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Reichley  
10/18/76



DEBATE TOPICS - CRIME

President Ford has made enactment of his legislative crime-fighting proposals one of his top priority objectives for the first hundred days of the new administration that begins next January.

The tide in the war against crime has seemed to be turning in favor of the peace-keeping forces during the past two years. In 1974, the crime rate increased 18 percent. Last year the increase was down to nine percent. And for the first six months of this year, the increase in the overall crime rate was only three percent -- while the rate for the violent crimes of murder, rape, robbery, and aggravated assault actually decreased six percent!

In Georgia under the administration of Jimmy Carter, in contrast, the rates for the major crimes of murder, aggravated assault, and burglary were consistently well above the national average.

How much of the improvement in the national struggle against crime during the past two years is due to the actions of the Ford Administration is hard to determine. But a major underlying cause of the rise in crime in recent years was the sense of instability that had crept into our national life. By strengthening respect for moral values, and guiding the nation toward improved economic security, President Ford has helped counteract some of the deeper causes of crime.

In addition, President Ford has taken leadership in the war against crime by proposing an anti-crime package which includes:

- Mandatory sentences for such Federal crimes as kidnapping, hijacking, trafficking in hard drugs, and crimes involving dangerous weapons.
- A comprehensive Federal criminal code to replace the mass of overlapping and sometimes contradictory laws now on the books.
- Increased job opportunities for young people, to provide an alternative to crime.
- A ban on Saturday Night Specials, which are used almost exclusively for criminal purposes.

- Tougher laws against drug pushers -- such as permitting judges to deny bail for defendants with record of past convictions.
- More Federal judges.
- Construction of four new Federal prisons -- many judges are reluctant to sentence convicted criminals to do time in prison because of the overcrowding and inadequacy of existing facilities.
- A "Career Criminal" program, through which Federal aid has been given to law enforcement agencies in twelve cities to identify and speed prosecution of defendants with long records of convictions. Under this program, 95 percent of defendants have been convicted, with average sentences of almost 20 years. Program will be enlarged to cover 50 cities next year, and 100 cities the following year.
- Compensation for victims of Federal crimes.





## UNEMPLOYMENT

Unemployment is one of my greatest concerns. A serious analysis of the problem shows that unemployment will not be solved with false promises or make work jobs. There are two basic components of the unemployment problem: job loss and new people coming into the labor force. Our job loss problem, the tradition unemployment problem in America, is well on the way to being solved.

It is true that there are more people working then ever before in our history, but there are also more people coming into the labor force than ever before as a result of many changes in American lifestyles. It is the people waiting to get into the labor force who create our biggest problem. I am not content with having the largest employment ever, I want to see that meaningful jobs are available to the unemployed, ~~as well as the employed.~~

But we are not living in the Great Depression either. The solutions to the problem of the unemployed should not jeopardize those who are employed. Large scale Federal works programs have to be paid for with higher taxes or by printing money. Either way the fires of inflation are fueled and everyone gets hurt. Inflation kills the elderly on fixed incomes, most wage earners, the unemployed and recipients of welfare. The solution to the unemployment problem is not increasing inflation. I am committed to solving the unemployment problem by:

1. Targeting areas of heaviest unemployment, for the most part ~~the~~ urban areas, and judiciously using available Federal programs to attract jobs to these areas;



2. Continuing my program of support payments to those who are unemployed; and,

3. Most importantly, to keep the economy on a stable, steady growth pattern.

Reichley  
10/19/76



DEBATE TOPICS - BLACK AMERICANS

President Ford essentially offers black Americans what he offers all other Americans: More jobs, equal opportunity, stable prices, better education, better health care, protection against crime, equal enforcement of the law.

The President recognizes that blacks in the United States are still to some extent the victims of discrimination. He is determined, first of all, to stamp out vestiges of discrimination wherever they exist; and, second, to provide blacks with the means to get the fullest possible use out of their abilities and talents.

In carrying on the continuing struggle against discrimination, the President sponsored and signed extension of the Voting Rights Act in 1975. The extended act was broadened to include protection for Spanish-Americans, Indians, and Asian-Americans -- who will now benefit from the same safeguards that were first successfully demanded by blacks.

The federal budget for civil rights activities next year will be \$3.9 billion -- up from \$2.9 billion when President Ford first came into office. Funding for the activities of the Equal Employment Opportunity Commission has risen by more than 20 percent under President Ford.

Blacks, such as Secretary of Transportation William Coleman, hold many top posts in the Ford Administration -- not because they are blacks but because they are the individuals best qualified for their jobs.

The Administration's major domestic objective has been to foster the development of economic conditions under which blacks, along with all other Americans, can make full use of their personal resources.

We are not going to achieve full equality in this country until we have defeated the problem of unemployment. There is simply no way for government, by reaching into economic transactions all over the country, to eliminate completely the effects of past discrimination and current prejudice. Blacks will gain full equality when the economy needs full utilization of their energies and talents in order to function at top efficiency. Achievement of full employment depends on bringing inflation under control.

Inflation causes unemployment. Unemployment feeds discrimination. To conquer discrimination, we must wipe out inflation.

This does not mean that government must stand still in dealing with social problems until the war against inflation is won. President Ford has recommended programs for catastrophic health insurance, job incentives in areas of chronic unemployment, and low cost housing, which, when enacted, will give special help to those whose incomes have not kept pace with overall economic growth.

In addition, the Ford Administration in two years has more than doubled loan and loan guarantee funding available through the Small Business Administration for minority enterprises.

With the return of health to the economy, President Ford has promised in the next four years to assign top priority to six "quality of life" issues: Jobs, housing, education, health care, law enforcement, and improved recreation opportunities -- all among the major interests of black Americans.

The opposition candidate for President has attempted to achieve rapport with black Americans by telling black audiences again and again that he "understands" -- while offering very little in the way of concrete programs to improve the conditions under which black Americans live. The time is past when blacks can be won by vague professions of "understanding," and emotional tokenism.

Black Americans -- like all Americans -- now demand firm commitments to definite social and economic policies. Some may prefer policies different from those proposed by the Ford Administration. But they know that President Ford has not tried to deceive them. He has offered a program that he firmly believes will bring economic and social progress for all. He is confident that many black Americans will agree with his conclusions, and will give him their support on election day.



Reichley  
10/19/76



DEBATE TOPICS - HOUSING

President Ford aims to bring homeownership within the reach of every American family that wants to own a home and is willing to work for and save for it.

Homeownership will be increased through continuation of the Administration's anti-inflationary economic policies, and enactment of the President's request for a reduction in the personal income tax. Holding down inflation will cut mortgage interest rates, and slow the rise in construction costs. Reducing the income tax -- as recommended by the President, but rejected by Congress this year -- would put an additional \$200 annually in the pocket of the average American taxpayer, which he could use to help make a down payment on a home or pay mortgage interest.

Sound economic policies are the basic answer to a growth in home ownership. But the President has taken further steps to aid families setting out to own their own homes. In 1974, the Ford Administration extended Government National Mortgage Insurance to cover conventional mortgages.

Last month, the President ordered implementation of a new Federal guarantee program to lower monthly interest payments in the early years of homeownership and gradually increase them as family income rises. The President has called for changes in the FHA loan program to reduce down payments on lower-priced and middle-priced homes by as much as 50 percent.

