funds in some of your Congressional campaigns several years ago? What is the substance of the charges, and what effect might this have on your Presidential campaign?
- A. I know nothing about the Special Prosecutor's activities in this matter beyond what is in the news. I can only say again that my entire record was investigated in great detail in 1973 before I was confirmed for the Vice Presidency.

9/28/76

PLANS FOR SECOND ADMINISTRATION

- Q. Are you now making plans for your second Administration? Do you have a special task force working on recommendations for Cabinet changes or new emphases in priorities?
- A. I am, of course, planning all of the time -- studying where we are, thinking about our current and future needs and about the directions in which we should move, working out the steps to be taken. In this campaign, I am putting before the American people my program for the future. And I must say -- I'm eager for that victory in November so I can get on with the job.

As to Cabinet changes, I have my team and do not contemplate a sweeping change in appointments. To the extent that there are changes, you can be sure I would appoint men and women of the same high distinction and dedication as those now in my Administration.

9/28/76

RELATIONS WITH CONGRESS IN SECOND ADMINISTRATION

- Q. Why do you think you will be any more successful with Congress in the next four years than you've been the past two years? Is it realistic to expect more Republicans in the next Congress?
- A. With the Democrats now controlling the House by 2-to-1 and the Senate by almost that, I suppose I could say there's no place to go but up.

What I expect to have in the next Congress is more Representatives and Senators, whether Republicans or Democrats, who are closer to my point of view on the issues. There is a groundswell of support in the country today for many of the views I represent: for less spending; less taxation, less regulation, less government -- and more freedom. It is my belief that on November 2nd those views will be translated into strong voting majorities up and down the line.

9/28/76

IMPROVEMENT OF WELFARE SYSTEM

Q. What do you propose to do about the current welfare system?

A. My policy is that, within the limits of our resources, we should help those who truly are in need.

There is no question that the current welfare system is not doing the job. It invites abuse, wastes money, and often fails to give help to those who truly need it.

There are improvements to be made. In regard to Medicaid, I have proposed a sweeping overhaul which would clear up the confusion of responsibility and authority in the current program.

In regard to Food Stamps I have proposed a complete reform of the entire program to eliminate abuse and to increase benefits to those below the poverty line, while saving the taxpayers more than \$1 billion.

In regard to the many other welfare programs, I have proposed that the President be given authority to tighten up rules, simplify programs, and make these programs consistent with each other, as well as equitable and efficient.

Unlike Mr. Carter, I do not believe that a Federalized welfare system is the answer we can afford today. I do believe we can make major improvements in the current programs to ensure that every tax dollar that is spent to help those in need is not wasted on unnecessary red tape, nor given to those few who would cheat and abuse these well intentioned programs.

AB 9/28/76

SOCIAL LEGISLATION VETOES

Q. You recently vetoed some popular social legislation.
Why?

A. Like most Americans, I feel deeply about solving the social problems facing us. My administration has been working hard to reach long-term, effective solutions to those problems.

But many of the bills Congress sent me this year did not embody good solutions to the problems they addressed. They were also needlessly expensive -- and, for that, reason, ill-advised at a time when it was important to hold down inflation. By fueling inflation, they would have hurt the very people they were designed to help.

JBS/AB/9/22/76

REDUCING THE SIZE OF GOVERNMENT

Q. Mr. President, Mr. Carter has committed himself to fighting big government and to reducing its hold in Washington. Could you tell us what, if anything, you are doing about this growth in the Federal government?

A. There is no doubt in my mind that government has extended itself too far into our economy, into our state and local governments, and into our personal lives.

My Administration has undertaken a number of efforts to reduce unnecessary Federal intervention in these areas, to improve the management of essential Federal activities, and to reduce the growth of government.

