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THE WHITE HOUSE
WASHINGTON

Date

RNV
10/13/76

TO:

Ron Nessen

FROM: Max L. Friedersdorf

For Your Information

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Comments, Please

Other

Only a fantasy

Sunday Chronicle-Herald

Augusta, Ga., September 26, 1976

MEMO

Newsletter of The American Institute of Architects #522 October 26, 1976

FORD AND CARTER RESPOND TO AIA POLICY STATEMENTS

Earlier this year, AIA's Government Affairs Department prepared statements of AIA policy on eight issues of major concern to architects and to the nation in this presidential campaign year.

Through AIA's National Presidential Election Campaign Task Force, Democratic candidate Jimmy Carter and Republican incumbent Gerald R. Ford were presented with the AIA policy statements and asked to respond directly to AIA with their positions on each issue.

Both candidates responded to the statements at some length. In order to present the candidates' positions here, the MEMO has excerpted verbatim portions of their responses on each issue. Synopses of AIA's policy statements are printed below in boldface. The remarks of the candidates follow each statement.

The Construction Industry and the Economy: As the second largest industry in our economy, the construction industry cannot be allowed to continue absorbing the brunt of the current economic retrenchment if the industry is to play its traditional role of leading the country out of recession.

Ford: I share your concern over the strength of the construction industry. We have seen steady recovery in the housing industry since mid-1975, particularly in the single-family area. I have proposed legislation that would stimulate further housing construction by lowering downpayment requirements and raising mortgage limits under the Federal Housing Administration insurance programs. In addition, I have authorized the release of \$5 billion in tandem funds this year for the purchase of mortgages on multi-family housing. As contractors use the available funds, this sector of the industry will show a dramatic improvement.

Carter: I agree wholeheartedly with the issue statement of the AIA on the importance of the construction industry to a healthy economy, and will support steps to get planning underway for future construction.

Saving Energy in the Built Environment: A high priority national effort to create an energy efficient building inventory is necessary to reduce American energy consumption and dependence on fossil fuels. Savings of 12.5 million barrels of petroleum equivalent per day could be achieved by 1990 through such a program. The government should provide financial incentives to stimulate this energy conservation effort.

Ford: I have advocated strong federal action to save energy in buildings. In January, 1975, I submitted to the Congress measures designed to stimulate energy conservation in existing residential and commercial buildings. The Energy Conservation and Production Act, which I signed on Aug. 14, represents some progress. I believe that we will make significant gains in the near future, and that energy consumption in the building sector will drop markedly from previously forecast levels. I expect to work closely with architects, engineers, and other members of the building community to make these programs effective.



Carter: Because energy has historically been cheap and abundant in the U.S., we have become one of the most wasteful of the world's societies. Better than 50 per cent of the energy we use goes to waste—a luxury which this country can no longer afford. The Ford administration has failed to provide the kind of leadership and the incentives needed to initiate a comprehensive and aggressive energy conservation program. If elected, I will initiate and fully implement programs to reduce the amount of energy we waste in our homes, commercial, and industrial buildings. We must undertake a program to retrofit existing structures as well as establishing performance standards for new construction. The energy savings realized from these programs, along with conservation efforts in other areas, such as the pricing of electricity, improvement of energy efficiency in our industrial processes, and development of energy efficient transportation systems, are critical to bridging the gap between our current sources of energy and the development of new technologies for renewable energy sources.

Housing: To achieve the goal first stated in 1949—a decent home in a suitable living environment for every American family—this country must have a wide range of housing programs, including adequate mortgage credit, solid production programs to develop new and rehabilitate or preserve existing housing, and subsidies for low- and moderate-income families and individuals who cannot enter the private housing market on their own.

Ford: For moderate-income families, the most important obstacle to the availability of housing is inflation and the high interest rates it breeds. My administration has cut the inflation rate in half by controlling federal spending. I agree that adequate mortgage credit must be available throughout the economic cycle. We are

now providing that credit when mortgage money is tight. To assist home ownership directly, I will submit legislation to allow lower downpayments on FHA-insured loans and to increase the mortgage limit for those loans. I am also implementing the FHA-insured graduated payment mortgage, an innovative mortgage instrument that will allow young families to make low monthly payments in the early years of the mortgage.

Carter: The AIA has very clearly identified the basis of a realistic and successful national housing policy. We must use an array of programs and policies if we are to meet our housing goals. We must also design and administer these programs so that they are responsive to the needs of those they are meant to serve. Honest, efficient and active leadership is long overdue in meeting our national housing needs.

Urban Rehabilitation and Rebuilding: A major program of urban rehabilitation and rebuilding must be begun to reclaim the vast resources contained in our cities. A combination of private capital and public funding should be made available to municipal governments, which must be vested with new, broader authorities and more flexibility.

Ford: I am pleased to report that a major program of urban rehabilitation and rebuilding is already underway. It is a multi-faceted effort combining federal stimulation with local initiatives and contributions from the private sector. Most local rehabilitation projects substantially involve private lending institutions, and this extends to other related programs as well. The Urban Homesteading Program and the Urban Reinvestment Task Force act as catalysts to local efforts to revitalize older neighborhoods.

Carter: We have too long ignored the importance of conserving both our natural and man-made resources. Just as government cannot afford to waste its fiscal resources, we cannot afford to lose the wealth of our nation's cities. A cooperative effort on the part of every level of government and the private sector is essential to our urban conservation strategy. The foundations of this urban program will be sound policies and support for programs to revitalize the economies of our urban areas and restore a stable pattern of growth in our chronically depressed regions.

Land Use: The federal government should provide financial support to states for the development of state land use plans and implementation mechanisms. While the primary responsibility for land use planning and management rests at the state level, state programs should take into account national policies on such issues as housing, environmental quality, and civil rights.

Ford: I am opposed to direct federal land use planning. In this country, responsibility for land use planning and growth management is shared among all levels of government. The primary federal role has been to support state and local responsibility. National standards, such as those for air and water quality, and national goals, like an adequate supply of low-income housing, have been established by Congress and the Executive Branch. Combined with state constitutional authority to plan and manage land use, they provide a framework, I believe, for local communities to decide how they should grow and develop.

Carter: As I stated to the Democratic Platform Committee, I recognize the need for better land use planning. I favor giving planning assistance to the states to help them exercise their responsibility for specific land use and management decisions. While the primary responsibility for these activities must remain with the states, individual state plans must take national policies in the areas of environmental quality and civil rights into account.

Historic Preservation and Adaptive Use: The historical and cultural foundations of the nation should be preserved as a living part of our community life and development. Preservation and adaptive use of our architectural and historic assets can provide an energy-conservative, labor-intensive means to accomplish this goal. Private initiatives, revolving funds, and tax credits are currently supporting preservation and adaptive use projects. Other possibilities which should be explored include new tax laws to encourage rehabilitation of older buildings and federal insurance loans to restore historic buildings for residential and commercial purposes.

Ford: One of the most important sources of our sense of national direction is our cultural and architectural heritage—the historic sites structures, and landmarks that link us physically with our past. Federal and state government has a proper role in this continuing partnership with the private sector to preserve our heritage. I am committed to continuing and enhancing financial support for these programs.

Carter: Preservation of our historic and cultural areas is vital to maintaining our sense of heritage, community, and neighborhood. These structures are rich in the history of this country, and as the AIA's restoration of the famous Octagon demonstrates, they can provide a sense of the past which increases the meaning of the present. I would agree that we should support efforts to use and to preserve our historic resources.

To the two additional issue statements given the candidates by AIA—one calling for consideration of the concerns of the architectural profession in professional liability and the other a statement in opposition to procurement of federal A-E services by competitive bidding—Mr. Ford made no response. Mr. Carter responded that, if elected, he would give continuing attention to these issues and applaud steps taken independently by AIA to deal with them.

L.A. Duck
Herald
11/27/76

From Joe Fritsain

The Truth about Jimmy Carter

As a keen observer of people in the news, perhaps you have observed that Jimmy Carter says, "Trust me, I'll never lie to you." This campaign rhetoric sounds good. But is it too

Governor Sanders says, "Carter is far more liberal than I ever was."

"His own mother, Miss Lillian, has said: 'I know Jimmy writes about how poor we were

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L.A. HERALD
EXAMINER

10/17
POLITICAL REPORT

Readers' Poll Gives Debate Lead to Ford

By JACK BROWN
Herald-Examiner Political Writer

Los Angeles Herald-Examiner, Sun., Oct. 17, 1976 A-11

NATIONAL TESTS FAVOR CARTER

By The Associated Press

William A. Rusher

Reality May Cool 'Liberal' Carter

Morrie Ryskind

The Real Winner of Debate Two

EDITOR'S REPORT

**Mr. Carter's
Credibility**

By WILLIAM RANDOLPH HEARST Jr.

Herald-Examiner photo by Joe Messinger

Walters to Moderate Last Debate

Barbara Walters will be the moderator for Friday's final presidential debate between President Ford and Jimmy Carter, it was announced Tuesday.

The League of Women Voters also announced that the three-member panel of questioners would consist of Jack Nelson, Washington bureau chief of the Los Angeles Times; Robert C. Maynard, editorial writer and columnist for the Washington Post, and Joseph Kraft, syndicated columnist. AP, UPI, ABC, NBC -- (10/19/76)

CARTER/MONDALE CAMPAIGNIssuesCarter Says Economy in Downward Slide

New government statistics prove America's economic recovery is "running out of steam" and high unemployment will continue, Jimmy Carter's campaign headquarters said Tuesday.

"The Ford Administration says prosperity is just around the corner, yet new signs of weakness are appearing every day," said a statement issued by the Democratic candidate.

"After seeing bad economic indicators for over a month, we now have proof the economy is in a downward slide. The continued economic slide... means a continuation of high unemployment, huge budget deficits and poor prospects for any improvement in the standard of living of the average worker."

The Commerce Department reported Tuesday that the nation's economy slowed to a 4 percent annual growth rate during the July-September quarter. It said the increase in the "real" gross national product -- the total value of the country's output of goods and services -- was the slowest annual rate increase since the fourth quarter of last year when the economy expanded by only 3.3 percent.

Repeating his call for a national health insurance in Miami, Carter said the basic principles are clear, even though it is a complex program.

"The coverage must be universal and mandatory," he said.

Kenley Jones said the nation's elderly would benefit most from Carter's proposal, adding he did not pass up the opportunity to make that point clear in Miami, which is heavily populated with retired people.



Economists Say Slow Growth Rate Necessary

Secretary William Simon said in Salt Lake City the slower GNP growth rate reported Tuesday is a "necessary and desirable" part of the economic recovery. (NBC)

John Kendrick, the Commerce Department's chief economist, said today's figures indicate the economy stood still in the third quarter because "4 percent is what is needed to keep up with normal growth in employment." (CBS)

But Kendrick said he expected stronger increases in the GNP in the coming quarters. He predicted the "real" GNP will grow by 6 percent in the fourth quarter of this year.

Simon said, "There is widespread agreement across the spectrum of economists that the economy is going to continue to expand, but at a slower pace. (NBC)

Ford's economic adviser, Alan Greenspan, said, "Because we still have an abnormally high rate of unemployment which this Administration is programmed to get down as quickly as is feasible in a way that it will stay down. Clearly, 4% growth is not enough to do that and that is the reason why our policy goal is clearly higher than that and we certainly expect a much higher rate of growth than 4% in the quarters immediately and throughout next year." (CBS)

Joseph Duffy, Carter's issues adviser, said, "I'm disappointed Mr. Greenspan continues to call it a pause. It's clear it's a decline. The economy is worsening. I think that's clear from the data we have. It's really an awful prospect for the future of the economy... We simply don't even stand still at this rate. We slip back a little bit." (CBS)

Simon and other Administration officials tried to put the "best face" on Tuesday's figures even though the economy's growth was less than they had forecast earlier this year, Irving R. Levine reported. (NBC)

The Administration spokesmen are treating the new GNP figures as simply a confirmation of the economic recovery pause, George Hermann reported. (CBS)

Privately, Administration officials said they do not expect the new figures to help President Ford, but hope they will not hurt him, Levine said. (NBC) AP,UPI,Networks -- (10/19/76)

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CARTER

Exclusive interview with Jimmy Carter

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**JIMMY CARTER
FORMER GOVERNOR
OF GEORGIA
THE DEMOCRATIC
CANDIDATE**

October 14, 1976
New York Times

28

C

CARTER DONORS IN '70 REMAIN UNDISCLOSED

Despite His Repeated Vows to List
Backers of Race for Governor,
He Has Not Yet Done So

By NICHOLAS M. HORROCK

Special to The New York Times

WASHINGTON, Oct. 13 (AP) — For eight

Jimmy Carter on Church and State

If you liked Richard Nixon, you'll love Jimmy Carter.

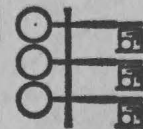
Don't vote till you read Page 62 of the November Penthouse

PENTHOUSE is the magazine that broke such major news stories as: the CIA complicity in domestic spying, assassination, narcotics and the overthrow of foreign governments; Richard Nixon and Organized Crime, the plight of the Viet-

nam Veteran, La Costa, Lee Harvey Oswald was Innocent, the sinking of the Liberty, Kissinger's Secret Empire, etc., etc., making PENTHOUSE one of the biggest contributors among all publications to the Congressional Record.

So when the November issue says the peanut populist from Georgia may be the latest incarnation of Tricky Dick, that's something you must read before you vote. PENTHOUSE. We uncover a lot more than beautiful women.

PENTHOUSE



More than just a pretty face.

news & views

PUBLISHED BY THE AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

Volume 26, No. 10

OCTOBER 1976

In September, *P.A. News and Views* invited Presidential Candidates Carter, Ford, Maddox, and McCarthy to submit brief statements on the topic, "The Management of the American Governmental System." Candidates Carter and Ford submitted statements prepared specifically for *P.A. News and Views*. Candidate McCarthy submitted a press release and an excerpt from a previous speech dealing with the subject, and Candidate Maddox thanked *P.A. News and Views* for the opportunity, but said he did not have the time nor the staff to reply.