For low income families, the Administration has sponsored a rent subsidy program, signed into law by President Ford in 1974. This program gives low income families freedom of choice in selecting their own housing, instead of arbitrarily assigning them to vast public housing developments. This year, 400,000 families are authorized to receive rent subsidies. In fiscal year 1977, this figure will rise to 800,000 families.

Under no circumstances would President Ford approve elimination of the income tax credit for mortgage interest payments, as was proposed by Jimmy Carter before a national television audience on February 23, 1976.

Reichley  
10/18/76



DEBATE TOPICS - URBAN PROBLEMS

Life in great cities is never likely to be as tranquil or secure as life in rural areas or small towns. This is a price that most citydwellers are prepared to pay in return for the economic opportunity, social variety, and intellectual and cultural stimulation that are uniquely available in big cities.

In many of today's American cities, however -- particularly the cities of the Northeast and Middlewest -- the discomforts and dangers of city life have begun to outweigh the compensating advantages.

The special problems of modern American cities are to a great extent the result of two massive movements of population, following World War II:

- The movement into the cities of large numbers of displaced former farmworkers, seeking economic opportunity, and often, particularly in the case of blacks, fairer treatment under the law. This movement enlarged the supply of labor available for work in auto factories in Detroit, steelmills in Pittsburgh, and office buildings in New York -- thereby contributing to the nation's economic growth. Also, however, in times of economic slowdown, it caused specially heavy unemployment in many cities; and faced the cities with the need for providing education, health care, police protection, and welfare benefits for millions of relatively unskilled workers and their families.
- The movement away from the cities of many middle-class and working-class families, attracted by the suburban style of life. This migration to the suburbs tended to erode the economic base of the cities, and also deprive the cities of some of their most effective citizens.

The movement from the farms into the cities has now largely ceased -- even to some extent has begun to reverse itself. The movement to the suburbs, however, continues.

The most pressing need for America's cities today, therefore, is to make themselves more attractive as places to live -- so that they hold their more able citizens, and even draw back some who find themselves not wholly satisfied with life in the suburbs.



A great deal of this work of reclamation will have to be done by the cities themselves.

But since both the states and the nation as a whole have vital interests in the revival of the cities, both the state and Federal governments must be prepared to give special help to the cities in their struggles for recovery.

Obviously, the Federal government should not adopt policies that would undermine the general national economy -- on whose prosperity the cities depend along with everybody else. This means that Federal aid to the cities can not rise faster than overall growth of the economy, unless savings can be made elsewhere in the Federal budget.

Also, Federal aid should not be administered in a way that handicaps initiative and creativity within the cities. It is absolutely essential that citydwellers regain a sense of having control over the political decisions that most directly affect their lives. The shape and direction of government programs, therefore, must largely be determined at the local level.

Within this framework, there is much that the Federal government can and must do to help the cities.

The Ford Administration is taking the following specific steps to enhance the quality of life in our major cities:

- Five-year reenactment of revenue sharing, signed by the President on October 12, 1976. The revenue sharing program, initiated under Republican leadership, permits states and cities to spend Federal funds (up to \$6.85 billion for each fiscal year) on problems which they themselves view as most urgent -- including tax relief. The Democratic candidate for President would eliminate all revenue sharing funds for the states -- which would reduce the states' abilities to coordinate action on problems, such as transportation and pollution, in which the interests of the cities and the suburbs overlap. (Governor Carter himself, incidentally, recognized this point in his argument last fall that Federal help for New York City should go to the state rather than directly to the city.)

- Community Development Grant Program, signed into law by President Ford on August 22, 1974, to take the place of seven overlapping and cumbersome categorical Federal aid programs, for such purposes as sewer lines, municipal parks, and urban renewal. Federal aid is now distributed on the basis of population, poverty, and overcrowded housing. Programs are designed and administered at the local level. Funding for fiscal 1977 is \$3.25 billion -- one-third more than was spent on all seven of the old categorical programs at their highest level of funding.
- Proposed a job incentives bill, which would give special tax treatment to companies building new plants in areas of chronic unemployment -- a program that will mean more jobs for most cities in the Northeast and Middlewest. Unfortunately, not acted on by Congress this year.
- Established an administration task force on Urban Development and Neighborhood Revitalization, to come up with specific steps through which the Federal government can help strengthen urban neighborhoods. The task force, in its first report this week, called for enactment of a package of innovative measures, including bringing together all Federal housing assistance into a single block grant program, a block grant program for urban surface transportation, and special tax credits for homeowners who invest in improvement on older housing. These recommendations are now being considered for inclusion in the Administration's legislative program next year.
- Proposed a package of crime-fighting measures, including tougher laws against drug-pushers, that will help the cities in their efforts to provide physical safety for their citizens.
- Called for a \$3.3 billion Federal aid to education program, which will give each school district freedom to use Federal funds in ways that best meet its particular problems and needs.

These are only a few of the programs that President Ford has put into action or proposed to help the cities. In addition, the President has promised that in the next four years he will give top domestic priority to six "quality of life" issues -- jobs, education, housing, health care, law enforcement, and recreation -- all problems which particularly affect the nation's cities.

# DEAN CHARGE



*The allegation simply is not true and every one investigated that has been investigated. The matter has reached this conclusion.*

## QUESTION:

Mr. President, recently questions have been raised concerning certain allegations by John Dean that you blocked an investigation by the House Banking and Currency Committee on Watergate. What is your reaction to this view of your activities in 1972?

## ANSWER:

← The questions now being discussed were fully covered in 1973 when I was confirmed as the Vice President. As I said at my Press Conference last week, I answered all the questions before two committees of Congress. What I said then was that at no time did I discuss the Patman hearings with President Nixon or Messrs. Haldeman, Ehrlichman or Dean. I also said that as Minority Leader, I dealt with Mr. William Timmons, head of the White House legislative liaison office, and members of his staff -- and that would include Dick Cook -- on a daily basis but, to the best of my recollection, they did not convey to me any White House instructions to block the Patman hearings.

Let me make clear that any action I took was taken at the behest of Republican members of the House committee, and not the White House.

The Special Prosecutor has just made a determination that the information available does not even merit an investigation. Apparently former Senator Ervin has said that there is no evidence that I acted on orders from the White House.

I am confident that the American people realize that these allegations represent nothing more than the dredging up of old and false material during an election campaign.

October 19, 1976



Q & A For Debates on The Economy

Has the recovery come to a standstill? Fourth Quarter GNP was down to 4% ? .

Let me make an analogy to a World Series game. Let's assume that our team is ahead 9 to 0 in the eighth inning. We are up to bat, and do not score any runs in that inning. That does not mean we will lose the game.

The economy is in the same shape. We flattened out our growth in the second and third quarters after a fantastic first quarter. Every responsible economic forecasting organization, including the group headed by Lawrence Klein, one of Mr Carter's economic advisers are predicting an improved fourth quarter. ~~See this~~

The important things to watch are inflation rate, consumer confidence, and number of new jobs created. We are ahead of our predictions in every one of these areas.

We predicted an inflation rate of 6% for the year...The last twelve months have averaged 5.5%.....Consumer confidence is very high and this has resulted in all time records of retail sales, excellent automotive sales, and last month a skyrocketing increase in new housing starts.....

