Debate Issues [8]

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I N D E X

1. Agriculture, Rural Development
2. Cities -- Urban Policy
3. Cost of Democratic Platform and a Balanced Budget
4. Crime
5. Dangers of One-Party Government
6. Defense
7. Domestic Surveillance
8. Education
9. Energy
10. Environment
11. Examples of Waste and Mismanagement
12. Executive Mismanagement
13. Federalism
14. Government Reorganization and Reform
15. Health
16. Housing
17. Inflation
18. Morality in Government; Trust
19. Over-promising
20. Presidency
21. Social Issues
22. Tax Reform
23. Unemployment
24. Miscellaneous (Welfare, Veterans, Elderly, Transportation)

AGRICULTURE

AND

RURAL DEVELOPMENT

Q. What is your position on the peanut subsidy program?

A. First of all, I'd like to clear up a possible public misconception that I helped pass the legislation. The bill was passed long ago in 1938 when I was in high school.

Second, I do not make my income from the subsidy program. The kind of peanuts I grow are seed peanuts, they are not subsidized by the government. In fact, over the past 20 years that I have been farming, I have received only $3,700 total in federal payments for peanuts.

To answer your question, I think the present program is in great need of reform. I don't think you'll find many peanut growers who don't think the program needs to be changed so that federal costs will be minimized.

One fact that the public may not realize is that at the same time Congress has acted to drastically reduce the amount of subsidy the government is forced to pay. The present Administration, under the leadership of Secretary of Agriculture Butz, has deliberately increased the amount of money the taxpayers have to pay for peanut subsidies from nearly $5 million in 1972 to over $200 million today.

They tell me Mr. Butz is somehow trying to embarrass the Congress. It seems a pretty expensive joke at public expense to me.

Q. Governor, if you were elected, how would you deal with the fiscal problem of New York City?

A. --Although I haven't monitored New York's progress under its current fiscal plan, I think that the three-year plan may be too rigid. After meeting with Mayor Beame and Governor Carey and my economic advisers, we can determine whether it is possible to balance the budget in that time period. If it cannot be met, then I would go along with a longer period of time.

The way they have attempted to handle the peanut program is only one example of how this administration has badly mishandled our nation's food supply.

Q. Governor Carter, how can you criticize the Administration on maladministration of the farm program when net farm income has climbed to all-time highs during the Republican years? During the years 1960 through 1969 per capita farm income averaged only 65 per cent of non-farm income. In the Republican years of 1973 through 1975 the average was 97 per cent. During the Democratic period 1960 through 1969 realized net farm income averaged $12 billion. During the Republican years of 1973 through 1975 realized net farm income averaged almost $27 billion. Wouldn't you agree that the Republican farm policy has met one objective--higher income for farmers?

A. Certainly some farmers have earned better incomes in the past few years; I applaud that. But it's not because of Nixon/Ford-Butz policies; it's due almost entirely to two factors beyond the control of our government: disastrous weather in the Soviet Union and elsewhere, beginning in 1972, and substantially rising incomes in the industrial countries.

Farmers' incomes could have been even better if it were not for the mismanagement of farm and food policy in the wake of these developments. But the compounding effect of this maladministration -- the bargain price of the Soviet grain sale in 1972, too many acres idled in 1972 and 1973, the beef price freeze and the grain embargoes -- all worked to the disadvantage of farmers and ranchers. These uncoordinated actions drove up the price of meat to the point that consumers quit buying, nearly bankrupted the livestock industry, and cost grain producers billions of dollars in lost sales. The Administration talks a lot about increased net farm income, but it refuses to talk about the costs of its insistence on a so-called policy that is based only on disaster and drought.

Q. Governor, you said you would raise supports to at least the cost of production? This is easy enough to say, but precisely what do you mean by cost of production? Every farmer has a different cost of production and production costs vary widely, according to region. Would you include land and management in the cost of production?

A. It would not be that difficult to calculate a national average cost of production. In the Agriculture and Consumer Protection Act of 1973, the Congress directed the Secretary

of Agriculture to conduct a cost of production study of wheat, feed grains, cotton, and dairy commodities, and to update these costs annually. These studies have been published. They will form a good basis for the calculation of a fair national average cost of production. After I have had a chance to study available data and have recommendations made by a Secretary of Agriculture in whom I have confidence, I would determine what factors should be considered in determining the cost of production and precisely what the cost of production figure should be.