The following are the statements of three presidential candidates on:

THE MANAGEMENT OF THE AMERICAN GOVERNMENTAL SYSTEM



Jimmy Carter

On the campaign trail, a lot of promises are made by candidates for public office to improve economy and efficiency in government if they are elected. This pledge has a natural appeal to the financially overburdened taxpayer. But when winning candidates take office, they too often find that it's easier to talk about economy and efficiency in government than to accomplish it. I would like to share with you some of my ideas on how to carry out improved management of the federal government.

The basic difficulty facing the federal government today cuts across all other campaign issues. National problems and the government programs and agencies intended to deal with them have become incredibly complex. To begin with, the federal government is ill-equipped to deal with a

See CARTER, page 3



President Gerald Ford

I commend the members of the American Society for Public Administration for your excellent work in helping to improve public management. I especially note with satisfaction your educational programs and efforts to exchange useful management information and experience with federal, state, and local governments.

The term "management" was not in use at the time of the framing of the Constitution, yet it is clear that management is what the drafters had in mind when they vested the President with the general executive powers and charged him to "take care that the laws be faithfully executed" (Art. II, Sec. 3). This "take care" clause conveys particularly well the fundamental responsibility of the President with respect to the management functions of planning, organizing, actuating, co-

See FORD, page 3



Eugene McCarthy

WASHINGTON, D.C., September 23, 1976 — Independent presidential candidate Eugene McCarthy today characterized the Carter energy program as misconceived and inadequate. Said McCarthy, "There should be no separate department of energy since energy supplies, needs and use must be a part of general resources policy, which neither Ford nor Carter have." McCarthy continued, "The need is for a Department of Resources which would include, along with energy, agricultural production (not marketing), forestry, mines and minerals."

The Resources Department would be according to a projected reorganization plan being prepared by the independent McCarthy. He would propose to reorganize the Executive Branch of the government into five basic departments. The other four would be:

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CARTER, from page 1

growing number of problems that transcend departmental jurisdictions. For example, foreign and domestic issues are becoming more interrelated; domestic prosperity and international relations are affected by our foreign agricultural policy, by raw materials and oil policies, and by our export policies, among others. *We must develop a policy-making and management machinery that transcends narrow perspectives and deals with complex problems on a comprehensive, systematic basis.*

In addition, the proliferation of programs and agencies, particularly in the past ten years, has inevitably created duplications, waste, and inefficiencies. There are over 83 federal housing programs, 302 federal health programs, and over 1,200 assorted commissions, councils, boards, committees, and the like. *We must undertake a thorough revision and reorganization of the federal bureaucracy, its budgeting system, and the procedures for analyzing the effectiveness of its services.*

The first step is to reshape the way we make federal spending decisions. *The federal government should be committed to requiring zero-base budgeting by all federal agencies.* Each program, other than income support programs such as social security, should be required to justify both its continued existence and its level of funding. We need to continue and expand programs that work and to discontinue those that do not. Without such a comprehensive review, it will be difficult to assess priorities and impossible to redirect expenditures away from areas showing relatively less success.

The heart of zero-base budgeting is decision packages, which are prepared by managers at each level of government, from the top to the bottom. These packages cover every existing or proposed function of activity of each agency. The packages include analysis of the cost, purpose, alternative courses of action, measures of performance, consequences of not performing the activity, and benefits.

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FORD, from page 1

ordinating, and controlling, which are the necessary consequences of faithful and efficient execution of the nation's laws governing Executive Branch activities.

Over the course of almost 200 years, the role of the federal government has expanded and grown more complex. Each year new laws are passed by Congress which make the jobs of both the Congress and President more demanding. This is a direct reflection of what has happened in the country — the United States is a far larger, more complicated nation than that perceived by the founding fathers, and it demands a far more sophisticated federal government to administer national affairs.

Each President must cope with this complexity within the continuing constitutional framework of checks and balances. As President, I have pursued a broad range of initiatives in a constant effort to improve the quality of management in the federal government. My commitment to improved management of the governmental system is fully demonstrated in my legislative and budget programs. A few examples illustrate that commitment:

- I have proposed reform of the regulatory process to make regulatory agencies more effective and efficient in order to better serve the needs of the American people.

- I have placed increased emphasis on improving management in connection with the annual budget process. The yearly instructions to the agencies on developing their budget recommendations now require the agencies to do a better job in identifying program objectives, reducing paperwork, and assessing effects of inflation.

- I placed before the Congress in January legislative proposals to consolidate 58 categorical programs into four block grants. Together these 58 programs account for over \$18 billion in federal spending for health, education, social services, and child nutrition. The defects in these programs and the obvious need for reform have been well documented.

McCARTHY, from page 1

—Commerce, which would include agricultural marketing, transportation, banking, regulatory agencies, postal services, housing, and labor.

—Justice, largely as now operating, with additional responsibility in the handling of tax cases.

—Foreign Affairs, which would include both State Department and military operations.

—Finance Department.

Finally, Eugene McCarthy would limit the number of independent executive offices which are self-contained and can be operated outside normal channels to those principally concerned with state, local, and federal government relationships.

* * * * *

The following are excerpts from an address given by Senator McCarthy to the 4th Annual AFL-CIO National Conference on Community Services in Chicago, Illinois, on June 1, 1959:

"We are guided by the fundamental rule of social philosophy, the principle of subsidiarity: that government should leave to individuals and private groups those functions which they can efficiently perform for themselves. But at the same time we must realize the right, the duty, of government to intervene when basic human welfare is at stake."

- I have directed a comprehensive review of energy organization to assure the most effective long-term structure for managing energy and energy-related functions. The Energy Reorganization Act of 1974 established the Energy Research and Development Administration and the Nuclear Regulatory Commission, and the Federal Energy Administration Act established the Federal Energy Administration to deal with the oil embargo and the energy crisis. It is generally recognized, however, that these actions were interim measures and that a more comprehensive plan would be necessary to deal with the entire range of federal energy problems.

- I have placed increased emphasis on intergovernmental relations

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CARTER, from page 3

These packages are then ranked in order of importance against other current and new activities, as a basis for determining what functions and activities are to be recommended for funding in the new budget.

Besides placing priority on spending programs and revealing more information about actual governmental operations, zero-base budgeting achieves one more important action: it forces planning into levels of government where planning may never have existed. It forces all levels of government to find better ways of accomplishing their missions.

Second, we must commit ourselves to a greater reliance upon long-term planning budgets. I propose that we adopt a three-year rolling budget technique to facilitate careful, long-term planning and budgeting. Too many of our spending decisions are focused just beyond our noses on next year's appropriations. "Uncontrollable" spending is only uncontrollable in the short run; spending can be controlled if the planning system builds in more lead time. The three-year rolling budget technique will also permit businessmen and public officials at the state and local levels to do a much better job in laying out their own plans, relying less on the need for more elaborate proposals of comprehensive planning.

Third, reforming the budget and planning process will not be enough unless we are also committed to insuring that programs are carried out with efficiency. Improving government's performance will require action on at least two other levels. We must undertake the basic structural reforms necessary to streamline federal operations and to make the government efficient once again. And we need increased program evaluation. Many programs fail to define with any specificity what they intend to accomplish. In Georgia, we applied rigorous performance standards and performance auditing. Such standards, which are working in state capitols around the nation and in successful businesses, should be adapted for use in federal departments and agencies.

Fourth, we must take steps to help

insure that we have an open and honest government as well as an efficient and effective government. *An all-inclusive "Sunshine Law," similar to those passed in several states, should be implemented in Washington.* With narrowly defined exceptions, meetings of federal boards, commissions, and regulatory agencies should be opened to the public. *Broad public access, consonant with the right of personal privacy, should be provided to government files.*

The activities of lobbyists must be much more thoroughly revealed and controlled, both with respect to Congress and the Executive departments and agencies. Quarterly reports of expenditures by all lobbyists who spend more than \$250 in lobbying in any three-month period should be required. *The sweetheart arrangement between regulatory agencies and the regulated industries must be broken up,* and the revolving door between them should be closed. Federal legislation should restrict the employment of any member of a regulatory agency by the industry being regulated for a set period of time.

Thus our first priority must be to improve both the process and structure of government. We seek a government that is efficient and effective, open and honest, and compassionate in achieving justice and meeting our critical national needs. Reorganization is not a dry exercise of moving around boxes in an organizational chart. It is a creative venture toward the better direction of the energies and resources of our government.

The reform I am seeking is not a retreat; it is a marshalling of our resources to meet the challenges of the last quarter of this century. The problem is not that program goals are unworthy; it is not that our public servants are unfit. What is at fault is that the structure and process of our government have not kept up with the times and a changing society.

In our fast moving world, the relationships among societal factors are indeed difficult to understand. Increases in world population, food shortages, environmental deteriora-

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FORD, from page 3

through improved policy guidance and strengthening the Federal Regional Councils. I look to the Federal Councils as a major force in our efforts to make government more efficient and responsive to the needs of the American people.

- I have proposed reform of the so-called Impact Aid Program. This initiative would ensure that school districts that are adversely affected by federal activities would receive offsetting support. At the same time, my proposal would not provide support where there are ancillary economic benefits provided through a federal presence or where there is no true burden resulting from federal activities.

- I have directed the establishment of a management orientation program for non-career executives who are new to the Executive Branch. The program has been established and is currently operational. This is a White House/OMB/Civil Service Commission enterprise which, through seminars and special reading materials, ensures that non-career executives, as they take office, are very well informed about how the Executive Branch and its central staff institutions work at the top level.

These are but a few of many, many examples where specific action has been proposed or taken to improve the governmental system. Perhaps the most important part of the total effort is our continuing work with the departments and agencies to "build in" effective management principles and practices in their major programs. Using the budget process, the Office of Management and Budget (OMB) circulars, and a variety of other techniques, we seek better program planning, clearer definition of program objectives, detailed, well-designed implementation plans and procedures, effective evaluation of programs, tighter financial controls, and improved management systems to support decision making.

The ongoing Presidential Management Initiatives effort, for which I have charged the Director of OMB to

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Federal Employment Application Forms

Eliminate Questions on Organization Memberships

Applicants for positions with the federal government will no longer be required to answer questions pertaining to membership in organizations when they fill out Standard Form 171 and other applications for federal employment, the U.S. Civil Service Commission has announced.

The decision to discontinue using the questions followed extensive consultation with the Justice Department, the Commission noted. Although revised several times, the questions have been held by the courts to be overbroad in that routine use of the questions for all applicants encroaches on rights of association which are protected by the First Amendment.

Historically, questions regarding affiliation with organi-

zations were designed to elicit information regarding membership in the Communist Party or other totalitarian organizations. The Commission noted that the decision to drop the so-called loyalty questions from federal employment applications does not lessen the Commission's responsibility during the course of the required investigative process to inquire into, and resolve, any question of loyalty with respect to federal applicants and appointees.

The questions will be deleted from application forms when they are revised, the Commission announced. In the meantime, instructions have been sent to Commission examining offices to inform all applicants in writing not to answer those questions on existing forms.

CARTER, from page 4

tion, depletion of irreplaceable commodities, trade barriers and price disruptions, arms buildups, arguments over control of the seas, and many other similar problems are each one serious in itself, but each has a complicating effect on the others.

As I stated at the outset, we must develop a policy-making and management machinery that transcends narrow perspectives and deals with complex problems on a comprehensive, systematic basis. Whether the

issue is the cities, tax reform, energy, or transportation, *I am committed to forging a federal government which can successfully manage the modern complexities of America's third century.*

FORD, from page 4

provide leadership, is an illustration of this point. At my direction, nearly all departments and agencies are currently seeking ways to improve their decision-making processes and organizational structures, to obtain better evaluations

of their programs, to reduce the burdens imposed by federal reporting and regulations, to hold down overhead costs, to increase the use of the private sector in carrying out program functions, and to improve personnel management. These steps may appear unexciting to those who are constantly looking for dramatic new policy initiatives, but in the long run, the key to effective government is to make the programs we already have live up to their promise, by conducting them in an efficient and effective manner.

THE PRESIDENT'S CABINET: ISSUES AND QUESTIONS

BRADLEY H. PATTERSON, JR., a federal career executive with over 13 years' White House service, has written a provocative paper . . . one that will remain a landmark in the field for years to come.

Inside this remarkable work you will read:

- How should department heads be selected? What are the attributes a President looks for? What is their relative importance?
- Cabinet officers are torn in many directions by forces which demand attention and deference. What are they?
- The Presidential staff and cabinet members tend to have markedly different perspectives. What is the significance of this?
- Cabinet officers have to work together. What are the methods and which ones are most effective?
- President and Cabinet together. How did earlier Presidents regard their Cabinet meetings? What were the Eisenhower innovations? How did they work and in what four ways were they effective? What are the three basic modes of a President using his Cabinet?

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October 1976
Vol. 23, No. 9

CAMPAIGN ISSUE

A Message to the Federal Bar Association from Hon. Jimmy Carter



I am pleased to have this opportunity to share my views with the distinguished members of the Federal Bar Association on two issues of great concern to all of us: integrity in government and judicial reform.

In recent years much has been said about maintaining standards of justice and morality in government, but little action has been taken to restore the openness and honesty which once characterized our national leadership. Consequently, the public feels alienated from our government, our courts and the legal profession itself, and regards these institutions with suspicion and, at times, even disdain.

There is, of course, no magical formula that will transform our government overnight and restore our people's faith in it, but we can move quickly and forcefully toward establishing strict standards of moral conduct.