People are feeling good about America.....4 million have gone back to work since the bottom of the recession...Americans are not listening to the stories of fear being spread by those who do not believe in letting the free enterprise system work.



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Overview of President's  
Energy Accomplishments

OVERVIEW OF PRESIDENT'S  
ENERGY ACCOMPLISHMENTS

- . In January, 1975, the President submitted the first comprehensive energy program ever developed by the Executive Branch. The program contained 13 major titles and was accompanied by a windfall profits tax on oil producers; it was later supplemented by 9 additional legislative proposals.
- . The President's program was aimed at eliminating the Nation's vulnerability to insecure foreign oil by 1985 through:
  - actions to reduce demand
  - actions to increase supply,
  - emergency actions designed to cushion and even deter future embargoes.
- . The combined actions represented a carefully balanced set of measures involving:
  - market forces to dampen demand and increase supply
  - regulatory involvement by the government to encourage greater conservation than would be achieved by market forces
  - Federal financial assistance for low income persons, all tax-payers, and selected energy industries to stimulate conservation and augment supplies.
- . The initial Congressional response was one of confusion and of inaction. The President's program was referred to 20 committees, 21 subcommittees, and his representatives eventually testified over 500 times in two years.
- . Considerable Presidential pressure was required to get the Congress to act if the Congress' own disorganization and concern with passing unpopular measures was to be overcome. The pressure, however, has borne some fruit; the government has made a start on a comprehensive energy program, and the groundwork has been laid for even more progress next year.

- . In two years, the Congress has passed three major energy bills:

- The Energy Policy and Conservation Act
- The Naval Petroleum Reserves Production Act
- The Energy Conservation and Production Act

It has also provided new R & D authorities and established a new R & D agency.

- . These measures provide for:

- phased decontrol of oil
- building standards
- automobile efficiency standards
- weatherization assistance for low income persons
- appliance labelling requirements
- efficiency targets for appliances and the top ten energy consuming industries
- financial assistance to homeowners and industry to stimulate conservation
- grants to State to develop comprehensive State-wide conservation programs
- improved emergency authorities and a strategic reserve program
- production of oil from the Naval Petroleum Reserves



- . Much remains to be done, even though a start has been made. Still outstanding are bills to:

- increase natural gas production through deregulation
- commercialize synthetic fuels
- provide for increased enriched uranium supplies
- balance environmental needs with energy realities

- alleviate financing problems of the Nation's utilities
- . The bills enacted to date, however, have had an impact on the Nation's import situation.
- If none of these measures the President proposed had been enacted, our imports could total almost 12 MMB/D by 1985.
  - As a result of those programs already enacted, our imports would be approximately 7.5 MMB/D by 1985.
  - However, if the President's full energy program were enacted, we have the very real possibility of lowering our imports to approximately 4 MMB/D by 1985. At this import level, our strategic reserve system and emergency standby authorities should enable us to offset the effects of any supply interruption.

Legislative Scoreboard



THE ENERGY SCORECARD

PRESIDENT'S BILLS PASSED

CONGRESSIONAL ADDITIONS

- EPCA: \*STRATEGIC RESERVES  
\*STANDBY AUTHORITIES  
\*COAL CONVERSION  
\*APPLIANCE LABELING  
  AUTO EFFICIENCY STANDARDS  
\*PRICE CONTROL PHASEOUT  
  COAL LOAN GUARANTEES  
  STATE CONSERVATION PROGRAMS )
- ECPA: \*BUILDING STANDARDS  
\*WEATHERIZATION  
  CONSERVATION LOAN GUARANTEES  
  UTILITY RATE STRUCTURE DEMO.  
  INSULATION DEMO. PROGRAM
- OTHER: \*NAVAL PETROLEUM RESERVES  
  COASTAL IMPACT ASSISTANCE  
\*ERDA ORGANIZATION

BILLS REMAINING

- \*NATURAL GAS DEREGULATION  
\*NATURAL GAS EMERGENCY  
  AUTHORITY  
\*SYNTHETIC FUELS COMMERCIALIZATION  
\*INSULATION TAX CREDIT  
\*ALASKAN GAS TRANSPORTATION  
\*NUCLEAR LICENSING  
\*NUCLEAR FUEL ASSURANCE  
\*CLEAN AIR ACT  
\*ENERGY INDEPENDENCE  
  AUTHORITY  
\*ENERGY FACILITIES SITING  
\*UTILITY TAX INCENTIVES  
\*UTILITY REGULATORY REFORM  
\*OIL SPILL LIABILITY  
\*URANIUM ENRICHMENT  
  IMPACT ASSISTANCE

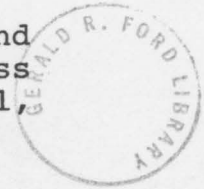
\* PROPOSED BY THE PRESIDENT



The Carter Energy Program

## THE CARTER ENERGY PROGRAM

On September 21, Governor Carter released a three and one-half page statement on energy organization. Less than one page dealt with his organizational proposal, and the remainder contained a five-point summary of his energy policy:



- I would exercise the Federal government's obligation to protect the Nation against an oil embargo and to negotiate on behalf of the consumer to keep OPEC prices under reasonable control. The present practice of leaving the consumers' fate in the hands of the big oil companies and the OPEC cartel will be stopped.
  - I would institute an all-out, comprehensive energy conservation program. This means performance standards, financial incentives, research and development of more efficient technology, and conservation pricing of energy. The Carter Administration will give a higher priority to conservation.
  - I would establish a new "clean coal" program, designed to overcome all the bottlenecks in mining, transportation and conversion of industrial plants but still protecting the land, air and water, and health and safety of coal miners.
  - I would institute a major initiative to develop environmentally safe and renewable energy resources, such as solar power. Its development is being neglected, while nuclear power, which poses many dangers, is being favored.
  - I would formulate all of my initiatives in partnership with the states and local governments. The best resources of each area of the country will be matched with its important needs.
- . There are a number of striking things about Carter's energy proposals:
- The energy organizational proposal is a flawed re-statement of the Administration's original DENR proposal in 1971
  - There are no goals or targets

- The statement is extremely vague and imprecise (what is energy conservation pricing? Is it a gasoline tax? Or is it decontrol?)
- Apart from nationalization of oil imports (State trading), all of the proposals have either been proposed by the Administration or are now being implemented.
- . From the Administration perspective, the bottomline of Carter's energy proposal can be stated as follows:


"Governor Carter implies that the Administration has done nothing in any of these areas. This assertion demonstrates that Governor Carter either knows nothing about what has been happening in energy, or he is trying to mislead the American public. In fact, his energy program constitutes but a part of the President's overall energy initiatives."