Specifically, I have:

- Proposed budget cuts that would the rate of spending growth by 50%.
- Reversed the trend toward ever larger bureaucracies by cutting Federal employment by 11,000.
- Reduced the number of federal forms by 12%.
- Submitted to the Congress four new block-grant proposals that would consolidate 59 categorical programs in the areas of health, education, child nutrition, and social services.
- Signed the Funding Simplification Act which cuts down the red tape for state and local governments seeking government grants.
- Sought and obtained the participation of state and local government officials in the preparation of the Federal budget each year.
- Spearheaded efforts to re-enact General Revenue Sharing.
- Reversed the growth in bureaucracy so that by June of this year, the number of full-time permanent Federal employees had been reduced to the lowest level since 1973.
- Proposed budgets which have increased the total amount of funding for state and local governments from \$49.7 billion to an estimated \$61.9 billion in FY 77 -- an increase of 24 percent over two years.

Have these changes made a practical difference for state and local governments? The record speaks for itself: Two years ago, a local government seeking grant assistance for community development had to fill out an application that averaged 1,400 pages in length; today that same application is 25 pages in length. In the same period, the time it took to process this application dropped from 31 to 8 months; and the regulations governing the program were reduced from 2,600 pages to 50.

9/28/76

PUBLIC SERVICE JOBS

- Q. What is your position on government-financed public service jobs programs?
- A. From time-to-time, it may be necessary to provide some public service jobs. During the worst part of the recent recession, for example, we thought it appropriate to create a public service jobs program and took the initiative to do so. In the fall of 1974, when unemployment started to rise, we proposed, and the Congress provided, a program which funded jobs for about 260,000 people on a temporary basis.

A countercyclical public service jobs program should have the following characteristics, which we sought in our original proposal:

1. It should be temporary and should end when the need for it ends.
2. Wages should be set at a level that encourages participants in the program to seek permanent employment in the private sector.
3. The program should be administered through the State and local governments so as to avoid the creation of a new Federal bureaucracy.
4. The program should not be so large that the State and local governments can't administer it.
5. The program should not merely replace jobs already being paid for by those governments.
6. Only individuals most in need should get these jobs.

I am adamantly opposed to public service jobs that are permanent and make-work in nature, as envisioned by Humphrey-Hawkins. I also believe that our primary instrument for job creation is the private sector, not the government. I believe the private sector can create long-lasting, better paying and more productive jobs than a government program. We accomplish little by placing people in short-term government jobs when permanent, good, jobs in the private sector are becoming available.

This is the core of my economic policy, and I believe that the steady improvement in the economy over the last 18 months proves it has been successful. The rate of inflation has been cut in half, four million new jobs have been created, and unemployment has been reduced. More people are employed today than every before in the history of our country.

Note: You have indicated that on Wednesday you would make your views known on the public jobs appropriation.

DG/9/28/76

GOVERNOR CARTER'S ENERGY PROGRAM

Q. Governor Carter has put forth an energy program. What is your opinion of that program?

A. Frank Zarb suggests this answer:

Governor Carter has not proposed an energy program. There are no goals; no quantifiable targets; no end date when the "program" is to be achieved. I would hardly call that a program.

There are some striking aspects of Governor Carter's statement on energy. To a large degree, most of the so-called proposals are generalizations and platitudes -- there are very few specifics. For example, what is his "clean coal" program? How would he "exercise the Federal government's obligation to protect the Nation against an oil embargo?" What does he mean when he says that the government should negotiate with OPEC? What do these assertions mean in terms of real programs? Will he use military force to protect against another embargo? Will he back down on our support of Israel? Does negotiate with OPEC mean nationalization of oil imports? His generalizations raise more questions than they answer.

Along these same lines, Governor Carter says that he favors "energy conservation pricing." What are his specific proposals? Does he favor decontrol of oil and gas? Or is he in favor of a gasoline tax or other tax on petroleum? He talked the other night about "peak load" pricing, but that is already being demonstrated in 24 states with Federal assistance. Does he mean that he would force "peak load" pricing on the states and their regulatory bodies. I doubt he means any of these, but if he doesn't, then what does he mean by "energy conservation pricing?" That kind of vagueness cannot add up to a program -- that kind of vagueness must be challenged.