The following principles should serve as the foundation for this reform:

1. We must set requirements for complete financial disclosure by all major officials, prohibiting any business transaction which constitutes a possible conflict with the public interest;
2. We must forbid public servants from accepting gifts of value;
3. We must place restrictions on the "revolving door" arrangement between regulatory agencies and industries they regulate;

4. We must insist that the activities of lobbyists are revealed and controlled;

5. We must extend the law requiring public financing of campaigns to include all members of Congress;

6. We must select our judges, diplomats and other important officials on the basis of their professional qualifications, rather than their political loyalties;

7. Wherever feasible, we must implement broad sunshine requirements so that the public is not excluded from the decision-making process;

8. To prosecute important government officials who act illegally, we must provide for a court-appointed special prosecutor by legislative act. Rather than establishing another permanent agency, this prosecutor would be called upon when needed;

9. Above all, we should guarantee that minimum secrecy in government is accompanied by maximum privacy for private citizens.

The judicial system is in dire need of this kind of reform and scrutiny. The crazy quilt of regulations and procedures, inefficient handling of cases, and the staggering number of legal disputes have all contributed to a tragic situation; poor and middle-income Americans cannot afford legal services, and civil and criminal justice is denied them because their cases are intolerably delayed. To deal with this crisis a wide array of initiatives must be taken, including: reor-

(continued on page 279)



A Message to the Federal Bar Association from Hon. Gerald R. Ford

Thank you for this opportunity to share my thoughts with the members of the Federal Bar Association. Your organization provides a singular forum for the exchange of ideas among the attorneys in this country who serve the government and those who plead before the Federal Bar.

I came to Washington in 1949 as a young lawyer elected to serve in Congress. Since that time, I have gained increasing respect for the lawyers who serve in government. The roles of attorneys in Washington have always been both influential and extensive. One of the challenges to the future is to find ways for lawyers to benefit sufficiently from their government service so that they will choose to continue to serve in government, despite the temptation to return to the private practice of law. Our country needs the services in government of talented and ethical advocates. We must create a climate in which that calling is rewarded.

My own decision to become a lawyer grew out of a life-long admiration for Abraham Lincoln, who once wrote, "It is as the peacemaker that the lawyer has the superior opportunity to be a great man." In our society, lawyers frequently must serve as peacemakers, and this is particularly true in Federal service.

The skills that lawyers bring to government service serve them well whether they use their legal training as managers, as authors of legislation, as trial

attorneys, or as advisors. The training of lawyers makes them uniquely qualified to bring to their roles in government the qualities of negotiators and peacemakers. As lawyers, you serve the government as honest brokers for the public interest.

Your training also qualifies you for a special contribution to the process of government. As Dean Roscoe Pound of the Harvard Law School pointed out, there are six rules that make a vocation a profession:

- The mastery of special skills and methods
- Knowledge of scholarly, historical or scientific principles
- Long and intensive preparation and a commitment to continuing study
- High standards of achievement and conduct
- A personal freedom and independence of ideas
- A sense of dedication to public service.

Certainly, these qualities should be pre-eminent in the practice of law in government.

I am aware that one of the concerns of your membership is the need for government attorneys to find ways to continue their professional education. This is an admirable goal, and we are exploring ways in which we can encourage

(continued on page 285)

FBA Opposes D.C. Bar Ethics Proposal as Harmful to Government Service

The Federal Bar Association adopted a resolution strongly opposing a proposed ethics opinion of the District of Columbia Bar Committee on Legal Ethics as one that would cause serious, unjustifiable harm to the caliber of government service, despite its apparent good intentions. This action was taken by the Association at its annual meeting on September 18 at the Mayflower Hotel in Washington, D.C.

The proposed D.C. Bar ethics opinion provides that when a lawyer is disqualified from a matter because of substantial responsibility in that matter while a government employee, all partners and associates of that lawyer are also disqualified.

In its resolution, the FBA expressed its belief that the D.C. Bar's proposed opinion, if adopted, "would cause serious harm to the federal service by substantially impairing the ability of the government to recruit both young and experienced lawyers, without overriding benefit or justification."

The D.C. Bar's proposed ethics opinion is contrary to the position of the American Bar Association on the same issue. The ABA's Formal Opinion provides that the firm, partners, and associates of a lawyer personally disqualified in a matter due to prior government service may participate in that matter, if the disqualified lawyer has been screened, to the satisfaction of the government agency concerned, from participation in the work and compensation of the firm in the matter.

No evidence of abuse from the screen-

ing procedure recommended by the ABA and currently employed by many government agencies was cited in the D.C. Bar's proposed opinion. The Department of Justice has expressed its opposition to the proposed ethics opinion. Government officials have also spoken against it. In a luncheon speech given at the FBA's annual convention (see text in this issue) Calvin J. Collier, Chairman of the Federal Trade Commission, opposed the draft opinion.

In its resolution opposing the draft opinion, the FBA further said that the ethics proposal would "cause serious, unjustifiable harm to the careers of many attorneys both in federal service and formerly employed by the government."

The implications of the D.C. Bar's proposed opinion are that government lawyers, both young as well as experienced, who have substantial responsibility would often be precluded from later obtaining employment in law firms practicing in their specialties. As a result, the government service would suffer because many qualified attorneys would be unwilling to enter government if their future career opportunities were so severely limited.

The FBA has urged the D.C. Bar Committee on Legal Ethics to reconsider the draft opinion and approve the screening procedure currently in effect. An appropriate letter will be transmitted by the Association to the D.C. Bar.

Following is the full text of the Resolution adopted by the FBA on September 18:

Whereas, the District of Columbia Bar Committee on Legal Ethics has issued for comment a draft opinion which provides that when a lawyer is disqualified from a matter because of substantial responsibility in that matter while a government employee, all partners and associates of that lawyer are also disqualified;

Whereas, the Federal Bar Association believes that this opinion, if adopted, would cause serious harm to the federal service by substantially impairing the ability of the government to recruit both young and experienced lawyers, without overriding benefit or justification;

Whereas, the Association believes that the holding of the draft opinion would also cause serious, unjustifiable harm to the careers of many attorneys, both in federal service and formerly employed by the government; and

Whereas, in the view of the Association, the holding of the draft opinion is not supported by precedent or policy considerations and is contrary to Formal Opinion 342 of the American Bar Association, interpreting the ethical obligations imposed by the Code of Professional Responsibility;

Be it resolved that the Federal Bar Association is strongly opposed to the

draft opinion of the District of Columbia Bar Committee on Legal Ethics, imputing the disqualification of a former government attorney to his or her entire law firm when that disqualification is based upon prior government service; and

Resolved, further, that the Association urges the D.C. Bar Committee on Legal Ethics to reconsider the position of the draft opinion; and

Resolved, further, that the Association urges the D.C. Bar Committee on Legal Ethics to consider adopting for its draft opinion the position that the disqualification of any attorney from accepting private employment in a matter in which he or she had substantial responsibility while serving as a public employee only extends to the firm, partners, and associates of the disqualified lawyer when he or she has not been screened, to the satisfaction of the government agency concerned, from participation in the work and compensation of the firm in the matter; and

Finally Resolved, that an appropriate letter representing the views of the Federal Bar Association be transmitted to the District of Columbia Bar, to its Committee on Legal Ethics, and to other interested parties.

CARTER MESSAGE (from page 276)

ganization of the court system; simplified civil and criminal court procedures; compulsory arbitration outside of court; automatic review to assure increased uniformity of sentencing among judges; increased legal assistance for indigents in civil cases; a reduction in the emphasis on victimless crimes; expanded staff aid for judges and administrative officers in our courts.

In addition, we must increase the number of federal judges along the lines of the legislation currently pending in Congress in order to keep pace with the astounding rise of 45 percent in the

total number of cases in our country. An increase in federal judicial salaries is also needed to prevent a decline in the quality of those willing to serve on the bench.

It will be a difficult, complicated task to implement all the reforms needed to assure openness and honesty at every level of government and to reconstruct the machinery of our legal system so that it satisfies the demands of all our citizens, but I feel certain that we can accomplish it. Your intimate knowledge of the institutional structure in which you work makes you uniquely qualified to assist me in this endeavor. I sincerely hope that I will have your guidance and support.

There are other problems with the draft opinion's reasoning as well but I do not want to go into all of the details here.

The greatest shortcoming is that the draft opinion gives no serious thought of its likely effect on agency hiring prospects. Unfortunately, ignoring this problem or denying its significance on moral grounds will not make it go away.

Perhaps there is another explanation. It can be argued, I suppose, that a new incentive structure that forecloses whole areas of outside employment will encourage a better quality attorney to join the government and not leave. It may have no effect on those who are prepared upon such entry into government (perhaps from law school at age 25 or 26) to dedicate their whole careers to public service or those who have no long-term ambitions to achieve high salaries. Indeed, their chances for employment may increase as the competition dwindles.

Certainly the government is well served by having attorneys who have made these choices. But no showing has been made that attorneys with different personal goals do not make equally good or even better public servants. To make government service for attorneys substantially more difficult to exit can only make it less appealing to enter. And reducing the reservoir of potential recruits, it seems to me, can only reduce average quality in the long run.

In my own mind, I'm confident that this concern for attracting high quality lawyers to represent the government accounts for the willingness of agencies to grant clearances to law firms. And I'm equally confident that this assessment is correct.

Further adverse incentives inhere in the draft opinion. First, those government lawyers who wish to keep their options open may continue to do so. They need only avoid all unnecessary assignments and responsibilities. The fewer matters in which a lawyer is personally and substantially involved during his

government service, the greater the number of firms that will be eligible to hire him. The likely result may be that attorneys will avoid service in positions that will enlarge their sphere of infection.

Second, law firm disqualification may lead in the long run to a retreat from a liberal construction of the "personal and substantial participation" test on which disqualification, in the first instance, depends.

Conflict of interest rules must protect against appearances of impropriety as well as actual impropriety. But that's exactly what the existing rules do. For example, bribery and corruption are evils, but conflict rules properly go well beyond those prohibitions.

The appearance analysis, however, does not justify the invocation of unbounded imagination in conjuring up possible evils, and then building expensive fortifications against them. For example, the opinion suggests that strict rules are needed to prevent private firms from hiring away government lawyers who threaten their clients. This unlikely contingency, which would be perilously close to outright bribery, strikes me as fanciful. Moreover, it is flatly irreconcilable with the other alleged danger that a government lawyer would show favoritism toward what he hopes is a prospective employer.

The existing system has prevailed for a long time. Instances of abuse, to the credit of the bar and to the credit of those who have previously served the government, have not been identified. Absent some showing that hypothetical abuses occur in the real world, the draft opinion seems to be a classic case of overkill with serious adverse consequences to good government.

Even if I am wrong, I submit that these are issues best considered and resolved by Congress. In my view the local bar is overstepping. It is weighing essentially political questions and changing indirectly the incentive structure of government employment. Moreover, it is doing so largely in the name of protect-

ing the public relations image of the profession rather than the legitimate interests of clients.

It also appears to be motivated by a perceived need to upgrade public confidence in the integrity of governmental decision-making processes. Most assuredly, lawyers are officers of the court. But they should think twice about making these political judgments, particularly when they will affect the performance of government. The lurking concern that the government cannot be trusted to make these decisions because of the potential effects on the decision-makers themselves overlooks the important fact that the bar is not exactly a disinterested bystander in this whole affair. The self interest of the local bar in erecting barriers to competitive entry cannot be dismissed.

FORD MESSAGE

(from page 277)

Federal attorneys to participate in continuing education programs.

I am deeply committed to the reform of the Federal bureaucracy. I have taken a number of initiatives to simplify regulation and reduce government red tape. Over the past year, we cut the number of Federal forms by 12% and, I have proposed further cuts in the coming year. I know this is an area of great concern to Federal attorneys, and it is one in which I solicit your participation. The complaint is frequently voiced that attorneys shun government service because of the welter of administrative rules and regulations that restrict the freedom of the attorney to serve the public interest. Government and regulatory reform must be high priorities in the next few years. I will continue my efforts to make the Federal government accountable to the people of this country and to create a working environment for public servants that produces results instead of frustration.

We have heard proposals in recent months that restrictions should be imposed on the free movement of lawyers

Among other things, Congress has the power to replace the old incentive structure with an improved one, one that, for example, provides real pay and promotion comparability for its career attorneys. Congress also has the means to install new conflict of interest rules with greater fairness by making them prospective.

I know it is fashionable to observe that public confidence in government is pretty low. I also know that it is not fashionable to oppose any proposal whose proponents claim that it will restore that confidence.

But public confidence in the long run depends on government's abilities to provide first-rate public service. When that goal is jeopardized as I believe it is by the draft opinion, good intentions won't repair the damage.

from government service to private practice. Lawyers are ethically barred from handling matters in private practice for which they have had previous interest in government. We must not place unreasonable barriers on the valuable cross-fertilization of experience between public service and the private sector, nor should we impede the recruitment of the finest attorneys available in this country for serving the public interest. Your organization has taken an aggressive role in setting high standards in this area.

During some Congressional investigations of land sales before World War I, Boston lawyer Louis Brandeis appeared as a representative of a group of concerned citizens. When he took the witness stand, a Congressman challenged his right to be present.

"Who, sir," he asked, "do you represent? Who is the client retaining you?"

"I, sir," replied the future Supreme Court Justice, "represent the people. The public is my client."

It is my profound hope that those of us who serve as lawyers in government will never lose sight of Justice Brandeis' high ideal.

National Journal

THE WEEKLY ON POLITICS AND GOVERNMENT

OCT. 9, 1976/NO. 41

THE KINGDOM AND THE COMPANY

"Rather than the so-called nationalization being a case of 'throw the rascals out,' you might say that Aramco is being strengthened all the time."

CASTING THE BUDGET IN CARTER TERMS

"We want to have an impact on the fiscal year 1978 budget if we're elected."