Key Campaign Points To Be  
Made By President Ford



KEY CAMPAIGN POINTS TO BE  
MADE BY PRESIDENT

- PROPOSED FIRST COMPREHENSIVE ENERGY PROGRAM EVER PROPOSED
    - SUPPLY ACTIONS
    - DEMAND ACTIONS
    - EMERGENCY MEASURES
    - 13 ORIGINAL TITLES + 9 OTHERS
    - MARKET FORCES; GOVERNMENT REGULATION;  
FINANCIAL ASSISTANCE
  - CONGRESSIONAL CONFUSION AND CONCERN REQUIRED CONSIDERABLE PRESIDENTIAL PRESSURE AND LEADERSHIP
  - SOME PROGRESS HAS BEEN MADE
    - THREE MAJOR BILLS HAVE BEEN SIGNED
    - 10 PRESIDENTIAL PROPOSALS HAVE BEEN ENACTED, AND 6 OTHERS HAVE BEEN SIGNED
    - IMPORTS HAVE BEEN REDUCED BY 4.5 MILLION BARRELS PER DAY BY 1985 (FROM 12 MBD TO 7.5 MBD)
    - GROUNDWORK HAS BEEN LAID FOR FURTHER PROGRESS NEXT YEAR
    - CONSIDERABLE DECONTROL HAS BEEN ACHIEVED
- 

• CARTER PROGRAM

- CARTER HAS NO SPECIFIC PROGRAM, ONLY VALUE CONCEPTS AND GENERALIZATIONS
- ENERGY ORGANIZATIONAL PROPOSAL IS FLAWED
- EXHIBITS NO UNDERSTANDING OF:
  - (1) THE NATION'S ENERGY PROBLEM
  - (2) WHAT GOVERNMENT HAS DONE TO DATE
  - (3) THE NATIONAL SECURITY ASPECTS OF ENERGY

10139  
1061

Excerpt from 5 min. Carter ad:

"It took 70 years to build up homeownership in the United States  
Up through 1969 we had over 50% of all the homes in America  
owned by the families that lived in them. It took only 8 years  
under Nixon and Ford to tear that down and in only 8 years we now  
have only 32%, less than 1/3 of the homes in this country, owned  
by families. That shows what a terrible change took place when  
the Democrats were out of office. What we took 70 years to do  
the Republicans have destroyed in 8 years."

TOTALLY FALSE PER SOL MOSHER.

Ron Weber is gearing up for a massive blast---



October 20, 1976

MEMORANDUM



TO : Mike Duval  
The White House

FROM : Sol Mosher *sm*  
Assistant Secretary for Legislative Affairs, HUD

SUBJECT: ~~████████████████████~~ Debate Issue

Per my conversation this morning with Patty on your staff, attached is my proposed 30 second ad for President Ford.

Carter ads which are running (and which we do not have a precise transcript of, but one should be available at the PFC) says that home ownership has declined under President Ford's Administration. The statement is false, and during the course of the Debate, Carter should be challenged to withdraw the ad and that it is false and misleading advertising. The actual facts as the attached sheets indicate are that homeownership has never been higher than at the present time. In fact, the percentage of housing units which are owner-occupied went up only slightly under the Kennedy-Johnson Years and have increased sharply in the Republican Years, as indicated by the attached fact sheets.

What Carter probably had in mind is that median income has not increased as rapidly as the median cost of a new home, and that theoretically fewer people can afford to buy a new home today than could, say, 8 years ago. But, the fact is that home ownership has increased sharply and this is especially true for young home owners age 35 and under, to whom Carter's remarks appear to be addressed.

I have circled the two bullets in the attached fact sheets which most directly refute Carter's erroneous statement about home ownership.

Attachments



Issue: Low level of housing starts. Slow recovery for housing from recession. "Housing depression."

Responses:

-- Housing starts have risen 39 percent in the last year.

-- So far this year, new single-family home starts have been running at the fourth best year on record, better than any year under President Kennedy or President Johnson.

-- In fact, in the first nine months of 1976, there have been as many new homes started as there were in all of 1975, or 1974, or 1970, 1969, 1968, 1967, or 1966. We already have the fourth best year in a decade for new homes, even if no homes are started for the rest of the year.



-- Interest rates on new homes are coming down, as witness the lowering of the FHA mortgage rate from 8 1/2 percent to 8 percent last week, in line with the decline in other interest rates.

-- Inflation has been the biggest problem in the housing recovery, and Democratic-led deficit spending has been the greatest obstacle to lower interest rates. If Congress had sustained all my vetoes, interest rates would probably be lower than they are now.

-- Sixty-five percent of American families own their own homes now, as compared to only 55 percent in 1950, and the trend toward homeownership has been increasing much faster in the 1970's than it did in the 1960's.

-- Even for young families, homeownership is increasing. Now 56 percent of families under 35 own their own homes, compared to ~~69~~ to 49 percent in 1970 and 48 percent in 1960.

Issue: Big increase in starts in September was fake, politically manufactured by HUD to make Administration look good, by quick processing of Section 8 subsidized starts.

Responses:

- September increase was real, result of improving economy rather than bureaucratic gimmickry. Interest rates are coming down, helping homebuyers and builders.
- HUD can only process applications, it doesn't build houses.
- Governor Carter should talk to Senator Proxmire, who's been accusing HUD for months of dragging its feet.
- HUD has been gearing up a new program, Section 8, to help low-income families live in better housing. There has been steady progress in developing and implementing this program for many months, on a continuing basis. The numbers have been going up for months, but Governor Carter hasn't been paying attention to them.
- To the extent that HUD's Section 8 program has contributed to the increase in housing starts, HUD and Secretary Hills are just doing their job, after all.
- There is no way that Section 8 processing by HUD could have caused the big increase in single-family starts, which accounted for almost half the September increase.

30 Second Ad Suggestion

The Democratic Platform calls for new spending programs that will cost an estimated 100 Billion Dollars. The cost of paying for these new programs can only come from the paychecks of American working men and women. Who is going to stand up to protect you from this additional burden? The answer has never been clearer: President Gerald Ford. President Ford needs your help on Tuesday, November 2nd.



THE WHITE HOUSE  
WASHINGTON

DATE: Oct. 20, 1976

TO: MIKE DUVAL

FROM: JIM CAVANAUGH

SUBJ:

FYI     x    

ACTION     





*JM*

October 20, 1976

TO: JIM CAVANAUGH

FROM: JIM MILLS

Attached are unsolicited suggestions for possible debate remarks. I submit them at the risk of becoming one of those many well-meaning individuals with kooky ideas. If you see anything in there that looks good, please pass it along.

P.S. Mills' have baby due in May.

(702) 329-2931.



I. ASSUMPTIONS

- A. The undecided and shallow Carter supporter still seeks a reason to vote for Ford over Carter.
- B. Neither Ford nor Carter excite, enthuse, and/or warm the hearts of many voters.
- C. The Ford communications efforts should convey a freshness and include some unorthodox or unusual conduct.
- D. Voters feel distant from Washington, the campaign and the issues to date. Communications by the President sympathizing with their feelings, explaining how this occurs, and discussing his feelings over this distance are possible solutions for fresh and unusual copy.
- E. There is a need for the President to acknowledge that the voter knows what's going on and is capable of identifying politics as usual.
- F. There is a need for candid and somewhat philosophical discussion of the President's approach toward leadership.

II. DEBATE RECOMMENDATIONS

A. Early Remarks.

After the first series of questions, the President should answer the next question very directly and quickly (30 seconds) and then take 2 1/2 minutes' time to express his sympathy with the viewing voter in the following way:

Question: -----.

Answer: Direct 30-second reply, followed by:

"Now I want to take a minute to tell it like it is. The voters in this country were not born yesterday. They know that in discussions such as these it is only possible to give brief and, in the case of Mr. Carter, vague answers to complicated questions. They know that the news media in their search for news inevitably make mistakes, obtain distorted information, or over-emphasize minor issues. They know this because they have experience themselves. So let's try to understand why I am and will be a better President.