Q. You have indicated that you favor a reserve of farm commodities. Historically, when the government has held large stocks of farm commodities, the prices of farm commodities have been depressed. Wouldn't the same be true if the government again acquired large stocks? Also, wouldn't the acquisition of stocks be very costly to the government?

A. Managing those enormous surpluses of grain was the big dilemma throughout the Republican Administration of the 1950's as well as the Democratic Administrations of the 1960's. They cost the taxpayer; they depressed the farmer's price. Nobody advocates going that route again. When you say that I favor a reserve of grain, I'm really talking about a system of handling carryover stocks, to make sure that we have an adquate supply for our consumers and to

meet our commitments as a reliable farm exporter, and yet keep substantial control in the hands of farmers. That way we can prevent the kind of political manipulation, the kind of dumping, that justifiably scares farmers. The real risk of large, price-depressing surpluses comes from the present do-nothing policy; already the Government has acquired huge surpluses of rice; farmers are storing a massive carryover of wheat on farms and they're paying for it twice -- once in the cost of storage and second in the sharp break in the price of wheat over the past few months.

A system of handling a small part of our annual production in a carryover mechanism need not be costly; properly planned and managed it can be a break-even proposition for the taxpayer while preventing the enormous costs of the present unstable market.

Q. Governor Carter, you have indicated that you would make balancing the budget a very high priority in your administration. Yet you have indicated your support for certain government programs that would cost a great deal of money. In the farm policy area, you have indicated your support for higher support prices. During the Democratic years of higher support prices government farm program payments averaged around $3.4 billion annually. Secretary Butz, with his philosophy of lower Federal supports

has reduced farm program payments to $278 million in 1975. (In addition, $490 million was paid to farmers for losses sustained due to natural disasters.) Wouldn't your proposal to increase government supports raise payments once again to the $3 billion range, and how do you square this with your goal of balancing the budget?

A. First, let's understand who inflated the cost of the farm programs. The all-time record cost to the taxpayer of Federal farm programs was $4 billion in 1972, under Nixon and Butz. Later, Secretary Butz boasted of "spending money like a drunken sailor" to get the farm vote for Nixon. There is an enormous cost in the "boom or bust" policies of this Administration -- higher food prices in one year followed by farm bankruptcies the next. Our nation's farmers are now in the ridiculous position of going broke producing food and fiber that consumers cannot afford to buy.

I am convinced that the kind of balanced, rational policies that I advocate will not result in higher Federal spending. Indeed, a planned, predictable and well-understood policy will avoid the "boom and bust" cycles and the alternating bulging surpluses and sporadic shortages that naturally follow.

I fully intend to seek advice from a wide spectrum of American agriculture and the American public so that we can, with the help of the Congress next year, develop price support levels that are high enough to give farmers protection against economic disaster but not so high that they either guarantee profit, stimulate surplus production, or artificially increase consumer prices. That's a difficult assignment, but I'm willing to tackle it. The present Administration has been content to sit back and ignore the problems.

Q: Governor Carter, you have made conflicting statements on whether you would ever impose embargoes on farm commodities. At Des Moines you promised to end grain export embargoes "once and for all." Later, you said you would abide by the Democratic platform which leaves the door wide open for embargoes. What is your position on embargoes?

A. My statement in Des Moines was a clear statement of my intention to end grain embargoes if elected President. I was able to make such a statement because I studied the four embargoes imposed by the Republican Administration, and I feel that all four were unnecessary and unfortunate. If we had had a planned, predictable, coherent food and agriculture policy--the kind of policy that a Carter administration would have--not one of these embargoes would

been necessary. Unfortunately, the Republican"boom and bust, freedom to farm" policy means that the farmer is to get no help in times of plentiful supplies and low prices, but a government embargo when prices go up.

As President, I would encourage farmers to go for all-out production, but I would give them the tools for the storage of excess stocks when prices are too low. Therefore, we could rebuild our stocks to a level where they could be released into the market in years of short supply.

In addition, I would improve our system of reporting on world food supplies and demand and attempt to better anticipate future needs. You will recall that in 1972, we didn't know the Russians needed our grain until they had purchased millions of bushels from us at rock-bottom prices.

With today's level of world affluence and the limited capacity of the world's farmers to produce enough food, there is demand for all the food we can produce in the long run. The job of the President is to develop a policy that will even out short term fluctuations in supply and demand. This is the kind of policy I would develop, and therefore eliminate the need for embargoes.

Q. Governor, do you favor a controlled agriculture with the government establishing acreage controls and setting prices, or the kind of farmer freedom that Secretary Butz has implemented?