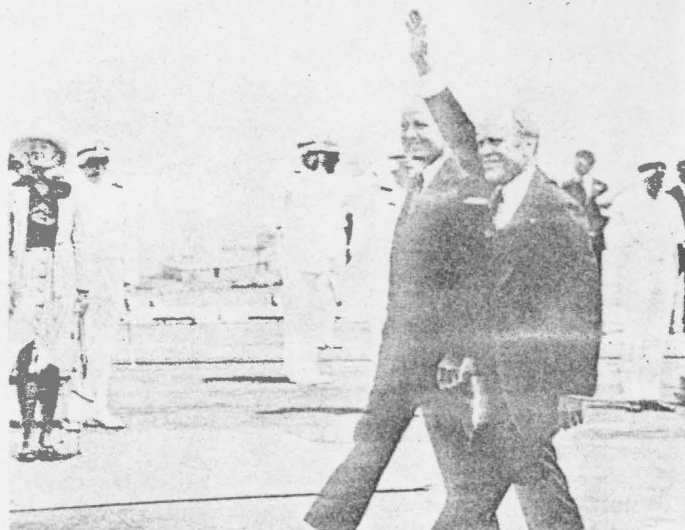
LABOR GEARS UP FOR NOV. 2

"This year labor's political activity has increased dramatically over what it's been doing in the last six years."

ENSURING THE FUTURE OF INSURANCE

"A federal subsidy merely postpones the day of reckoning by spreading the risk to the taxpayers. At some point, the legislatures and the courts will face up to the fact we cannot allow everyone who is injured not only to recover but to get virtually unlimited amounts of economic and non-economic loss."

President Ford Speaks Out On Free Enterprise



By Gerald R. Ford
President of the United States



Photo of President Ford aboard U.S.S. Forrester in Hudson River on July 4, 1976 (note New Jersey in background) was taken by Michael Romeo.

A working America is a buying America, an investing America, a saving America. Unemployment checks are to maintain life, paychecks are to enrich life. No American can successfully engage the pursuit of happiness until the needs of adequate food, clothing, shelter, education and employment are met.

If we are to meet the employment requirements of our expanding populations by the year 1980, we must create over 11 million new jobs, 11 million new jobs to build houses, harvest the fields, manufacture products and earn the salaries that pay for it all.

Eleven million new jobs to show the rest of the world that the American dream functions best when we are wide awake. How can we do it? Well, first let me tell you how it cannot be done.

In recent years a disproportionate percentage of new jobs have come from the public sector rather than the private. The result has been the creation of a bureaucracy that contributes very little to America's prosperity and productivity. It simply shares it. Therefore, if the United States is to grow in a substantial, meaningful way, the impetus has to come from the private sector. Jobs are the symbol of a healthy free enterprise system. Jobs, particularly in the private sector, are the fuel that makes our economy run.

Obviously, to achieve the full economic potential of America and Americans, we must make it possible for our industry to maintain its competitive edge in world as well as domestic trade.

We emerged from World War II with an industrial capacity and productivity that was without challenge. Today that lead has narrowed very significantly. Friend and former foe alike have used the last three decades to rebuild their war-ravaged economies. Their indus-

trial plants embodying the newest and most sophisticated technicians and technologies now compete with American products often produced by older, less efficient methods.

We are still number one, but throughout the world we have a lot of number twos who are trying much, much harder.

We have no choice but to compete, and I say with emphasis, to excess. Personally, I have no doubt that we can do it if the private sector is given the opportunity to modernize, expand and to secure the tools and the technologies that a first class economic machinery requires. It won't be easy.

Competition and the desire and the economic necessity to build a better mousetrap is what made our country the envy of the world. If you doubt it, the next time you travel to parts of the world where the Free Enterprise system does not exist, go into one of their department stores, look at the variety of goods, the quality of the workmanship, the imagination in the design of packaging but, above all, look at the price, then consider this price in terms of what an average worker in that country earns.

Such a visit will only take a very few minutes, but it will be the best lesson in instant economics and the productive genius of American industry that you could ever sign up for.

The free marketplace and the free enterprise system is the American consumer's best insurance that what he or she buys will work, will last and will be at the best competitive price, with the possible exception of when big Government tries to help.

The Federal Government has only been in the regulatory business about 90 years, but it has more than made up for this relatively late start.

Starting from point zero, about a century ago, the Federal Government now employs over 100,000 people, whose sole responsibility is writing, reviewing and enforcing some type of regulation, 100,000 people whose principal job is telling you how to do your job.

It is a bureaucratic dream of heaven, but it is a nightmare for those who have to bear the heavy burden.

Just to list all of the rules and regulations established last year required 45,000 pages of very small type in the Federal Register. I mourn for the trees that were felled in America's forests to make this exercise in Governmental nagging possible.

Federal regulation began with the loftiest motives, but the nature of regulatory bodies is to regulate even when prudence and changing circumstances would indicate that their job is over.

In many industries, transportation, energy, communication, Federal regulatory commissions have virtually ruled out competition. What was begun as a protection for consumers now guarantees that in many, many cases they will pay higher prices than a free market would call for.

Even worse, the Mulligan stew of Government rules and regulations, often one conflicting with another, has created a nightmare of red tape, paper shuffling and new lights of counterproductivity.

If I had to capsule my views on Government, it would simply be this: Bigger is not necessarily better. Indeed, bigger is often the reason it isn't better.

In my 26 years in Washington, I have seen first hand the astonishing growth of the Federal Government's involvement in our lives in America. I have seen experimental programs started for a few million dollars that are now institutionalized and whose existence is unquestioned as their budgets climb into the billions.

Yes, I have seen many, many Federal programs and agencies and departments begin. I have seen very few ended.

Men who have overcome the towering obstacles of the past need fear no problems in the future if we are free to utilize our potential. We can get the American economy off the roller coaster of booms and bust cycles and into a sustained and substantial pattern of growth.

We can create jobs for all who want them and incomes for all who need them. We can live the future for our forefathers as they dreamed it.

R A ZVTCZCVYX

ABC-CARTER-RESORT; 370

WOODBINE; GA. (AP) - JIMMY CARTER AND MEMBERS OF HIS FAMILY SPENT SEVERAL DAYS AS GUESTS OF A MAJOR GEORGIA COMPANY AT A RUSTIC FOREST RESORT WHILE HE WAS GOVERNOR OF THE STATE; COMPANY RECORDS SHOW.

CARTER; HIS DAUGHTER; AMY; TWO SONS AND A FUTURE DAUGHTER-IN-LAW SIGNED THE GUEST BOOK IN LATE NOVEMBER 1972 AT CABIN BLUFF; A PRIVATE FACILITY IN SOUTHEAST GEORGIA OWNED BY BRUNSWICK PULP AND PAPER CO.; THE RECORDS SHOWED.

JACK MURDOCK; GENERAL MANAGER OF THE FACILITY; SAID CARTER WAS INVITED TO CABIN BLUFF TO DISCUSS WITH A COMPANY OFFICIAL HIS PLAN FOR MERGING THE STATE FORESTRY COMMISSION WITH THE GEORGIA DEPARTMENT OF NATURAL RESOURCES.

MURDOCK SAID THE RECORD ALSO SHOWED CARTER USED THE FACILITY AGAIN ON JULY 28; 1973 TO CONDUCT A MEETING INVOLVING MEMBERS OF HIS STAFF AND AT LEAST ONE STATE SENATOR.

MURDOCK SAID CABIN BLUFF IS A "PRODUCING PINE PLANTATION" ON 50,000 ACRES OF COMPANY-OWNED LAND; USED PRIMARILY AS A "SHOWCASE FOR MODERN FORESTRY TECHNIQUES." HE SAID THE COMPANY "PICKS UP THE TAB FOR EVERYTHING."

MURDOCK SAID IT WAS IMPOSSIBLE FROM THE RECORDS TO DETERMINE HOW LONG CARTER AND MEMBERS OF HIS FAMILY REMAINED AT THE FACILITY DURING THE NOVEMBER VISIT; BUT THAT OTHER COMPANY EMPLOYEES RECALLED THE VISIT AS LASTING THREE OR FOUR DAYS.

SIGNATURES ON THE GUEST BOOK; HE SAID; WERE THOSE OF CARTER; HIS DAUGHTER; AMY; SONS CHIP AND JEFF CARTER; AND CARON GRIFFIN OF HAWKINSVILLE; WHO LATER BECAME CHIP'S WIFE.

BETTY RAINWATER; A DEPUTY PRESS SECRETARY FOR CARTER'S PRESIDENTIAL CAMPAIGN; SAID THE MEETINGS "WERE PUBLICIZED AT THE TIME. I BELIEVE IN BOTH INSTANCES THOSE WERE TIMES WHEN THE GOVERNOR WAS TAKING MAYBE A WEEKEND OFF. THEY WERE PUBLICIZED AT THE TIME AND HAVE BEEN PREVIOUSLY MENTIONED IN THIS CAMPAIGN."

SHE SAID CARTER'S ADMINISTRATION ALSO INTRODUCED "SOME PRETTY STRINGENT LEGISLATION - AIR AND WATER POLLUTION BILLS - THAT PROBABLY RESULTED IN SOME OF THE MOST PRODUCTIVE ACTIONS OF HIS TERM."

SHE SAID THE LEGISLATION AFFECTED BRUNSWICK PULP AND PAPER CO.; AMONG OTHERS.

CARTER HIMSELF SAID ON WEDNESDAY THAT WHILE GOVERNOR; HE ACCEPTED TRANSPORTATION ON PRIVATE AIRCRAFT OWNED BY MAJOR CORPORATIONS; BUT THAT ALL SUCH TRAVEL WAS "STRICTLY BUSINESS TO PROMOTE PRODUCTS MADE IN GEORGIA."

October, 1976

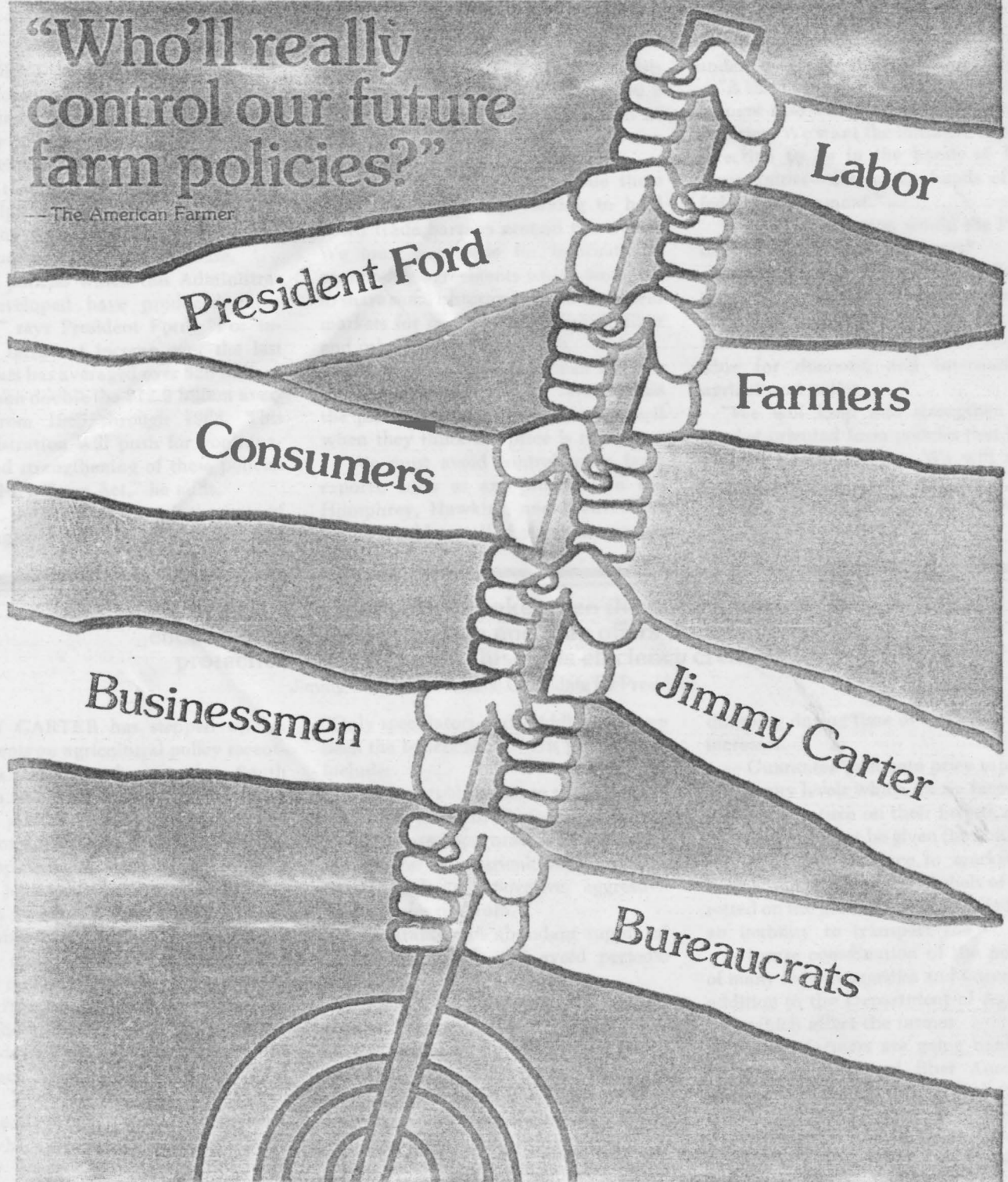
FARMFUTURES

THE EXCLUSIVE MAGAZINE
FOR AMERICA'S TOP FARMERS



**"Who'll really
control our future
farm policies?"**

—The American Farmer



See page 11

Ford and Carter . . . what they are promising farmers

"We must avoid going back to the old farm programs that piled up surpluses, depressed farm prices and led to drastic acreage cuts and severe controls on farmers."