"One, I have 25(?) years' experience with the federal government. It is no small organization. There are huge departments and large agencies and many programs which must be understood in order to be improved. A wise manager does not suddenly impose a new system on this reality. He takes reality and introduces his changes based on it. A wise manager does not take on more than can be accomplished or he threatens to accomplish nothing and undermines the faith of those he or she serves.

"My style is not to rant and rave, not to over-promise, not to exploit human emotions in order to gain power. My approach is to facilitate change based on reality, to take on what is needed and do-able, and most importantly, to do that in a way that encourages the people and their community leaders to become kings rather than pawns in the federal government's game of rule by regulation and red tape.

"I want the people to have power, not some well-intentioned but self-oriented bureaucratic pretzel palace.

"Secondly, let's be practical people know me and what I stand for. Even those who disagree with some of my views appreciate this. People who invest in America know what to expect. If you change that, if you introduce a different, unknown and untested person into my role, you cause uncertainty; people are not sure how things will work out and so they wait before investing their dollars.

"My friends, if that happens, the unemployment rate, the jobs becoming available, the strength of our nation, and the well-being of our people are set back--not forward.

"Three, Now if we are going to accomplish our goals of reduced government interference, of peace and prosperity, it is necessary that the Senators and Representatives in Congress become accountable to the people, that the people and the local media ask good critical and specific questions. Beware of the politician who pretends to be all things to all people and claimed to be more sensitive."



Optional: "One thing that irks me is the politician who purposely preys on human emotion, who cites his membership on a particular committee as proof of his concern, when in fact he seldom attends their hearings."

Concluding: "Americans must begin to put an end to this. The news media must help, and our leaders must be responsible."

B. Mid-Debate Remarks.

HIGH RISK. (The remarks below, or ones similar to them, should be coupled with some complimentary or supportive language regarding Mr. Nixon.)

"Now, Mr. Carter keeps trying to link my administration with Mr. Nixon's. However, I think there are aspects of Mr. Carter that compare astonishingly well with Mr. Nixon. Perhaps the most outstanding example is his ambitious pursuit of power. Mr. Nixon sought the presidency unrelentlessly for two years prior to November 1968. This endeavor distorted his views of himself and his role. His lust for power resulted in tragedy for the nation.

"Mr. Carter has likewise been pursuing this office for years, using a carefully contrived plan. He has remained vague on issues, taken one position with one group and a contrary position with another. He does this smiling and then calls upon America to follow his crusade. Frankly, the similarities in the way Mr. Carter and Mr. Nixon seem to pursue and use power are frightening."

C. Concluding Comments.

(The concluding comments should be reassuring and emphasize stability and strong leadership. In addition, some remarks conveying an unusual and fresh leadership should be included, such as:

"Now when the people make their decision on November 2, they will try to select the most experienced, competent, trustworthy, and responsible candidates. In so doing, many will vote for candidates of both parties. This is quite proper. While I wish for Republican gains, I wish even more for the election of our most qualified candidates so that the Congress can become a more constructive and intelligent decision-making body.

"In the meantime, I will continue to protect the people from Congress's excesses and steadily lead the federal government in the most practical and caring way we know how.





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THE WHITE HOUSE

WASHINGTON

October 19, 1976

MEMORANDUM FOR:

DOUGLAS SMITH  
MIKE DUVAL ✓

FROM:

PHILIP BUCHEN P.

A banker from Birmingham, Alabama, sent me the attached editorial from The Birmingham News suggesting that it contains material which the President could use in connection with addresses or in connection with his debate answers. I believe the President did quote from part of the Callaghan's remarks in one of his recent addresses but there may be other portions that could be used.

Attachment



---

# The Birmingham News

Clarence B. Hanson, Jr., *Publisher*

Victor H. Hanson, II,  
*Vice President, General Manager*

John W. Bloomer,  
*Editor*

James E. Jacobson,  
*Managing Editor*

James R. McAdory, Jr.,  
*Editorial Page Editor*

Victor H. Hanson, *Publisher 1910-1945*

Friday, October 8, 1976

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## Callaghan's Blunt Words

This newspaper consistently has pointed to Britain, with its troubled economy, as an example of where this country will slide if it continues to follow in the socialistic path Britain has trod for many years.

in new plant and machinery requires not only that we overcome inflation but that industry is left with sufficient funds and sufficient confidence to make the new investments. . . I mean they must be able to earn a surplus, which is a euphemism for saying they must



## IS AMERICA GOING BROKE?

Our National debt is so big it is difficult for a person to relate to it—which may be why our National debt is seldom mentioned.

Please give thoughtful consideration to the following observations.

- How long could you live with a total income of \$10,000.00 per year while spending \$12,000.00 per year?

Sooner or later, don't you think this might cause some problems? Such as going broke?

- From 1940 through 1975, in 8 fiscal years our federal government had a surplus.

In the other 28 fiscal years, our government had a DEFICIT.

- Our National debt is now over five hundred billion dollars (\$500,000,000,000.00). That is well over two thousand dollars (\$2,000.00) for every man, woman and child in America.

- Our National debt is only part of the total debt in America. The debt of states, cities, counties, towns, and special government agencies plus business and private debt should also be included.

- America is following the same course other countries have followed. Observe the stress and turmoil in Italy and Great Britain.

Both Italy and Great Britain are close to collapse and are staying afloat only with financial help from other countries.

- In recent years our federal government has saved Franklin National Bank, Lockheed Aircraft, Penn Central



From Dad

Foreign Military Sales: Israel and the Middle East

I am optimistic about the future for both the U.S. and Israel. The U.S. has weathered its storms, and we are emerging stronger.

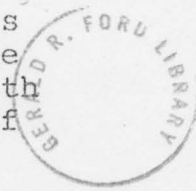
The Soviets have far less influence in the Middle East, and under the Sinai Agreement of last year Israel continues at peace with her neighbors.

Since the 1973 War, Israel, with American help, has acquired large quantities of needed modern arms. Israeli spirits are high, and Israel is stronger that at anytime in history.

Under my Presidency we've proposed over \$4 billion in aid for Israel. Compare that with a total of roughly \$6 billion in aid to Israel over the entire previous 25 years!

To help Israel we must help both sides to feel more confident of their security. We must be influential in the Middle East to achieve this. We must have access, we must trade, we must communicate, we must prove our fairness, we must help balance and stabilize...and FMS is a most important key to such constructive influence.

We know that intelligent use of Foreign Military Sales has been a key to the gains we've made toward stability in the Middle East. We must keep in mind that we are dealing with sovereign governments who come to us with their needs. If we turn our back on them, there are others who won't.



The U.S. commands the respect of all parties in the Middle East because we are a power whose wishes carry weight. Both sides regard us as a fair intermediary who is worthy of being listened to.

Foreign Military Sales assistance is extended very carefully and after exhaustive study and review. As President, I do not do these things in secret. On the contrary, the Congress has recognized the importance of defense cooperation and security assistance in our authorizing legislation, particularly in the new Arms Export Control Act, which governs these sales.