The only time Governor Carter gets relatively specific in his energy proposals is in areas where the government has already acted or is in the process of acting. Carter is apparently unaware, however, of what is happening. He proposes "performance standards" for energy conservation, but these have already been enacted for autos, new houses and commercial building, and applicances. The enhanced R & D programs he proposes are already being implemented.

His reorganization scheme is not only deficient, but is also reminiscent of my predecessor's proposal several years ago to establish a Department of Energy and Natural Resources. Although this didn't succeed, my Administration is currently working with Congress to examine various alternatives; the President owes the Congress a report on energy organization in December.

In summary, Carter has not proposed an energy program. And his charges that my Administration has done nothing in this area are ridiculous to anyone with even the most remote sense of what has been happening the last two years.

FZ/GS - 9/26/76

DO YOU REALLY HAVE AN ENERGY PROGRAM?

QUESTION:

Jimmy Carter has said that you have no energy plan, that you have exhibited no leadership on this issue. How do you respond to this charge?

ANSWER

When I assumed office, the Nation had no energy program -- it had only a succession of energy advisors. Imports were estimated to reach 13 million barrels per day by 1985, or more than half of our petroleum consumption. Our vulnerability was getting worse daily.

Within five months -- specifically, in my first State of the Union Address -- I proposed the Nation's first comprehensive energy program. This program was designed to achieve energy independence for the U.S. by 1985, and to regain our position of world leadership in energy.

To carry out this program, I have submitted legislative proposals and taken administrative action to reduce consumption, to increase supply, to develop new energy technologies, and to use our energy resources more efficiently.

The initial Congressional response was hostile. Although the Congress agreed with the goals I had established, they were divided on how the goals ought to be achieved, and they were afraid to take the tough steps recommended in my program to insure this Nation's energy future. They were also disorganized. In the first fifteen months after my State of the Union, 28 committees and 79 subcommittees held hearings on my program; Administration officials testified 470 times.

After two years of debate, after two years of differences and Congressional disarray, we have made some progress, but that progress has only occurred because of the constant pressure I have kept on the Congress to solve this critical problem. Who can forget Senator Mansfield's trip down here in August of 1975 to plead for more time for Congress to get its act together. Who can forget the long delays on programs like building standards.

Let's briefly examine what that pressure has achieved.

- . Seven of my legislative proposals have been enacted into law.
 - thermal standards for new homes and commercial buildings;

- appliance efficiency targets, labelling of appliances for consumers, and standard setting authority;
 - assistance for low-income people to insulate their homes and reduce their energy costs;
 - production from the Naval Petroleum Reserves;
 - extension of coal conversion authorities for utilities;
 - the establishment of a strategic petroleum reserve; and
 - emergency standby authorities to better deal with an embargo, both at home and with our consuming allies;
- . In addition, I have achieved agreement with the Congress on the phased decontrol of oil, I have reorganized and expanded the research and development effort, and worked with the Congress to separate nuclear development from nuclear regulation. I have signed a bill into law setting energy efficiency standards for our autos; I have developed oil sharing agreements with our allies in Europe and Japan; I have established dialogues with the producing nations to try to increase the security of the oil we do import.

Achievement of these steps has not been easy. Congress has resisted every step of the way, and there is still much to be done -- such as my insulation tax credit for middle-income homeowners, actions to increase the supply of natural gas, and to expand our uranium enrichment capacity and achieving a proper balance between our energy, environmental and economic values. But much progress has been made. We have reduced our vulnerability by approximately one-half in 1985 from what it was projected to be when I assumed office.