Gerald Ford, President of the United States

PRESIDENT FORD says the number one agricultural issue is "continuation of the domestic program that permits farm markets to grow, avoids government interference, maintains farmers' freedom to make their own management decisions and helps farmers attain fair prices," according to a statement provided to *FarmFutures* by the White House.

"The policies which this Administration developed have produced those results," says President Ford. "For instance, farm net income over the last four years has averaged over \$26 billion, more than double the \$12.9 billion averaged from 1965 through 1968. This Administration will push for continuation and strengthening of these policies in the 1977 Farm Act," he adds.

Next, the President says, is the issue of a strong export program. "Under our

present program, U.S. farm exports have more than tripled—from \$6.2 billion in 1968 to nearly \$22 billion in 1975. These exports produce jobs for over a million people.

"We must continue to pursue these markets aggressively, working to hold down trade barriers around the world. We must not settle for international commodity agreements where we agree to share some historical part of the world markets for our grains, soybeans, fiber and other farm commodities.

"We want to keep American reserves in the hands of American farmers and the private trade, who are free to sell when they think the price is right.

"We must avoid controls over farm exports, such as are proposed in the Humphrey, Hawkins, and Weaver bill which would put all of our grain exports

under a government control board.

"A third issue will be over rural development that will help strengthen rural America. We want the initiative and the direction to be in the hands of local communities—not in the hands of the federal government."

What kind of action would the President take on behalf of farmers?

"First, we will keep a strong Secretary, with agricultural experience, in charge of the Department of Agriculture—and make sure he will be responsible for domestic and international agricultural policy.

"We will keep and strengthen our market-oriented farm policies that have increased farm income. We will resist every attempt to enact legislation that will put farmers back on the same old treadmill of the 1960's."

"It's not my idea of a fair shake when the government encourages all-out production and then offers the farmer no protection against the surpluses his efficiency creates."

Jimmy Carter, Democratic Candidate for President

JIMMY CARTER has stepped up his statements on agricultural policy recently. In a mid-September speech in South Dakota, he said that as President he would push a "constant export policy with maximum sales overseas." In the same speech, he pointed out that he would hold beef imports to lower levels than is now being done under the Ford Administration.

The most definitive statement from Carter on agriculture was that provided to the Democratic platform committee. It outlines mainly goals but not the methods he'd use in reaching them—the approach Carter has taken on most issues.

"The Republican agricultural policy has whipsawed the consumer with higher prices and the farmer with declining profits," Carter declares.

"Only speculators and middlemen have been the beneficiaries." His policy goals include:

—Insure stable prices to the consumer and a fair profit to the farmer.

—Increase opportunities in the world markets for our agricultural commodities through an innovative, aggressive foreign sales program.

—Guarantee an abundant supply of agricultural goods and avoid periodic shortages.

—Reduce the tremendous increase in the price of farm goods from the farmer to the consumer by studying ways to avoid excessive profits by middlemen.

—Create a predictable, stable, reasonable small food reserve with up to a two-month supply, permitting farmers to retain control of one-half of these reserves in order to prevent government

dumping during time of moderate price increases.

—Guarantee adequate price supports and parity levels which assure farmers a reasonable return on their investments.

—Farmers must be given the ability to transport their produce to market. In Illinois alone, 50 million bushels of corn rotted on the ground last year because of an inability to transport the crop.

—Insure coordination of the policies of many federal agencies and bureaus in addition to the Department of Agriculture which affect the farmer.

"Family farmers are going bankrupt to produce food and fiber American consumers cannot afford to buy," Carter concludes. "As a farmer, I understand the difficulties which the American farmer has confronted with Secretary Butz and the Republican policy."

Jimmy Carter on Church and State

Religion is back in politics. It walked in with James Earl Carter, Jr., 51, former governor of Georgia, Democratic aspirant for the presidency, and, if the polls are to be believed, likely next occupant of the White House. In the Al Smith and John Kennedy campaigns the religious issue centered in the candidate's Catholicism: Could the candidate place the Constitution above the teachings of his church? In the present campaign it centers in Mr. Carter's unabashed enthusiasm for the teachings of his church—Southern Baptist. Is he sincere? Too sincere? Too sincere for *Realpolitik*? Is anybody in politics sincerely religious?

There are other vital questions: Should Mr. Carter become President, how would his views on the place of modern Israel in Bible prophecy influence his foreign policy toward the Arab nations? Would his moral convictions lead to meaningful reform in politics? Or would they lead him to favor legislated morality (as governor of Georgia he supported a strengthened Sunday law)? What of his views on abortion? A religious amendment?

LIBERTY asked Ralph Blodgett, assistant editor of *These Times*, to determine the candidate's views on these and other questions. Blodgett caught up with the Carter express as it steamrolled opponents in the Ohio primary. The following exclusive interview took place in the back seat of the Carter limousine while the candidate was traveling between Steubenville, Ohio, and Wheeling, West Virginia.

LIBERTY: You have stated that the decisive factor in this year's election is not economics, not jobs, not détente, nor politics, but the feeling that this country has lost its moral and spiritual underpinnings, its sense of purpose and direction. Would you amplify these views?

CARTER: I believe that the American people have a deep hunger to see the precious things restored. They want three things: a government able to deliver the services they need, a government sensitive to their desires, and a government that is honest.

The modern societal structure is much less directive than when I was a child. When I was a child, the family unit was always there. If I got in trouble or had a difficult question, my mother and father were always there. Nowadays that's not the case.

Today's world is one of fast-paced change. The future has arrived before yesterday is gone. Changes come so fast that we cannot keep up with them. Not only our goals but the very method by which we determine them seems obsolete. Every person needs

something that doesn't change. Obviously, a deep religious faith serves that need. But in addition, in the secular world there ought to be a government whose ethics, morals, standards of excellence, and standards of greatness are a source of inspiration and reassurance. In the aftermath of Vietnam, Cambodia, Chile, Watergate, and revelations of CIA excesses, a lot of people feel that the stability that has always been in their lives—a deep sense that my government is great, my government is pure, my government is decent, and my government is honest—that assurance has been lost.

LIBERTY: Do you view your religion as an asset in the campaign for the Presidency?

CARTER: In some areas. Elsewhere my widely published religious convictions are not a political help. I do not hold them because of their effect on the electorate. I hold them *despite* their effect. I hold them because I believe them. They're part of the Carter package. They come with me.

LIBERTY: Christ once said, "Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's" (Matthew 22:21). How would you, as President, relate this counsel to your personal religious convictions and to government?

CARTER: A tenet of the Baptist faith is complete separation of church and state. I hold this view. And I have not found it to impose a strain either on my personal religious convictions or on my performance in public office. I'm not a newcomer to politics. I was on a school board during the tough integration years. I've been a State Senator two terms, a governor for four years. And I've never found any incompatibility between those two parts of my life. Certainly I've never used political office to force my religious convictions on someone else.

Baptists believe that religion should be a personal relationship between a person and God. We don't ascribe to our church any authority over our lives. Each individual Baptist church is autonomous. We don't believe that the Southern Baptist Convention should have any sort of authority over any individual Baptist church. So there would be no problem in my Presidency in keeping separate religion and government. I would be a strong defender of the First Amendment and interpret it very strictly.

LIBERTY: What do you see as the basic responsibility of a state under God?

CARTER: From the beginning of our nation religious faith has been part of our political framework—the

**"The finest humanitarian act ever performed by the community
of nations was the establishment of the state of Israel."**

Constitution, the Declaration of Independence, our laws, our coins: "In God we trust," "one nation under God, indivisible." In moments of strife, moments of uncertainty, moments of crisis, we have looked to a higher authority than man for the proper relationships between people in our nation and also between our nation and other nations. And we have found ethical principles common to many religions: compassion, brotherhood, love, truth, honesty, and decency. I believe it is a state's responsibility and privilege to reflect these virtues in its politics, both domestic and foreign.

LIBERTY: Would you as President favor using Federal or State tax money for parochial schools or other religious institutions?

CARTER: The President, along with other citizens, is committed to support the United States Constitution. And the Supreme Court is still, in some respects, defining permissible forms of aid. It has, for example, approved textbook aid and limited benefits to students on the college level. The school lunch program, subsidized by government, has provided a nourishing meal for children in both public and parochial schools. And I believe Caesar—the state—has a legitimate interest in the health and well-being of all citizens.

The general premise of the court, however, and one with which I agree, is that Federal money should not go into any sort of religious institution for instruction in religious matters. This premise is well understood and generally accepted by most Americans.

LIBERTY: Would you favor a religious amendment to the Constitution?

CARTER: Over the past few sessions of the Congress there have been several hundred religious amendments proposed, most inspired by various understandings of what the United States Supreme Court has said about prayer and Bible reading in public schools. Certainly no generalized answer could cover all the facets of all the amendments proposed.

I would, however, venture two observations.

First, I believe in the right of every American to pray and read the Bible—or not to pray and read the Bible, for that matter. But I don't think that government ought to be placed in the role of writing a prayer and forcing any segment of our citizens to recite it—as was done in one of the cases that went before the Supreme Court [the Regents' Prayer Case].

Second, I have deep respect not only for the Bible and prayer but also for separation of church and state as set forth in the First Amendment—"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." Now, that amendment not only rules against establishment of a particular religion, or all religions, but it protects the right of every citizen to exercise his faith. We must pray that our courts will walk the fine line of bal-

ance between these two rights. As President, I would encourage that discretion, ever remembering, as a Founding Father once wrote: "The rights of conscience are, in their nature, of peculiar delicacy, and will little bear the gentlest touch of governmental hand."

LIBERTY: Would you as President seek to improve the lot of Jews and Christians in the Soviet Union?

CARTER: Yes, but not through Congressional enactments. It's not the best approach for the Congress to pass laws regarding the internal policy of another country. Such an approach puts the other country on the defensive and makes it more difficult to negotiate through normal diplomatic channels. It would be a policy of my administration in dealing with the Soviet Union, for instance, to encourage a policy of free emigration for Jewish citizens who wish to go to Israel or other countries.

LIBERTY: How would your view that the establishment of Israel is the fulfillment of Bible prophecy affect your dealings with the Mideast problem?

CARTER: As far as Israel is concerned, I think the finest humanitarian act ever performed by the community of nations was the establishment of the state of Israel. I recognize that the only major dependable ally Israel has is our nation. I think a basic cornerstone of our foreign policy should be preservation of the nation of Israel, its right to exist, and its right to exist in a state of peace. And, yes, I think it was a fulfillment of Bible prophecy to have Israel established as a nation.

Now, that doesn't mean that I would mistreat the Arabs. I would continue to encourage trade, friendship, and better understanding between ourselves and the Arab countries. But I would let this commitment to the right of Israel to exist, and to exist in peace, be well known and not have it be an indeterminate and shaky thing. It would be an unequivocal commitment of our country, well understood by the rest of the world.

LIBERTY: Some forty evangelical groups—among them Seventh-day Adventists and Mennonites—have religious scruples against joining labor unions. Would you support a conscience clause that would extend an exemption to all employees having such scruples?

CARTER: I did not know about that problem. I've never heard about it before. However, if it is indeed a part of their religious convictions, I think the government ought to handle the problem as it did for conscientious objectors. At the moment I am not familiar with the arguments on both sides and with the circumstances.

LIBERTY: The editor of *Christianity Today* has called for closure of "all business," including gas stations, restaurants, shopping centers, and factories, on

"I would favor a nationwide program for sex education, for family planning, for access to contraceptives by those who believe in their use, and for better adoptive procedures."

Sunday as an economic, social, and energy-saving measure. He feels that "the only way to accomplish [this] is by . . . legislative fiat through the duly elected officials of the people." How would you react to such legislation?

CARTER: I would not favor it.

LIBERTY: During a Sunday-law controversy in Virginia the Religious Liberty Committee of the Virginia Baptist General Association issued a "Baptist Manifesto on Religious Liberty" that contained the following statement:

"We cannot escape the opinion that Sunday laws represent an effort to use the police power of the state to enforce a religious holiday and provide by law one day in each week for the worship of Almighty God.

"Christians should need no support from the state in observing with reverence, thanksgiving, and public gatherings for worship and Bible study the first day of the week. It has been truly said: 'The right sort of Sunday can only come from the development of an inner spirit.'"

Is this a position you would support?

CARTER: I've had to answer that question as governor of Georgia. In general, I've not been in favor of so-called blue laws. I have favored prohibition against the sale of alcoholic beverages on Sunday, and I don't know if there is any logical way to rationalize that. I personally see no objection to referenda among the people to decide when to close such sales and when not to. What I have favored is this: Employees should have at least one day a week when they don't have to work. I wouldn't have any objection to that manifesto, I don't believe. Surely not to the section you've quoted.

LIBERTY: You said recently that if elected President, you would join the nearest Baptist church and go there every Sunday. Does this mean you intend to discontinue all Sunday services at the White House?

CARTER: I would not have special services in the White House for different denominations. As a Baptist, I would like to have my worship be routine and unpublicized. I would like to participate in a regular church congregation. When I became governor of Georgia, I joined the nearest Baptist church to the governor's mansion the first Sunday I was in Atlanta. I taught Sunday school and became a deacon. I was a member of the congregation, and after two or three weeks my presence was no longer a public event. That is what I would prefer as President.

Now, I wouldn't want to make a promise that I would never have a religious service at the White House. If there should develop a problem in going to the public services in a Baptist church, and if there were members of my staff or families who wanted to have worship in the White House with me, I would do

that on occasion, just as I would in my own home in Plains, Georgia. There might be other times when a prayer breakfast, or some other prayer event that I would feel a need for, seemed proper, and I would reserve the right to have it. But as a routine matter, my worship would be in the nearest Baptist church.

LIBERTY: You have stated that you are personally and morally against abortion. Would you, as President, attempt to modify the abortion by demand that is available in America today?