In our last debate Mr. Carter made two grossly inaccurate statements which I want to correct:

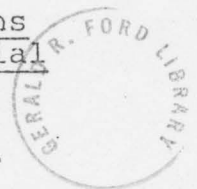
- Mr. Carter was incorrect in our last debate when he said of our weapons sales in the Middle East that "Nowadays 60% go to Arab countries..." He just about had it backwards...the correct figure for FY 74-76 was that 39% of the weapons sales were to the Arab countries.

- He also said that "During this current year we are shipping to Saudi Arabia about \$7.5 billion worth of arms." The fact is that in FY 76 we shipped only about 1/17th (\$430 million) of that amount in defense articles and services to Saudi Arabia, and actual weapons accounted for less than 2% of that. (About \$8.4 million.)
- We did sign Sales Agreements with Saudi Arabia in FY 76 for them to purchase \$2.5 billion in defense articles and services...but actual weapons only constituted 10% (\$247 million) of that.
- So any way you add it, Mr. Carter cited an arms figure at least 29 times too high! ( $7.5 \text{ billion} \div 255.4 \text{ million} = 29.3$ )

In all this talk about Foreign Military Sales, when we consider our support of Israel let's not lose sight of the fact that in FY 74-76 we gave Israel nearly \$2.4 billion in Military Grant Assistance!

Lastly, Foreign Military Sales also have domestic dimensions that are often overlooked:

- FMS purchases permit larger and steadier production runs by U.S. manufacturers and help us maintain our industrial base.
- FMS purchases create jobs in the U.S. and jobs for U.S. citizens abroad. A paper published in July by the Congressional Budget Office shows that a complete ban on new sales under the FMS Program, if imposed now, would cost about 350,000 jobs in the next five years.
- FMS purchases tend to reduce costs for ourselves as well as the purchaser and also help us recover part of our development investment.



VALUE OF FMS AGREEMENTS

	<u>\$ Millions</u>	<u>% Weapons</u>
IRAN - FY 75	\$ 2,570.3	62.1
FY 76	1,301.3	32.2
SAUDI - FY 75	1,549.9	18.6
FY 76	2,502.5	9.9
ISRAEL - FY 75	863.1	38.8
FY 76	919.5	61.7

VALUE OF DELIVERIES

IRAN - FY 75	\$ 956.4	56
FY 76	1,231.6	43.2
SAUDI - FY 75	312.9	11.3
FY 76	429.4	2
ISRAEL - FY 75	651.6	69.2
FY 76	683.8	57

## Inflation and United States International Leadership

- o I have met repeatedly during the past 2 years with the leaders of the other industrial democracies who have faced economic challenges in their countries similar to the challenges we have faced in this country. They have also faced intense pressure to pursue expansionary policies which could reignite the fires of inflation.
- o I am impressed that our resolve to keep the forces of inflation permanently in check is increasingly shared by the leaders of the other industrial democracies. The International Monetary Fund recently concluded its annual meeting this year in Manila by stating that a general consensus had been reached that the path of sustainable economic growth and the reduction of unemployment lies in the elimination of inflationary psychology and the restoration of a reasonable degree of price stability. Like me, they are unwilling to take their chances with inflation as Governor Carter has said he would.
- o I am impressed by the experience of the British, who have had perhaps the highest levels of inflation among the industrial nations in recent years. Prime Minister Callaghan recently explained:  
  
"We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you in all candor that that option no longer exists, and that insofar as it ever did exist, it worked by injecting inflation into the economy. And each time that happened the average level of unemployment has risen. Higher inflation, followed by higher unemployment. That is the history of the last twenty years."





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## SPENDING AND TAXES

Governor Carter is trying desperately to repeal the laws of arithmetic. He's trying to find a way to enact the huge expenditure programs that he supported in the Democratic platform, balance the budget and not increase taxes where the vast revenue raising capacity of our tax system is, namely the middle class.

In the impossible task of trying to have all of these objectives simultaneously, the Governor has tried out on us a number of different programs.

He has somehow found \$60 billion in excess revenues available from the growth in the economy (over and above mandated expenditure increases) by 1980. Unfortunately, over the years many have believed the prediction that there will be somewhere down the road a huge surplus. This has turned out to be a mirage. The closer you get to it the farther it seems to go away, and I suspect that will be the fate of the \$60 billion as has been the fate of all such previous surpluses. He has implied some vast potential savings from governmental reorganization. I can assure you it doesn't exist.

He next sought to find revenues by proposing an unfair tax on families with above coverage incomes, somehow failing to recognize that even if we were to tax all incomes over \$50,000 at 100% we would raise less than \$9 billion which would pay for less than 4% of Mr. Carter's platform.





It is clear that the Governor does not have a clear view of how he can possibly support the huge expenditures in his platform without heavily taxing the hard working middle class. In fact, the other day, he as much as indicated that that was his program when he put forth the general proposition that he would increase taxes on all income levels above \$13,000 or \$14,000 a year. To quote him exactly,

"I would take the mean or median level of income and anything above this would be higher, and anything below that would be lower."

I find the first part of the sentence incredible, the second part, that is about lowering taxes unbelievable, granted his support of his party's expenditure programs.

The Governor is now backing off that proposition recognizing that he was advocating a major increase in taxation of middle income groups.

But the Governor has not backed away from the Democratic platform, and that's where his real trouble lies. To enact the programs that Mr. Carter has promised to the American people will cost, in my judgment, an additional \$100 to \$200 billion a year. We can only pay for those programs in two ways: either we borrow the money and pay through higher inflation or we raise taxes.

To raise enough taxes to pay for his programs will cost every man, woman and child in the United States anywhere from \$500 to \$1000 a year.

There is one other proposal that Mr. Carter has put forward that has not attracted much attention but will also hit the pocketbooks of the American people very hard.

That is his proposal, made earlier this year in an interview with Sylvia Porter, to increase the amount of income subject to Social Security taxes from approximately \$15,000 to approximately \$20-22,000. That's enough to raise the taxes of the American middle class worker between \$285 and \$400 a year (figures must be checked).

In the realm of fiscal affairs which affects the value of the people's money, I believe a Presidential candidate must be very specific and direct. I've stated my position on expenditures and on taxes and I have presented my proposals in complete detail in my budget messages. I have not found a way to create something out of nothing. I suggest that if the American people are going to take the Governor's spending and tax proposals seriously, that he spell them out for the American people in the same detail that I have.

My tax proposals are very simple. I believe that taxes should be cut for the hard working middle income wage earner, and I have outlined in great detail how

that could be done while reaching a balanced budget in fiscal year 1979. I suggest the Governor do the same.

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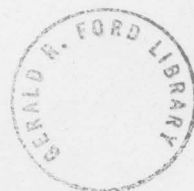
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Question:

You are not known as a vocal advocate of civil rights in this country, and minority groups have criticized you for failing to support their needs and aspirations. Do you have any comments to make about your record on civil rights issues?

Answer:

I firmly believe in the basic human and civil rights of all individuals in this country and in the right of equal opportunity for all our people. Both my Congressional and Presidential records reflect these beliefs.