ENERGY SCORECARD

PRESIDENTIAL PROPOSALS
PASSED BY CONGRESS

1. NPR PRODUCTION
2. STRATEGIC RESERVES
3. STANDBY AUTHORITIES
4. COAL CONVERSION
5. APPLIANCE LABELLING
6. BUILDING STANDARDS
7. WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS
8. PRICE-ANDERSON NUCLEAR INSURANCE EXTENSION

ADDITIONAL BILLS
SIGNED INTO LAW

1. PHASED DECONTROL OF OIL
2. AUTO EFFICIENCY STANDARDS
3. COAL LOAN GUARANTEES
4. CONSERVATION LOAN GUARANTEES
5. STATE CONSERVATION PROGRAMS
6. EXPANDED R&D PROGRAMS

PROPOSALS STILL
WAITING ENACTMENT

1. NATURAL GAS DEREGULATION
2. NATURAL GAS EMERGENCY AUTHORITY
3. SYNTHETIC FUELS COMMERCIALIZATION
4. INSULATION TAX CREDIT
5. ALASKAN GAS TRANSPORTATION
6. NUCLEAR LICENSING
7. NUCLEAR FUEL ASSURANCE
8. CLEAN AIR ACT
9. ENERGY INDEPENDENCE AUTHORITY
10. ENERGY FACILITIES SITING
11. UTILITY TAX INCENTIVES
12. UTILITY REGULATORY REFORM
13. OIL SPILL LIABILITY
14. URANIUM ENRICHMENT
15. IMPACT ASSISTANCE

FOREIGN

ROLE OF NUCLEAR POWER

Question

What is your position on the role of nuclear power as an energy source?

Answer

We must increase the use of both coal and nuclear energy in order to meet our energy needs in the years ahead. Even with strong efforts to conserve energy, the nation's energy needs will be increasing. We cannot continue to increase our reliance on expensive imported oil without jeopardizing our nation's strength and welfare. Specifically with respect to nuclear power, several points are important:

- . First, we are now in the 18th year of commercial nuclear power production in the United States. We now have 58 plants operating, supplying about 9% of our electricity. In total, the Nation's commercial nuclear plants represent nearly two hundred plant years of operating experience -- without a single death from a nuclear accident. That's a good record.
- . Second, even though we have an excellent safety record, we are continuing our efforts to assure it remains so in the years ahead. As one step, I have asked for more funds in 1977 for both the Nuclear Regulatory Commission (NRC) and ERDA for reactor safety R&D. I have also requested funds for a major expansion of programs to provide safe, secure and environmentally acceptable transportation and storage for nuclear wastes.
- . Third, in January 1975, I activated NRC as an independent regulatory agency for commercial nuclear power. Ensuring the safety and security of nuclear power plants are primary responsibilities of that agency.
- . Fourth, my environmental advisers have told me that from an environmental point-of-view, nuclear energy is preferable to the other principal ways of generating electricity.

Finally, I recognize that there are still a number of responsible people in the country that have legitimate concerns and questions about nuclear power. This is quite understandable. We should expect questions about any relatively new technology. It's important that we respond to these questions in a thorough and candid manner, and I have asked that all Federal agencies do just that.

We will have to rely on coal and nuclear energy until more acceptable alternatives are developed. We are pushing ahead with work on all promising alternative technologies but it is clear that we cannot expect the major contribution to our energy supply from any of these alternatives until late in this century.

NUCLEAR PROLIFERATION

- Q. The Congress seems ready to pass legislation to restrict U.S. nuclear exports as one measure to reduce the risk of proliferation of nuclear explosives due to nuclear power plants. Are you willing to accept legislation in this area?
- A. I have met with leaders of the Joint Committee on Atomic Energy already and pledged to work with them to develop legislation that could be enacted this year dealing with nuclear exports.

In July, I also directed that a comprehensive review be undertaken of all our nuclear policies and options to see what more should be done in the areas of nuclear exports, proliferation, reprocessing and waste management. I expect to have the report from that review in the near future

The United States has a good record of actions to control proliferation. We have achieved a great deal through our role as a competitive and reliable supplier of nuclear fuel and equipment for peaceful purposes. This has given us the leverage to insist upon tight controls. I believe that our role as a supplier will continue to be one of our best tools for controlling proliferation.

NSC