CARTER: Personally, I hate to have any abortions at all. But under the Supreme Court ruling, which no President can change, I would do everything I could to minimize the need for abortion, as I did in Georgia. I would favor a nationwide program—established by law and adequately financed—for sex education, for family planning, for access to contraceptives by those who believe in their use, and for better adoptive procedures.

LIBERTY: How do you feel about taxation of church properties—the church building and subsidiary things such as publishing houses, church institutions, et cetera?

CARTER: I would favor the taxation of church properties other than the church building itself.

LIBERTY: You have said, "I wouldn't be a timid President." How would you tackle the problem of morality, or immorality, in Washington politics?

CARTER: There are many things that could be done. I would always remember the admonitions of Christ on humility and absence of pride, on not judging other people.

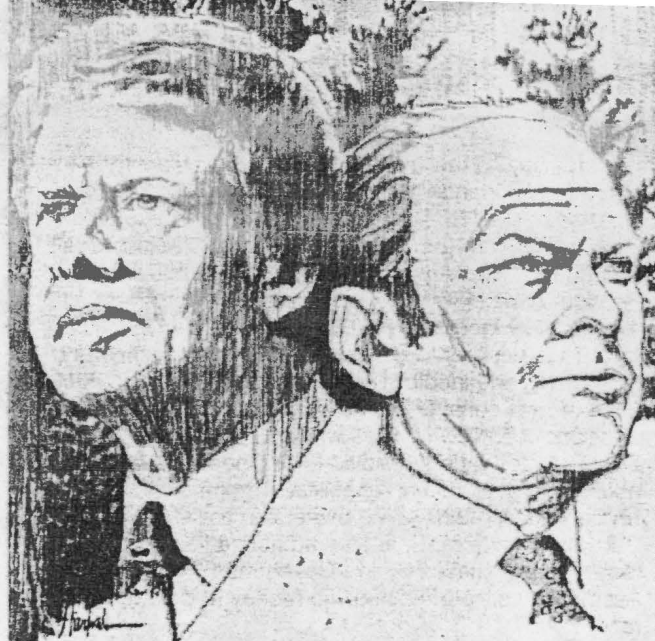
At the same time I would like to see more openness in government, an absence of secrecy, an accountability of public officials for their performance, and sensitivity toward the interests of citizens lacking in power, social prominence, or political authority. I would like more emphasis placed on the government's role in enhancing the quality of the lives of deprived citizens. I would also try to make appointments of officials on the basis of merit and not as a political payoff. I would try to tell the American people the truth.

LIBERTY: In summary how do you feel your spiritual life would improve your Presidency?

CARTER: I am aware, first of all, that Christ has set the standard I am to attain as His representative. I try to pattern my life (unsuccessfully) after His life. I read in the Bible of personal and national crises similar to those we face today, and I learn from those experiences. I study the Bible and read a chapter in it every night without exception.

My faith in God brings peace and equanimity in the face of crisis and challenge. And it guides me in making quite-often controversial decisions that must be made in political, business, and family life. □

The candidates' stands



It has been a highly unusual campaign, to say the least. A man who temporarily stumped the nationally-televised "What's My Line" panel on his line of work—governor of Georgia—later made a meteoric rise during the primaries to win the Democratic nomination on the first ballot. Early polls showed former Gov. Jimmy Carter leading by a 2-to-1 margin an unelected incumbent President who had to fight for his political life against an actor-turned-politician. During this hectic campaign, questions of special interest to the wood industry often took a back seat during the frenzied quest for candidates' views on a myriad of issues. That's why WOOD & WOOD PRODUCTS prepared this report.



The Economy

Ford: Among programs President Ford has proposed is a permanent 10% investment tax credit, a reduction in the maximum corporate income tax rate from 48% to 46%, and making permanent the temporary tax cuts on the first \$50,000 of corporate income. The President Ford Committee said the President's budget for fiscal year 1977 is \$29 billion less than projected, and the growth of federal spending has been cut in half to 5.5%. The Committee also predicted Ford's policies could bring about a balanced budget by 1979.

Other proposed Ford programs include accelerated depreciation for construction of plants, purchase of equipment, or expansion of existing facilities in areas with more than 7% unemployment; tax incentives to encourage more stock ownership by low and middle income working Americans by allowing deferral of taxes on certain funds invested in common stocks; and a change in federal estate tax laws to facilitate family ownership of small farms or businesses by stretching out the estate tax payment period so the taxes may be paid out of the farm or business income.

In general, his committee described Ford's economic policies as "designed to keep the economy on an upward path toward two central long-term objectives: Sustained economic growth without inflation; and productive jobs for all who seek work."

Carter: The former Georgia governor says his major economic priority is cutting adult unemployment to 3%, and overall unemployment to 4.5% or 4%. He believes this can be accomplished "without any adverse effect on inflation." Carter would rely on the private rather than the public sector for creating jobs, but would provide public jobs for those that private business can't or won't hire. He opposes permanent wage and price controls but favors standby controls.

By increasing productivity, Carter maintains the nation can grow without inflation. He wants to make investment capital more readily available through a monetary policy encouraging lower interest rates. Carter also believes a balanced budget is attainable by 1979, the end of his first term—with full employment and without cutting spending on social programs. The difference would be made up by collecting taxes from the additional persons employed.

In the area of tax reform, the Democratic candidate has called for taxing capital and earned income in the same way, taxing income only once (he opposes taxing corporate income and then also taxing dividend income), and taxing income on a progressive rate so that the higher the income, the higher the rate of taxation.

Carter has called for better economic planning by government and has proposed that the Council of Economic Advisors be expanded to coordinate economic planning and to handle long-range problems for the economy as a whole and for individual industries.

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Housing

Ford: Saying the health of the housing industry is of "critical importance" to the nation's well-being, President Ford has asked for additional housing assistance for 500,000 families to spur construction and help house moderate and low income families.

Under a fiscal year 1977 rental housing program, 400,000 low income families were to receive subsidies—the difference between a percentage of family income and rent charged by the landlord. The program includes 125,000 units of new construction or substantial rehabilitation. An additional 100,000 families with moderate incomes would be given mortgage subsidies to aid them in buying new homes or substantially rehabilitated homes under the revised Section 235 home ownership assistance program.

Early in his term, Ford also authorized \$10.8 billion in mortgage purchases by the Government National Mortgage Assn. in order to offer housing money at below-interest rates.

"So between responsible federal funding and the management of our expenditures and the kind of programs that I indicated earlier, I think the homebuilding industry is going to be actively moving up," Ford said during the campaign.

Carter: Mortgage guarantees and tax incentives are two proposals Carter has made to help homeowners and the housing industry. He favors stimulation for housing but would shift tax credits to lower and middle income families. Under such a program, the federal government would provide subsidies to homeowners to pay the difference between the free market level mortgage interest rate and a fixed lower level. Although he says he isn't opposed to the homeowners' mortgage interest deduction, Carter says this is one tax incentive he would consider changing. Also, Carter says, "The Section 202 Program, which successfully provides housing for the elderly and handicapped, must be expanded."



Clearcutting

Ford: On May 22, 1976, Ford made these remarks on an Oregon radio broadcast:

"The Department of Agriculture and the Forest Service have been working with Sen. Humphrey on a bill that my advisers tell me is a good bill. Unfortunately, the Senate Committee on Agriculture and Senate Committee on Interior made some changes in that legislation that my advisers tell me are not good in meeting the problem.

"So I wish they would go back to the original Humphrey bill, which my advisers were supporting. We can't tell what will happen on the floor of the Senate. The House Committee on Agriculture, which has jurisdiction there, has not done anything on it. So we are a long way from any affirmative action.

"I happen to believe that the delay is not good because that court decision out in the Eastern Seaboard, the Monongahela decision based on an 1897 act, is very harmful.

"Now it hasn't had its full impact here on the West Coast, but there is an Alaskan case, that if it gets confirmed, it will do the same thing on the West Coast that the Monongahela case has done on the East Coast. Then we are in a bind.

"So the Congress I hope will work with the Administration in trying to get an approach that gives to the Forest Service the right to manage the national forest, and it is my belief that the Forest Service can and will handle this great natural resource constructively."

At a question and answer session also in Oregon, the President said: "I strongly support the Humphrey bill which provides for good management practices under the control and guidance of the Forest Service. I am vigorously opposed to the Randolph substitute, which I think would inhibit—in effect, prohibit—the kind of good management practices which are necessary."

Carter: "I am very concerned about the present controversy over forest management which has closed a number of national forests to timber harvest. We must place high priority on developing a comprehensive approach to timber management on national lands, and establish appropriate procedures and guidelines for harvesting of trees.

"I continue to support clearcutting, but only in small units where conditions such as slope and soil types permit. It is important to remember that the ecosystems of each of our national forests vary greatly, and I recognize that the great Douglas fir stands of the Northwest are shade intolerant and require clearcuts for proper regeneration.

"I would support a policy which requires the development of timber management plans for each of our national forests. These plans should be developed with full participation of all sectors of the public which have an interest in maintaining our national forests for multiple uses. Such an approach will help insure that our forests are used responsibly, that they are preserved and protected, and that our citizens derive maximum benefit from these public lands."

Pollution

Ford: In answer to the question of whether his administration would take a stronger approach to air and water standards compliance in connection with expensive pollution control devices and programs, President Ford has said:

"The EPA has the responsibility in that area of clean air and clean water. I believe that their program is basically sound. In some instances, they have gone too far. And I think in Indiana, as I recall, in the Gary area they were too rigid, and they required that several of the plants of one of the major steel industries there close. I think in retrospect that was a bit too arbitrary.

"So I think the EPA has to have a balance in the way it approaches the responsibilities that it has. Sometimes they are too tough. On some occasions, I think they may have been too lenient. But that is the responsibility of the EPA. I personally feel that we have to establish a balance between what is attainable in clean air and clean water and, at the same time, continue our economic prosperity."

Carter: "As I stated in my submission to the Democratic Platform Drafting Committee, I will insist on strict enforcement of our water pollution control laws to protect our oceans, lakes, rivers, and streams from unneeded and harmful commercial pollution.

"I oppose efforts to weaken the Federal Water Pollution Control Act. I am, however, aware of the report of the Commission on Water Quality and its recommendations concerning future direction of our water pollution control programs. Review of the issues represented in that report would be of high priority in my administration.

"The present tax code does permit certain tax benefits for investments in pollution control equipment. I have committed myself to a major review and overhaul of our national tax system and my commitment to protection and restoration of environmental quality in this country would certainly guide me in evaluating these provisions of the tax code."

Product Liability

Ford: "We cannot yet comment as the bill is still in committee and it is, frankly, too early to tell what will finally come out" said the President Ford Committee.

Carter: No response.

Noise Levels

Ford: "We have to respond that the matter is indeed a regulatory matter of the type that the President feels should be settled at the appropriate regulatory level, without his intervention, unless necessary," said the President Ford Committee.

Carter: "Since I have not had an opportunity to study in detail the health and technical issues posed by the apparent conflict between OSHA and EPA over workplace noise levels, I do not feel it appropriate to interject my views into the debate at this time. As a general matter, however, I believe that the basic concept of the Occupational Safety and Health Act is excellent and I fully support the 1976 Democratic platform which states that 'the Occupational Safety and Health Act of 1970 should cover all employees and should be enforced as intended when the law was enacted.'

"In the past, OSHA's emphasis has been on safety, rather than on health. I believe that we should increase our efforts to reduce industrial health hazards, and focus upon problems related to excessive heat, noise, and other sources of stress."



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Chemical &
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NEWS

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CARTER and FORD

Their views on science and technology Page 24

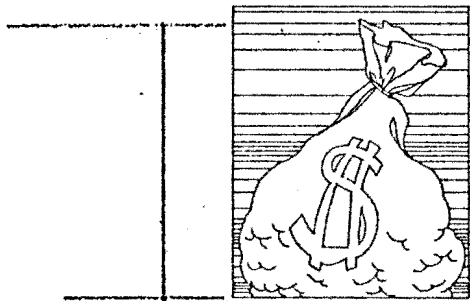


Carter and Ford detail their ideas on science and technology for C&EN



Where do the Democratic and Republican Presidential candidates stand on the vital issues affecting science and technology? Both candidates have a record of being supportive of science and technology: Jimmy Carter as governor of Georgia, Gerald Ford as President of the U.S. However, neither candidate has spoken out in much detail in the campaign so far on how science and technology would fare in his Administration.

C&EN believes the reader needs to be better informed on the candidates' positions. So, to determine the candidates' views and plans for science and technology, C&EN assistant managing editor and Washington bureau chief Fred H. Zerkel submitted the same set of questions to Gov. Carter and President Ford. Here are their unedited replies:



What level of research and development funding would your Administration recommend? How would it be divided among defense, space, and civilian sectors? Should national R&D funding be linked to some percentage of gross national product? And what is an appropriate balance of federal funding for basic research, applied research, and development?

FORD

I have stated repeatedly that I believe that a strong national effort in R&D is critically important to strengthen the economy and our defense and to improve the quality of life for all people. One measure of this belief is my 1977 budget, which included requests for \$24.7 billion in federal funding for R&D. This represents an 11% increase over 1976 for R&D as compared to an overall budget increase of 5.5%.

I will continue to support vigorous, forward-looking federal R&D programs, but it is too early in the preparation of my 1978 program and budget to predict the levels of funding for R&D. It is important, in this connection, to recognize that the federal government does not have a separately determined "R&D budget," as such, and that the level and distribution of federal funding depend on many factors.

Applied research and development is carried out as a means to assist in achieving a variety of important federal and national goals and objectives; e.g., new weapons systems to deal with new threats to our security, or working with the private sector to

develop new energy technologies to reduce our dependence on foreign oil.

The series of factors that must be considered in deciding on the level of funding for various applied research and development programs include: (a) the relative importance to the nation of a particular problem or objective, (b) the appropriate role of the government versus the private sector in dealing with the problem or achieving the objective, taking into account the nature of the private sector R&D effort under way or expected, and (c) the relative contributions expected from R&D and from other actions to achieve the desired ends.