I would like to cite some examples of my support, first during my years in Congress and then as President:

- In 1956 and 1957 I voted to create a bipartisan Commission on Civil Rights and to establish a Civil Rights Division in the Department of Justice. In 1963, 1967 and 1972 I voted to extend the life of the Civil Rights Commission.
- In 1962 I voted in support of a Constitutional amendment to bar payment of a poll tax as qualification for voting in Federal elections and primaries.
- In 1964 I strongly supported passage of the omnibus Civil Rights Act which covered voting rights, school desegregation, fair employment, public accommodations, and the non-discriminatory use of Federal funds.
- In 1965 I voted for the landmark Voting Rights Act which provided for direct Federal action to enable Blacks to register and vote. This Act also suspended the use of literary tests and similar voting qualification devices.
- In 1967 I voted for a House bill that was intended to curb violence directed at Blacks and civil rights workers in the South. A year later, this bill formed the basis of the 1968 Civil Rights Act which contained a fair housing title. I voted for this measure.
- In 1970 I voted for a Constitutional amendment lowering the voting age to 18.





- In 1970 I secured the 16 additional signatures which were necessary for a discharge petition to force the Equal Rights Amendment to the Constitution out of the Judiciary Committee and onto the floor of the House of Representatives so the full House could vote on its merits. The ERA had been stalled in that Committee for 47 years. As you know, the Amendment passed the full House and Senate and is before the states for ratification. I strongly support the ERA and urge its ratification by the states.
- In 1972 I voted to add sex discrimination to the jurisdiction of the Civil Rights Commission.
- I have consistently supported school desegregation. It is both right as a matter of policy and constitutionally mandated. In 1970-72 I supported legislation to concentrate emergency school aid funds on educationally deprived students, and to provide Federal financial assistance to remedy unequal educational opportunities and to ease the implementation of court-ordered desegregation.

However, I have always believed that forced busing ought to be a last resort and that every American community should desegregate voluntarily. Therefore, in June I sent Congress a proposal to generally limit busing for desegregating schools to five years and to narrow the use of busing to specifically correct unconstitutional acts by officials. I also proposed legislation to create a commission of community leaders who have had experience in school desegregation and who are willing to assist other communities in voluntarily desegregating their schools.

Let me be specific about the actions I have taken in my 2 years and 3 months as President in the area of civil rights:

- I supported and signed the Equal Credit Opportunity Act of 1974 which prohibited discrimination on the basis of sex and marital status in any credit transaction.
- I supported and signed the Housing and Community Development Act of 1974 which includes prohibitions against discrimination on the basis of sex in housing and mortgage credit.

- I supported and signed a 1975 bill to permit women to enroll in the military service academies.
- In 1975 I also recommended and signed an extension of the Voting Rights Act which would have expired that year. This extension broadened the protection of the Act to include Spanish-surnamed Americans, Native Americans, and Asian-Americans.
- In June of this year I directed the Attorney General to plan a sweeping review of all Federal laws and regulations that may discriminate on the basis of sex and to make recommendations for change. I have urged the governors of all the states to do the same.
- I have strongly urged and supported an extension of our General Revenue Sharing program and a strengthening of the antidiscrimination provisions of the Revenue Sharing Act. On October 13 of this year, I signed a bill that extended the program through 1980 and that broadened the coverage of the Act's non-discrimination provisions to include age, handicapped status and religion. In addition, the bill significantly expands and expedites the non-discrimination enforcement mechanisms.
- On October 19 I signed a bill which gives courts discretion to award attorney's fees to prevailing parties in suits to enforce Federal civil rights statutes, particularly, those statutes enacted before 1964 that did not provide for award of attorney's fees as later statutes have. This is an important piece of legislation because parties seeking enforcement of basic legislation regarding human rights frequently are those least able financially to afford counsel.
- My budget for FY 1977 provides an increase of \$1 billion for civil rights activities over the \$2.9 billion figure in 1975.
- Federal outlays for civil rights enforcement activities would increase by 24 percent over 1975 to \$430 million under my budget. This includes a better than 20 percent increase in the funding for activities of the Equal Employment Opportunity Commission and \$40 million for the implementation by Federal Departments of E.O. 11246 which prohibits discrimination by Federal contractors.

- My budget would make possible an increase in Small Business Administration loan and loan guarantee funding for minority enterprises of over 100 percent between 1975 and 1977. My Administration is continuing a successful program begun in 1970 to increase the deposits held by the nation's 71 minority-owned banks.
- Under the emergency school aid program, Federal aid will be continued to help overcome the effects of minority group isolation in school systems. In FY 1977, the budget funding level would be nearly \$250 million.
- Also in FY 1977, my budget would increase expenditures for the enforcement of laws against discrimination in housing to more than \$18 million.
- When I became President, I made the commitment that my Administration's appointments to government would reflect a cross-section of both sexes and of every racial, religious, ethnic, educational, geographic, professional and age group. I believe I have done so in the Executive branch, specifically in the Cabinet and sub-Cabinet and on the White House staff, as well as in the independent regulatory agencies, the judiciary, and the ambassadorial ranks. I am particularly proud that 14 percent of all my appointees are women.



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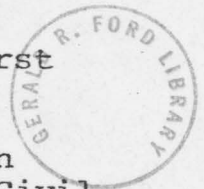
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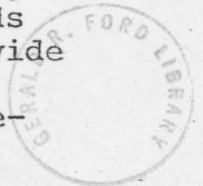


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- I have consistently supported school desegregation. It is both right as a matter of policy and constitutionally mandated. In 1970-72 I supported legislation to concentrate emergency school aid funds on educationally deprived students, and to provide Federal financial assistance to remedy unequal educational opportunities and to ease the implementation of court-ordered desegregation.

However, I have always believed that forced busing ought to be a last resort and that every American community should desegregate voluntarily. Therefore, in June I sent Congress a proposal to generally limit busing for desegregating schools to five years and to narrow the use of busing to specifically correct unconstitutional acts by officials. I also proposed legislation to create a commission of community leaders who have had experience in school desegregation and who are willing to assist other communities in voluntarily desegregating their schools.

Let me be specific about the actions I have taken in my 2 years and 3 months as President in the area of civil rights:

- I supported and signed the Equal Credit Opportunity Act of 1974 which prohibited discrimination on the basis of sex and marital status in any credit transaction.
- I supported and signed the Housing and Community Development Act of 1974 which includes prohibitions against discrimination on the basis of sex in housing and mortgage credit.



- I supported and signed a 1975 bill to permit women to enroll in the military service academies.
- In 1975 I also recommended and signed an extension of the Voting Rights Act which would have expired that year. This extension broadened the protection of the Act to include Spanish-surnamed Americans, Native Americans, and Asian-Americans.
- In June of this year I directed the Attorney General to plan a sweeping review of all Federal laws and regulations that may discriminate on the basis of sex and to make recommendations for change. I have urged the governors of all the states to do the same.
- I have strongly urged and supported an extension of our General Revenue Sharing program and a strengthening of the antidiscrimination provisions of the Revenue Sharing Act. On October 13 of this year, I signed a bill that extended the program through 1980 and that broadened the coverage of the Act's non-discrimination provisions to include age, handicapped status and religion. In addition, the bill significantly expands and expedites the non-discrimination enforcement mechanisms.
- On October 19 I signed a bill which gives courts discretion to award attorney's fees to prevailing parties in suits to enforce Federal civil rights statutes, particularly, those statutes enacted before 1964 that did not provide for award of attorney's fees as later statutes have. This is an important piece of legislation because parties seeking enforcement of basic legislation regarding human rights frequently are those least able financially to afford counsel.
- My budget for FY 1977 provides an increase of \$1 billion for civil rights activities over the \$2.9 billion figure in 1975.
- Federal outlays for civil rights enforcement activities would increase by 24 percent over 1975 to \$430 million under my budget. This includes a better than 20 percent increase in the funding for activities of the Equal Employment Opportunity Commission and \$40 million for the implementation by Federal Departments of E.O. 11246 which prohibits discrimination by Federal contractors.

