

POOL REPORT #1  
AIR FORCE ONE TO YPSILANTI

Wheels up nearly ten minutes early ... Nessen came back and read the manifest: The President and Mrs. Ford, Cheney and Nessen, Buchen, Seidman, Orben, Penny, Sheila Weidenfeld, Senator Robert Griffin, R-Michigan, Congressman Marvin Esch, R-Michigan.

Also aboard State Senator Carl Parcell, who is running for the Esch Congressional seat because Esch is the Republican Senate nominee. Ann Arbor is in the Esch Congressional district.

Nessen explained 8 Congressmen were scheduled to be aboard AF #1 but they remained in Washington to vote on the clean air bill....

EMBARGOED until 6:00 p.m.

Deputy Director of OMB

Paul O'Neill/ says Ford speech is outline of things he'd like Congress to do in the next 4 years...He says the medicaid proposal is not new but rather restating of last years State of the Union Message, the idea being to consolidate Federal Medical Programs into one block grant including medicaid and then letting the states distribute it...States would be required to have an independent audit of those funds and each year a Governor would have to certify the program has been run free of scandal and fraud...This speech according to O'Neill is to call attention to the President's belief in the need for reform. President Ford believes the present Medicaid distribution very uneven...There is a "very marked maldistribution of funds between the states "with more Federal funds going to states with richest treasuries...Ford wants low income folks to get their fair share..

Education: Next year he will propose a Constitutional way to provide relief to parents who sent their children to non-public schools (both parochial and in the South). The President favors doing this through the tax system...and its his intention to find a way to help families with the burden of college tuition again probably through tax break..

Housing: These are new proposals; no idea of what it will cost nor ... specifics but its based on the idea young families can space out mortgages over a longer period paying more in their later years. Ford has directed HUD to publish in Federal Register soon details on graduated mortgage program. "This can be done by the President's direction." Paul O'Neill gave this example of how Ford mortgage program would work. On a house (mortgage) worth \$30,000 with 8 1/2 percent interest on 30 year period. Presently down payment would be \$1250 with monthly payment of \$230 on mortgage. But under President's proposal payments monthly would be \$39 a month lower the 1st year and rise gradually over 7 years to \$230 per month, after which it would continue to rise gradually to \$250 per month between the tenth and the 15th year.

The lowering the down payment requirement and stretching out mortgage will have zero impact on Federal budget.

Political: Peter Teeley, PFC spokesman mentioned market opinion research poll in Detroit News last week with Ford 7 points up on Carter in Michigan with 23% undecided.

Rodgers, AP Radio  
Wright, U.S. News  
McCartney, Knight

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