A. I am for maximum freedom for American farmers--freedom to make their own planting decisions and freedom to market their products. I quarrel substantially with the inference that Secretary Butz has implemented the freedoms that he likes to talk about; the new farm programs, under which farmers have greater freedoms, were written by a Democratic Congress in 1973 with precious little help from Secretary Butz. Anybody who says my farm and food policy is one of "controlled agriculture" either doesn't know what he's talking about, or engaging in the grossest political misrepresentation. I believe in the free market system, but I want a solid floor beneath it. In contrast, the Nixon/Ford-Butz program is that they want no floor under the market but impose a ceiling on the market when prices are high in the form of an embargo.

I am convinced that we can develop the kind of policy that lets the market work with a greater element of predictability, greater stability, so that livestock producers and foreign customers can have a better idea how to make plans well ahead, as any businessman must.

Q. What programs would you undertake to help maintain family farms? How much would such programs cost?

A. NOTE: The answer to this is essentially the same as the basic statement with the following addition:

A. Estate taxes on the average lifetime investment of our farm families will come to $65,000 -- far more than they can afford. If I am elected, we will reduce the estate tax burden, and base the estate tax value of the land on its use for agriculture, rather than its potential value for commercial subdivision.

B. We are going to take the family farmer off the public enemy list. I haven't met a small farmer who wants to be on welfare or guaranteed a profit without work, but we should take away his chains. The general public must understand the farmer's problems. The average family farm represents an investment of $300,000 in land and equipment--much of it on credit, of course. If the farmer could invest all that money in the bank, it would earn at least $15,000 in interest every year. In farming, after the entire family works all year, they earn about $10,000 or $12,000 -- 3% or 4% a year on this investment.

We need a true and continuing partnership between consumers, producers of food and fiber, and our own government.

Q. What can be done to prevent further abuses by the grain companies and in the inspection and shipping of grain for export?

A. Just as we must reassure our overseas buyers that they can depend on us for supply, we must reassure them that they will receive the quality grain that they order. The Nixon and Ford Administrations have winked at corporate wrongdoing in the shipment of grain since as early as 1970 when a major report was filed with the Department of Agriculture and ignored.

Furthermore, the Administration cut back the supervisory staff for official grain inspection by 30% between 1969 and 1973, even as the volume of export grain sales doubled.

We must replace the record of Republican Administration inaction, obstruction and opposition to reform with a strong commitment to carry out the law and clean up irregularities. Grain producers are the big losers if overseas buyers turn elsewhere when they cannot get the quality and quantity they pay for in the U.S.

SPECIFIC RECOMMENDATIONS:

A. Private grain inspection companies should be abolished, as recommended by a recent (Feb., 1976) GAO report and replaced by a unified, uniform, federal-state inspection system at ports.

B. We need to increase criminal penalties for weighing and grading fraud and establish new civil penalties.

AGRICULTURE

President Ford has brought good times to rural America while saving the taxpayers' money and by phasing government out of those parts of agriculture where it doesn't belong. Governor Carter would put government back on the farmer's back and launch expensive and inflationary programs.

Basic Statement. The Republican Administration, as usual, has put the interests of agricultural middlemen ahead of the interests of either farmers or consumers. The failures are clear in:

-- General agricultural policy, where prices have been put on a roller coaster for both farmers and consumers;

-- Embargoes, illustrating Republican incompetence, lack of foresight, secrecy, duplicity, and failure in information-gathering;

-- Grain inspection, where wrongdoing was not prosecuted;

-- The lack of reserves, to guard against world famine or unexpected shortages;

-- The lack of rural development programs.

It is time to distinguish Republican rhetoric from Republican reality. And it is time to give farmers and consumers credit for knowing the difference between the two.

-- First, it has been crop shortages abroad and in the U.S., not Republican farm policy, that gave us the opportunity for full farm production, and that raised farm exports from $7 billion a few years ago to $22 billion this year, and that reduced government costs. The crop failures began with Russia in 1972, and included China, India, Australia, West Europe, the U.S. in 1974-5-6, and Russia again in 1975.

-- President Ford suggests farmers never had it so good. He should go out and talk to cattle raisers and feeders in the auction barns as I have. They have had their worst years under President Ford. He should talk to the small farmers who continue to be squeezed out by big farmers.

-- I am concerned that farm income last year was lower that in 1973 and 1974. Farm income this year will be lower than it should be because of the unnecessary embargo on grain exports a year ago.