In the case of basic research, there are insufficient incentives in many cases for private industry to invest enough to meet national needs. Thus, a strong federal effort is essential to assure that the nation will have the necessary new knowledge that underlies future advances in science and technology. There is no precise way to determine how much national investment there should be in basic research, but my Administration has examined trends in federal support of basic research and has undertaken to assess the potential impact of these trends on the



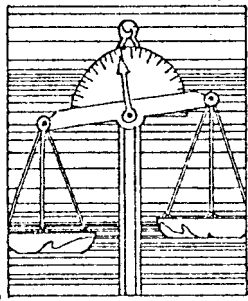
It is not practicable to predetermine the spread of federal R&D funding among defense, space, and other civilian objectives; the spread among basic and applied research and development; or the appropriate percentage of the gross national product that should be invested by the nation in R&D. These can and should change with changes in national priorities or changes in the other factors, such as those cited earlier, which affect decisions on the level and distribution of federal funding for R&D.

CARTER

The federal budget for R&D should not be reduced, but is unlikely to be expanded dramatically because of resource constraints. Nevertheless, there is a great opportunity to rebalance expenditures in such a way as to stabilize the long-term commitment to the basic research foundations on which all technology rests, to increase the priority given to research in fields likely to be of long-term economic importance, and to give proper attention to environmental, health, and other civil concerns, including applied research important in global problems. This can be done at the expense of some development and demonstration programs and other direct federal operations that should better be carried out with private funds.

The level of national R&D effort, public and private, should be growing with the economy. In recent years it has in fact been falling, as economic growth has sagged and the federal government's R&D strategy has fallen into disarray. This trend must be reversed. But it is wrong to tie R&D expenditures to a fixed fraction of any macroeconomic indicator, for R&D is a microeconomic activity. It is a means to an end, and the level of investment follows the ability of organizations to use it effectively. Thus, at the national level attention must be given to creating the conditions that encourage high-risk, high-payoff industrial activity, and that motivate both public and private sector institutions to do the research that will best protect the long-term future of the country.

status of the U.S. effort. Based on our analysis, my 1977 budget proposed \$2.6 billion for basic research—an increase of 11% over 1976 estimates. This level of funding would reverse the steady decline—in constant terms—in federal investment in basic research which has occurred since 1967.



What specific areas of R&D would your Administration emphasize? De-emphasize? And how would you rank in priority R&D efforts needed to solve national problems such as energy, environment, and health?

FORD

I will continue to emphasize basic research and those areas of applied research and development that (a) can make a significant contribution in achieving important national objectives or solving critical national problems, and (b) are appropriate for federal R&D investment—either alone, such as defense, or in partnership with the private sector, such as in energy technology development.

This approach to determining relative emphasis is reflected

in my 1977 budget proposal wherein I identified a number of high-priority areas for increased federal investment—including energy, defense, basic research, agriculture, and health—while continuing major R&D efforts in space, environment, natural resources, transportation, urban development, and other areas.

As indicated in my response to question No. 1, future funding levels will be determined in relationship to national priorities and the other factors cited.

I will continue to give priority attention to energy, environ-

ment, health, defense, and other areas of national importance, but each area must be examined separately to see how and to what extent R&D can make a contribution and what the appropriate roles of the government and private sectors are.

I also would like to point out that the relative level of funding for a particular R&D program does not necessarily reflect the relative importance of the objective or problem, or the contribution ultimately expected from R&D. For example, the funds required to build a large demonstration-scale plant for a particular technology (e.g., synthetic fuels plant or nuclear reactor) are much larger than the funds that can be spent usefully in pursuing in an orderly fashion R&D on a concept that has not advanced to a large demonstration phase (e.g., solar electric power generation).

CARTER

As indicated above, R&D emphasis is of two kinds: policies and incentives for private R&D and direct investment by the federal government. The federal government should use both ap-

proaches to providing a stronger economy and national capability to manage risks, protect the environment, and accomplish the other needed goals. In some areas of federal R&D investment the problem is not inadequate funds, but poorly managed programs. Internal priority shifts are necessary.

There are a number of areas in which specific R&D efforts need strengthening. Examples include earthquake prediction, arms control research, and research to provide a more quantitative basis for determining risk to human health and well-being from substances and environments (such as noise) of many types. In many areas of federal regulatory activity, there are lacking the kind of hard quantitative data on the basis of which to make sound regulatory policy.

A few areas of science and technology need a new commitment of national attention. One example is the scientific basis for the enhancement and improvement of nutritional quality of food supplies for all the world's people. Here the primary need is to share what we know. In defense and space R&D we must ensure that our efforts are of very high quality, and sustain the levels of technical leadership that are essential.



What programs or policies would your Administration recommend to ensure continuity of funding for science and technology to prevent peaks and valleys in technical training and employment as well as a sustained real growth in the nation's science and technology effort? Should such programs be different for the industrial and academic communities?

FORD

The most important factor in ensuring continuity of national funding for science and technology and preventing peaks and valleys in training and employment is the maintenance of a strong and growing economy—an objective to which I am very firmly committed. This will provide an environment for real and sustained growth in the U.S. science and technology effort so that the research and the inventiveness of our scientists and engineers can be translated into new knowledge, and new goods and services for the benefit of all.

With regard to federal investments in R&D—which investments play a critical role in the national scientific and technological effort, I will make a special effort to avoid sharp changes that can contribute to peaks and valleys in employment. I appreciate fully the need to minimize or avoid major dislocations that can result from federal actions in scientific and technological activities and in other sectors of the economy.

R&D funded through mission agency programs such as Defense and the Energy Research & Development Administration, together with actions to sustain economic growth, should provide strong stimulus for R&D efforts in the industrial sector.

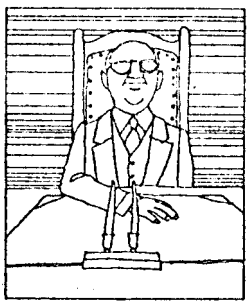
With respect to the academic community, I believe the federal government has a special role to play in ensuring adequate support of basic research—the largest portion of which is conducted in the nation's colleges and universities. My concerns both for basic science and for ensuring the continued vitality of research in universities is reflected in my 1977 budget, which proposed an increase of 11% above 1976 estimates for federal

support of basic research. This included an increase in basic research funds of about 25% for the National Science Foundation, which has long had a primary role in providing funds for basic research in academic institutions.

CARTER

Rapid fluctuations in demand for R&D are particularly difficult to accommodate. Such fluctuations are wasteful of a priceless national human resource. On the industrial side the essential requirement is a stable economy with low unemployment. R&D is a risk investment, and is made when companies have confidence in the future. Incentives for private investment in R&D should emphasize the power of R&D to permit innovation. When a business downturn occurs, countercyclical encouragement to innovation can help provide the basis for long-term strength in the economy.

In academic research, fluctuations in support result from the impact of economic cycles on government revenues, and thus on resources for public investment, and changes in the program content of federal agencies funding research. Since the federal government has direct or indirect responsibilities in both areas, federal leadership is needed to stabilize the research base in universities. The director of OSTP [Office of Science & Technology Policy] must work with OMB [Office of Management & Budget] to ensure that the aggregate impact of all federal R&D programs is well managed.



Should the U.S. have a coherent overall science and technology policy? Should there be a Cabinet-level department of science and technology in addition to the new White House Office of Science & Technology Policy to provide centralized funding and management of the federal end of the national R&D effort? Or is the existing federal science apparatus adequate?

FORD

As a general rule, coherent overall policies for particular areas of activity are desirable, but the specific meaning of the phrase is very important in the case of science and technology.

To illustrate, I would be very concerned and strongly opposed if a coherent overall policy implied that we should have some centrally developed master plan by which we would attempt to set priorities and funding levels for our nation's many-faceted scientific and technological effort.

I believe that the unsurpassed strength and accomplishments of the U.S. scientific and engineering communities can be attributed in large part to the pluralism and the flexibility that have been achieved through a decentralized approach. We look primarily to the private sector for the innovation that carries our new knowledge and inventions forward to useful products and services. The successful innovation we have enjoyed could not possibly have resulted if we had centralized planning.

I understand most experts agree that the U.S. achieves much more for its R&D dollars than many foreign countries—such as the Soviet Union, which has centralized R&D planning—even though other countries spend larger percentages of their GNP on R&D.

Particularly because of the advantages of diversity, pluralism, and flexibility, I have serious reservations about the idea of a department of science and technology. Furthermore, many of our mission agencies such as the Department of Defense; Health, Education & Welfare, and the Department of Transportation must be able to use R&D as one means to achieve their assigned missions. It would be unrealistic and unprofitable to have a single centralized agency manage these agencies' R&D efforts. There may, however, be some areas of federal R&D that could benefit from consolidation.

The same law that establishes the Office of Science & Tech-

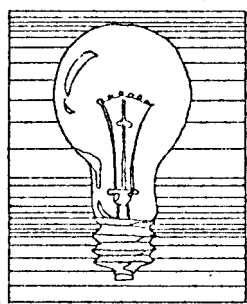
nology Policy in the White House, as I proposed in June 1975, also establishes a President's Committee on Science & Technology. The committee is charged with studying and reporting on the overall context of the federal scientific and technological effort, and it is specifically charged with studying the concept of a department of science and technology. I look forward to the results of that study and I will consider seriously any recommendations made in the area of science and technology organization. Any organizational changes in this area would, of course, need to be examined in the broader context of overall government organization.

CARTER

Certainly, the U.S. government should have a coherent overall science and technology policy. The lack of a mechanism for generating such a policy in the past four years has sown waste and confusion across the national scientific scene.

The question is, how much pulling together of technical agency activities is desirable? The "mission-oriented" agencies should certainly continue to operate laboratories and fund or cost-share R&D outside government as the prudent, efficient, and responsible way to carry out their missions. Such technical programs should not be separated from their end purposes and drawn together.

It also may be desirable to give more central authority and resources to agencies concerned with the health and vigor of the national scientific and technological enterprise. Finally, there are some glaring weaknesses in the present structure, for example in the ability of the federal agencies to contribute to the civil economy, or to carry out commitments that derive from foreign policy.



In what ways do you see the federal government able to play a role in technological innovation? Further, what role, in terms of tax incentives, patent policy, and the like, should the federal government play in relation to R&D in private industry?

FORD

The federal role should be to further technological innovation in sectors of the economy in which private developments are inadequate to meet special needs. For example, there are overriding national benefits from a strong defense system and from attaining additional security against the potential disruption from energy embargoes.

If privately financed R&D is not sufficient to provide the new technologies needed for a higher level of security, or for the achievement of broad national goals then federally funded programs should be put in place. But where the private sector is producing new goods and services at a rapid rate for consumer use and for national needs, there is little or no justification for federally supported R&D.

This is not to deny a role for tax incentives and patents.

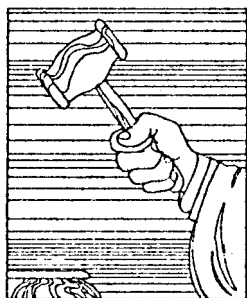
Where there are serious market imperfections, such as inability to obtain ownership rights to one's own inventions, then taxes and patents can be used to provide necessary corrections. These should be used as supplements to make markets work better, not as substitutes for private initiatives.

CARTER

First, the federal government should set a good example, by using its own purchasing power to encourage innovative products and services that can increase the efficiency of government. The small program on Experimental Technology Incentives (ETIP) in the National Bureau of Standards has demonstrated the power of this approach.

Next, attention must be given to the special circumstances surrounding the most fertile ground for innovation, the small, technologically oriented firm financed with venture capital. It has been over a decade since the "Charpie Report" looked into this question, and still many of its recommendations lie unimplemented. The area should be looked at again to see what must be done in the present business and technology climate.

Another area requiring attention is federal patent policy, which all too often either reduces the incentive of private investors to attempt to exploit the results of federal R&D in commercial markets, or simply prevents the firms with the most technical capability from wishing to participate in federal programs. Finally, tax, trade, and antitrust policy must be managed so they encourage R&D and innovation.



Should a sort of "science court" be set up to adjudicate scientific and technological issues? Further, what should (should not) be the role of the federal government in the setting up and perpetuation of such an apparatus?

FORD

I understand that the "science court" concept has been suggested as a means for establishing scientific facts, or lack of facts, in the case of issues of national concern that become very controversial.

The concept was reviewed by the two scientific and technical advisory groups (led by Dr. Simon Ramo and Dr. William O. Baker) that I established to help prepare for the new Office of Science & Technology Policy. Those groups recommended that the concept be considered further and that an experiment with the science court be pursued. Recently, the concept of a science court also was considered during a two-day meeting sponsored by the Commerce Department, National Science Foundation, and the American Association for the Advancement of Science, which was attended by some 250 concerned citizens representing a wide range of viewpoints. This meeting also led to a

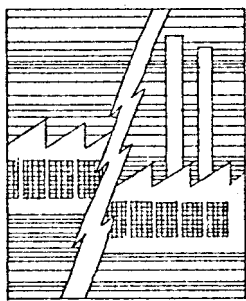
recommendation that the concept receive further consideration.

Whether a "science court" will provide a better basis in fact than the means currently used is yet to be demonstrated. The National Science Foundation and the Department of Commerce now are seeking ways of assisting in a test of the concept on an experimental basis.

CARTER

If by "science court" we mean competent institutions that make objective evaluations of scientific evidence, uncertainty and risk, undertaken in the open for public view, I would support the idea.

There is a clear need for better and more public policy determinations and the development of institutions for making the basis of such determinations clear.



Should individual chemical companies or other corporate entities be permitted under the antitrust statutes to cooperate and coordinate their R&D programs in the solving of national problems, such as energy or environment?