- My budget would make possible an increase in Small Business Administration loan and loan guarantee funding for minority enterprises of over 100 percent between 1975 and 1977. My Administration is continuing a successful program begun in 1970 to increase the deposits held by the nation's 71 minority-owned banks.
  
- Under the emergency school aid program, Federal aid will be continued to help overcome the effects of minority group isolation in school systems. In FY 1977, the budget funding level would be nearly \$250 million.
  
- Also in FY 1977, my budget would increase expenditures for the enforcement of laws against discrimination in housing to more than \$18 million.
  
- When I became President, I made the commitment that my Administration's appointments to government would reflect a cross-section of both sexes and of every racial, religious, ethnic, educational, geographic, professional and age group. I believe I have done so in the Executive branch, specifically in the Cabinet and sub-Cabinet and on the White House staff, as well as in the independent regulatory agencies, the judiciary, and the ambassadorial ranks. I am particularly proud that 14 percent of all my appointees are women.





Marsh  
Duval ✓  
CHENEY

E. Schmults  
10/19/76

A Suggested Response to a Charge by Governor Carter  
that the Ford Administration Caters to Special Interests

If the President wishes to give Carter one or two good cracks in the third debate, I suggest that Carter be hit on his special interest ties. His "never lie", "no commitments" and "trust me" themes will be proven false.

In response to a possible charge by Governor Carter during the third debate that the Ford Administration, in its tax policy, Arab boycott policy or antitrust policy, caters to special interest groups and does not act in the best interests of all of the American people, I suggest that the President respond as follows:

"Governor Carter, your accusation is false -- at all times during the period that I have been President I have based my decisions on what is best for all of the American people. For example, I have been the first President to advocate major regulatory reform so government agencies act in the public interest and not to favor special interests.

"All too often during this campaign you have talked in vague generalities and I think it is time for the voters to hear some straight facts before they decide whether they should trust you when you say that you have never made a private promise or commitment to any special interest group and that you have only one obligation and that is to the American people.

"This is a fundamental distortion -- you have made special interest commitments and the American people should know about it. For example, you have made a specific commitment to the maritime unions.

"Over the years these unions have strongly supported legislation that would require a certain percentage of cargo imported into this country be carried on U. S. tankers. In the interests of all the people, I had to veto an inflationary cargo preference bill in 1974, because it would have increased the cost of energy for our citizens



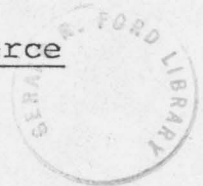
and raised the price of all products and services that depended on oil. As you well know, this bill had been the highest priority of the maritime unions.

"Now, let's see how you have responded to union entreaties.

"The National Journal, a respected weekly on politics and government, reports that on May 11, 1976, you met with the president of the National Marine Engineers' Beneficial Association and received at that time \$5,000 from his union. Just two weeks later, you met with the union president again in a New York hotel suite and sought the cooperation of the maritime unions. It was reported in a union newspaper that you had pledged a maritime program in harmony with most of the unions' aspirations, and The Journal of Commerce reported that by a letter which you had hand delivered to the president of the union you "made a major commitment to the maritime industry for an across-the-board U. S. Flag national cargo preference policy." This will raise prices for the working men and women of this country and benefit the union interests.

In response to your pledge, the union swung into high gear and announced a Carter fund raising drive. The National Journal has called the relationship between you and the maritime unions a "virtual love fest", and The Washington Post indicates that you have received many thousands of dollars from maritime union officials and the unions themselves.

"Now I ask you, Governor Carter, are you beholden to unions' special interests or not? Did you make a promise without regard to the public interest? I think the facts are clear. Your statement to the American people that you have never made a commitment to a special interest group is a gross misrepresentation."



THE WHITE HOUSE  
WASHINGTON

October 20, 1976

FOR: MIKE DUVAL

FROM: BRENT SCOWCROFT 

Per our conversation, attached is  
a copy of the Q&A on SALT which  
I delivered personally to the  
President per his request.

Attachment



### Carter's SALT Position

Governor Carter said the following on October 14 in New York:

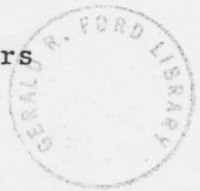
"We must move to secure agreements with the Soviet Union on a quick freeze on atomic missiles, warheads, total throw-weights and qualitative weapons improvements, and then move to a methodical, step-by-step mutual reduction in our atomic arsenals, maintaining at all times rough equivalency in destructive power."

#### Rebuttal

Mr. Carter obviously is in need of updating on SALT. A freeze is what we achieved in 1972. At Vladivostok we moved substantially beyond a freeze to a position of equality achieved by reductions in Soviet forces. Why he would want to give up what we have achieved at Vladivostok, endorsed as it has been by an overwhelming majority of the Senate, to turn back the clock to a freeze with unequal numbers favoring the Soviet Union, I cannot imagine.

There are other problems with Mr. Carter's proposal. His freeze would leave the Soviets with substantial numbers of new missiles already deployed, while it would prevent us from deploying our new Trident missiles and submarines, as well as other new weapons such as the cruise missile.

Mr. Carter also proposes a freeze on qualitative weapons improvements. I presume he knows such an agreement would be completely unverifiable. Perhaps that doesn't bother him but we are not yet at that point in our relationship with the Soviet Union where I am prepared to make an agreement with no possible means to ascertain that it is being carried out.



An agreement embodying the Vladivostok Accords is 90 percent complete. I am confident that it can be successfully concluded in the near future. It is not excluded that such an agreement could even include further reductions in total numbers. I think it makes sense to proceed along this course rather than turn back the clock, and I intend to do so. I have to assume Mr. Carter simply is not familiar with the subject.



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"DEMOCRAT WARS"

- Q. Mr. President, do you agree with Senator Dole's statement in the debate with Senator Mondale that World War II was a "democratic war"?
- A. It is an historic fact that World War I and II, the Korean War and the Viet Nam War all began under Democratic Administrations. But I believe what Senator Dole was driving at was the Democrats always claim that the economy prospers when they are in control of the White House. Senator Dole was merely pointing out that the economy always has been stimulated by the wars which have occurred during Democratic Administrations.



PFC COMMERCIAL ON VIETNAM



Q. Mr. President, do you take credit for ending the Vietnam war, as one of your T.V. commercials implies?

A. Of course, the hostilities of Vietnam, and the American military involvement there, ended during my Administration; that's a historic fact. What I would like to take credit for is:

1. Assuring both our allies and adversaries that the end of the war in Vietnam meant no lessening of American commitment to stand by its friends and resist Communist aggression wherever it might occur.

2. Healing the deep divisions which had occurred in America because of the Vietnam war. There has been no outburst of public recriminations; there have been no demonstrations; I have offered a plan of gaining re-entry into society for those young men who avoided the draft or deserted their military units. I am proud that I have presided over the orderly end to this divisive chapter in American history.

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