-- I am very concerned about the effect of inflation on our farmers. Farm income is not just dollars, but purchasing power. And farmer purchasing power in 1976 will be no greater than in 1972 (about 17.5 billion 1972 dollars, compared with $17.8 billion in 1972).

-- For the future, I look forward to farmers producing abundantly for the market, but with the protection of price supports to cover cost of production.

-- I cannot foresee circumstances when we would need to embargo farm exports as President Ford did in 1974 and 1975.

-- We will require the export companies to report what they are doing. We will give farmers and the public the truth about the world food situation. We will not on one day tell farmers and foreign buyers that exports will not be controlled, and on the next day announce an export embargo.

-- We will not let the big export companies ship dirty grain, or put stones, seashells, and trash into grain cargoes. Grain inspection can be cleaned up by a new Administration.

-- The peanut program does need to be changed. (Peanut farmers can produce for world markets, and will in the future.) Secretary Butz has tried to discredit the peanut program by building up a large government-owned surplus of peanut oil -- exactly what he says he won't do for any commodity.

(N.B. If you speak last on this subject, you might want to mention that Ford vetoed numerous farm bills to increase price support for cotton, grain, milk and tobacco.)

My farm policy would be a farm and food policy. The natural alliance between farmers and consumers should be rebuilt. Farmers should get good and stable prices in the marketplace (and I am very much for the market economy) with

price supports assuring them of their cost of production. Consumers should be assured of adequate food supplies at reasonable and stable prices.

We would do this:

-- By full production on our farms until we are sure food supplies are adequate.

-- By ensuring that farm price supports cover farmers' cost of production. This will help farmers stay in business during poor years.

-- By pushing exports as hard as we can. Our farmers know, and I know, that recent gains in farm exports were mainly a function of poor crops abroad. I suppose it is fair enough for the Administration to claim credit for export expansion, but the fact is that their policies have had little to do with it. President Ford by his embargoes actually settled for lower exports of wheat, corn and soybeans than we should have had. Secretary Butz has turned Food for Peace exports on and off like a water faucet. And market development efforts have not kept pace in recent years.

-- By telling farmers, consumers, and foreign customers the truth about the food situation.

-- By a small farmer-held reserve.

RURAL DEVELOPMENT - THEMES

1. The two Republican Administrations have systematically tried to block or dismantle every significant program aimed at improving conditions in rural and small town America.

A. Although Nixon signed the Rural Development Act of 1972, both Republican Administrations have since done everything possible to prevent its implementation--impoundments, termination of programs by executive order, refusal to issue regulations, rescissions and deferrals, refusal to supply sufficient staff and other delaying tactics.

B. In FY 1976, the Administration asked Congress to rescind badly needed rural development funds as well as $500 million in rural housing authority.

C. The Administration eliminated funding for important rural development grant programs in the FY 1977 budget--for water, sewer, housing, fire protection, business and industrial development and rural development planning.

D. The Administration cut back assistance for thousands of miles of rural roads in the wake of abandonment of thousands of miles of railroad.

E. The Administration has neglected rural health care delivery systems--hundreds of rural communities find themselves without doctors--estimated shortage of 20,000 doctors.

2. A Carter Administration would recognize that the problems of rural areas and small towns are unique. A Carter Administration would make sure that programs such as health care, postal service and credit would take into account the special needs of small towns.

A Carter Administration would strive to ensure the following rights to rural Americans:

1. The right of every farmer to income protection against disaster and the whims of nature--and to protection from the peaks and valleys of farm prices and production that make farmers especially vulnerable to economic fluctuations.

2. The right to a decent home with water and sewer service.

3. The right to good health services and the services of a doctor.

4. The right of access to telephone service and electric service.

5. The right to competent and convenient postal service.

6. The right to a quality education and to training in advanced vocational trades and skills.

7. The right of small business people and the small farmers to secure the necessary capital for their enterprises.

8. The right of small towns and communities to participate fully in government programs to strengthen their economies and provide essential public facilities and services.

9. The right to a safe and well-maintained road system.

10. The right to employment opportunities to give rural Americans a choice of living in their home communities--or in another area.

FINAL (5)

AGRICULTURE

QUESTIONS

1. During Kennedy-Johnson administrations, farm income averaged only 65% of non-farm income; 97% during Republican years. Price support expenditures now only one-tenth what they averaged in '60's. Food prices rising only at rate of 2-3%. How can you argue with that kind of success?

2. You seem to have flip-flopped on agricultural embargoes. Where do you stand?

3. Wouldn't your proposal to raise price supports to the cost of production and to accumulate reserves be prohibitively expensive -- a return to the enormous expenditures of the '60's?