FORD

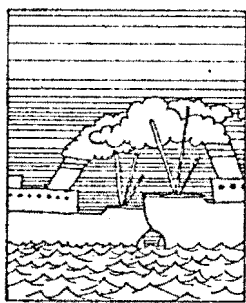
Under existing pollution control laws and antitrust laws, it is possible for two or more firms to join together to do certain kinds of cooperative research. The Department of Justice reviews proposals for such cooperative efforts on a case-by-case basis and where it finds no anticompetitive purposes or effects will provide the companies involved with its conclusion not to bring any federal antitrust action.

I would favor such cooperative research efforts in nonproprietary areas where it is approved by the Justice Department and where it increases the chances of hastening the finding of solutions to common problems, improves the utilization of re-

sources, and does not interfere with the innovation that sometimes requires multiple approaches to the same research objective before a solution is likely.

CARTER

This would have to be considered on a case-by-case basis. In nonproprietary research, if cooperation is necessary and would have a beneficial effect on competition I would consider it. However, in no case would I approve of this approach if it had the effect of eliminating or decreasing competition in the private sector.



What role do you see U.S. R & D playing in solutions to U.S. balance of trade problems? Should there be close government control over export and licensing of U.S. science and technology, in general, and in sensitive areas such as nuclear equipment and technology, in particular?

Ford

For a number of decades now, an important part of U.S. trade exports has been based on the technical superiority of our products. Aviation sales and products using advanced solid-state circuitry such as computers are examples. In addition, we lead in agricultural exports.

The "R&D content" of our exports has been higher than those of most other industrialized nations. Indeed, to continue to expand our trade with other countries, U.S. industry must develop new and better products each year and put these products into exports. But this has to be done without giving away new technology to be used by others in weapons systems. The licensing procedure of the Export Administration (Department of Commerce) is designed to prevent this, without at the same time holding back legitimate commercial exports. A Presidential task force with an assignment to improve Export Administration procedures has been examining the agency's operations and will report to me soon.

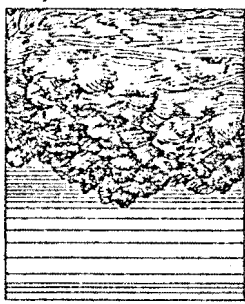
In the case of sensitive areas such as nuclear equipment, technology, and fuel, we must take special precautions and have close government control. Our objective is to control the international spread of the capability to develop nuclear explosives. I recently have directed that a thorough review be undertaken of our nuclear policies and options, particularly with respect to exports, reprocessing, and waste management.

Coyt N

U.S. foreign trade performance is, above all, a measure of the internal strength of the U.S. economy in comparison with the economies of our main trading partners. In this comparison the figures since 1968 are serious cause for concern. U.S. improvements in productivity lag the rates in Japan and many European countries. The percentage of the work force engaged in R&D continues to rise in those countries; it has been declining in the U.S. since 1969.

More and more frequently we have seen major inroads by foreign competitors in areas of traditional strength in the U.S. (But the right policy for the U.S. is not to copy the policies of foreign governments, but is to take steps to strengthen the competitiveness of the domestic U.S. economy.) This strength is greatest in the areas of most rapid technical progress. Agriculture, civil aviation, and computers are all examples.

There are circumstances, especially in technology of military significance and in critical materials areas, in which a government policy concerning exports and imports is justified. Our government should react with appropriate firmness to other governments that intervene to our disadvantage. What we should do is adopt those domestic policies—in education, science, economic policy—that are most likely to keep U.S. industry ahead, and give careful attention to the dislocation of the labor force that accompanies rapid technological change.



There is a growing feeling that some of the current legislation and regulations to implement enacted legislation aimed at curbing pollution, safeguarding the environment, and so forth, is either too heavy-handed or cast in such broad terms as to be either meaningless or too subject to arbitrary interpretation. What is your view?

FORD

I believe that we can go a long way toward achieving our environmental, energy, and economic development goals at the same time, if we proceed deliberately and carefully.

However, I agree with the view that some current environmental laws and regulations have lacked a reasonable balance, and I have acted to achieve a better balance. For example, I have urged Congress to extend the Clean Air Act deadlines for meeting automobile emission standards so that we can have a better balance among our clean air, energy, economic, and consumer price objectives.

I also have been concerned about the impact of environmental regulations but, in some cases, the regulations have been issued by the regulatory and enforcement agencies in direct response to explicit provisions of the law or to comply with court interpretations of the law. Many of the environmental laws were put in place quickly and with good intentions. Now that better information is available, the laws and the regulations should

be corrected for the long-term benefit of all our society. As illustrated above, I am seeking such corrections.

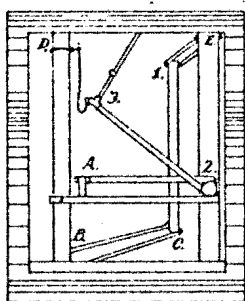
In general, our pollution control programs should achieve a balance among the benefits and costs of improving environmental quality and benefits and costs of industrial and commercial development. In the past two years, we have come closer to striking a socially acceptable balance than before. At my direction, the Environmental Protection Agency (EPA) first initiated "Economic Impact Statements" and then I ordered "Inflation Impact Statements" to provide a basis for assessing social benefits and costs of each particular rule-making. In some cases, EPA was prevented by law from basing decisions on these assessments. But where possible, EPA has gone a long way in making decisions that reflect a balance between the benefits of improved environmental quality and costs to the economy.

CARTER

There is no doubt that a few federal regulatory programs produce few real benefits to the public while exacting a cost to the economy. However, properly managed and structured, regulation not only should meet its purpose of protecting the public interests but also provide incentives to innovation.

Too often the rules are hard to interpret, government policy

is too unpredictable and unstable, compliance is indifferently enforced. The most serious shortcoming of regulation is that it often fails to relate the social and economic costs of the goals to objective measures of benefit. Indeed, often the reduction of risk in one area is achieved at the expense of enhanced risk in another. Improvements in the regulatory process would come from reorganization. Above all, more objective scientific fact determination is needed, so policies can be soundly based.



What views do you have on reform of the U.S. patent system, particularly as it affects individual inventors or wider licensing of U.S. technology? Are existing federal programs to transfer technology developed at government expense to private industry or other sectors of the economy adequate? What further efforts in this area might you propose? And how would your Administration view exclusive licensing to industry of federally owned patents? Should there be some form of compensation to the government and should government-employed inventors of such licensed technology receive some form of compensation?

FORD

The U.S. patent system on the whole is working positively toward the rapid development of new technologies. However, the changing nature of applied research has raised questions about the adequacy of the patent system, which has changed only slightly since early in the 19th century.

My Administration has submitted comprehensive legislation that would rid the patent system of many of its existing problems without sacrificing the indispensable stimulus to invention now afforded by that system. The proposals are designed to assure that the patents issued are more valid and contain greater disclosure of the technology involved. Also, the proposals seek to improve the administrative procedures in the patent and trademark office so as to permit a simple and straightforward search for new patents.

This and other patent reform measures have been under consideration in Congress for some time, but none has been enacted.

The number of government-owned patents that have been licensed for use in the private sector is less than 5% of the total. Measured against the performance of the university community, whose licensing rate exceeds 30%, the federal technology-transfer record is poor. Although this situation has existed for decades, my Administration is doing something about it. First, a high-level patent-policy task force has now reported to me and to Congress on sweeping recommendations for making optimum use of government-funded innovations. Second, we already have begun (with encouraging results) to market government-owned inventions, instead of letting them sit idly on the shelf while waiting for someone to ask about them.

Government-owned inventions which are licensed for use in

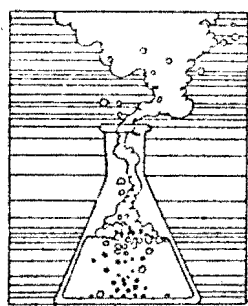
the U.S. stimulate employment and create revenue in the form of tax receipts. In some cases it may be appropriate to charge a royalty for such domestic licenses. Foreign licenses, on the other hand, generally should be issued on a royalty basis.

The principal goal of federal investment in R&D should be to maximize the benefits to the public of the new technology that results. In some circumstances, this end may be served best by giving exclusive rights to those in the private sector who will take the necessary steps, make the required investments, and exercise the required diligence to disseminate the benefits of the technology expeditiously and effectively. The university experience indicates that this is a valuable and often indispensable tool for actually transferring technology into the market place.

CARTER

I realize that the present U.S. patent system has some severe difficulties in regard to inventors, users, and recipients of technology. I have not yet made a detailed study of the system, but I plan to do so in the near future. Until that time, I would like to withhold any judgment on this matter.

Your suggestion on private licensing of government-owned patents is provocative. If it can be determined that such a system would encourage and increase competition in the private sector, I would be willing to consider it. I would have to study the matter of consideration for government-employed inventors from a personnel management perspective.



How do you view the current level of effort in the Environmental Protection Agency and the Occupational Safety & Health Administration to regulate toxic chemicals? Should the effort be increased and, if so, in what fashion?

FORD

The Toxic Substances Control Act, recently passed by Congress, establishes a new framework for much of the government's activities with respect to toxic chemicals. I have supported enactment of such legislation, although I continually urged that unduly burdensome premarket notification requirements be eliminated from the bills because they were overrestrictive and of little value in protecting the public health.

As in the case of all new laws such as this one, we will have to proceed carefully and seek to assure that the costs of complying with it do not exceed the benefits gained.

CARTER

We must do more to guarantee each and every American the right to a safe and healthy place of work. More than 600 toxic chemicals are introduced into our workplace annually. There are currently more than 13,000 already listed. Nearly 100,000

working people die each year from occupational illnesses and accidents. More than 17,000 disabling injuries have occurred in our nation's mines. This terrible toll cannot be tolerated.

I believe the basic concept behind OSHA is excellent. We should continue to clarify and expand the state role in the implementation of health and safety. OSHA must be strengthened to ensure that those who earn their living by personal labor can work in safe and healthy environments.

The Occupational Safety & Health Act of 1970 should cover all employees and be enforced as intended when the law was enacted. However, early and periodic review of the act's provisions should be made to ensure that they are reasonable and workable. I would look favorably on developing means to provide technical assistance and information to employers to encourage compliance with the act.

The control of occupational hazards can save many workers each year who die prematurely because they are exposed to toxic chemicals, dust, pesticides, unsafe machinery, and other dangerous conditions. Nationwide efforts in this area should continue until our working citizens are safe in their jobs.

Federal Alert— new regulations

This listing covers regulations appearing in the Federal Register from Sept. 8 through Oct. 7. Page numbers refer to those issues.

PROPOSED

Food & Drug Administration—Changes status of 10 ingredients that are used in cold remedies from requiring a prescription to over-the-counter sales; comments by Dec. 8 (Sept. 9, page 38312).

Allows use of Red Dye No. 4 in externally applied drugs and cosmetics; comments by Oct. 26 (Sept. 23, page 41854). Continues provisional approval of 52 color additives, including ferric ferrocyanide, zinc oxide, and bismuth citrate; comments by Nov. 22 (Sept. 23, page 41860).

Allows use of triglyceride mixture of caprylic and capric acids to be used as surface finishing agent, formulation aid, lubricant, and in dietary foods; comments by Dec. 3 (Oct. 4, page 43754).

Requires new labeling for estrogens, to include account of cancer risks associated with estrogen use; comments by Nov. 29 (Sept. 29, page 43108).

Nuclear Regulatory Commission—Phases out over the next 10 years the government's program to compensate the public in the event of a serious reactor accident; comments by Oct. 20 (Sept. 20, page 40511).

Patent & Trademark Office—Strengthens patent examining and appeal procedures; permits patent owners to bring new prior art to the office through reissue applications, assist examiners by providing them with patentability statements in all applications, modify appeal procedures to authorize oral arguments by examiners; comments by and hearing on Dec. 7, in Arlington, Va. (Oct. 4, page 43729).

FINAL

All agencies—Spells out plans to involve consumers in their decision-making processes; effective immediately (Sept. 28, page 42761).

Department of Transportation—Sets forth packaging, labeling, and placarding requirements for air, water, and surface transportation of hazardous materials; effective immediately (Sept. 20, page 40613).

Environmental Protection Agency—Designates for five years the Gulf of Mexico as ocean dumping site for incineration of chemical wastes; effective immediately (Sept. 15, page 39319).

Postpones implementation of its program to phase out use of lead additives in gasoline; effective immediately (Sept. 28, page 42675).

Food & Drug Administration—Bans use of Red Dye No. 4 in maraschino cherries and ingested drugs; effective immediately (Sept. 23, page 41853).

Bans use in cosmetics of aluminum stearate, bentonite, calcium silicate, calcium stearate, gold, kaolin, lithium stearate, magnesium

aluminum silicate, magnesium stearate, and zinc stearate; effective Oct. 26 (Sept. 23, page 41855).

Bans use of carbon black in foods, drugs, and cosmetics; effective immediately (Sept. 23, page 41857).

Denies Abbott's petition to reinstate use of cyclamates in food; effective Oct. 4, objections by Nov. 3 (Oct. 4, page 43754).

NOTICES

Environmental Protection Agency—Announces availability of draft environmental impact statement on proposed cancellation of chlordane and heptachlor pesticides (Sept. 9, page 38206).

Asks public input on what sort of information should go into toxicology test reports that are submitted in support of pesticide registration applications; for example, should the director of the laboratory performing the tests sign and approve all reports; comments by Dec. 6 (Oct. 5, page 43921).

Federal Energy Administration—Requests expressions of interest and comments on private sector participation in commercial energy projects under the International Energy Agency; projects can include pilot plants for oil shale or tar sand development, and natural uranium exploration; comments by Oct. 15 (Sept. 13, page 38818).

Nuclear Regulatory Commission—Sets forth safety and environmental aspects of using mixed uranium-plutonium fuels in light-water reactors; comments by Nov. 4 (Sept. 20, page 40506).