4. Do you favor the "controlled" farm economy traditionally associated with the Democrats of the "free market" approach of the Nixon-Ford administrations?

ANSWERS

A. Theme

Need President who understands farmers and consumers, who is a leader, and who will have farm policies that emphasize the free market but will plan for inevitable fluctuations in supply and demand. Ford "free market" policy is excuse for doing nothing other than to respond with desperation measures when things have gotten out of hand.

A. Attack Points

1. Ford/Butz so-called "free market" policy is more accurately described as an excuse for indifference and neglect for both farmers and consumers. Lacks planning and foresight. Leaves farmers and consumers at mercy of world prices and weather.

2. Crisis-reaction policies of administration demonstrated by:

   a. Sugar -- first prices went through roof, as consumers well remember. Now so low that import tariffs had to be imposed to save farmers from bankruptcy.

   b. Beef and pork -- Same thing. Prohibitively expensive two years ago, causing consumers to switch to fish and poultry. Now prices so low that import quotas again had to be imposed. Ranchers losing $50-100 on each head.

   c. Wheat -- Administration made disasterous wheat deal partly ~~solely~~ because of failure to get information about Russian shortages. Prices for consumers' bread jumped, but large grain companies got profits and farmers got nothing.

d. Soybeans -- Prices allowed to triple because administration didn't bother to find out size of crop. When finally realized problem, reaction was to impose embargo. (N.B: Be sure to mention soybean embargo).

3. Relative prosperity of last 3 years not due to administration policies but to record shortages caused by world-wide droughts and crop failures.

4. Prosperity has also been illusory. While farmers had relatively high income, consumers were treated to double-digit inflation. Today bubble has burst for farmer too. Net income declined 25% between 1973 and 1975. In real purchasing power, farm income is almost back to 1968 levels.

5. Ford embargoes, tariffs and quotas would have been unnecessary if there had been any planning. They were acts of desperation because there was no other policy.* Only after four shortages and four embargoes did administration sit down with Russians to plan future grain sales. * (over on back of p. 3).

6. The total amount of increased food costs to consumers over the last three years alone (only 30% of which went to farmers) is greater than the amount spent on direct payments to farmers over the 42-year history of the farm program.

7. Lack of proper management and trust. Revolving door between Agriculture Department and large grain companies. Scandals in grain inspection, but administration lobbied against strong reform legislation because of fear it would offend large grain companies.

B. Positive Points

1. Experience as farmer. Appreciate benefits of rural life.

2. In long term, interests of farmers and consumers are same. Both want policy that is coherent and predictable. Both want stable prices throughout short-term surpluses and shortages. Suggest followin line: "I'm not advocating government-controlled food and farm policy--what I want to give American farmers and consumers is a steady, common-sense policy to avoid wild swings in prices between boom and bust."

3. Enormous surpluses and expenditures of '60's not necessary. Price supports should cover production costs but not guarantee ~~profit~~ income. Self-supporting reserves would be used only to even out extreme fluctuations and make us a reliable exporter to hungry nations of world. This policy, plus rational planning and competent Department of Agriculture for a change, would prevent need for embargoes, sharp increases in consumer prices and sharp reductions in farm income.

4. Aggressive farm export program so U.S. can be breadbasket of the world.

5. No embargoes under present circumstances - despite all imposed by Ford.

D. Likely Ford Responses

1. Last two years have been among best in agricultural history. Farm income is $26 billion, compared to $24 billion in 1972 and $13.8 billion under Kennedy and Johnson. Farm exports reached $26 billion this year, all time record. Only $8 billion in 1972. Farm assets increased since 1972 from $313 to $427 billion.

2. I have given farmer free market, and he has responded. 57 million set-aside acres have been put back to work. Democrats tell farmers what to do and try to control farm economy, without success in the '60's and at enormous expense to taxpayer.

3. Reduction in inflation has resulted in greatly slowing rate of increase in what were soaring farm production costs. Result is that consumer food prices are rising at only 2-3%, compared to 15% in 1973.

4. Favor unlimited exports. Carter wants government-owned grain reserve and fewer exports.

5. Because of current healthy farm picture and stable prices, can say with confidence, no more embargoes. Carter has flip-flopped, and now admits that under his inflationary policies embargoes may be necessary.

6. I proposed and Congress adopted changes in estate tax that allow farms to remain in the family.

E. Rebuttal

1. Ford, who ordinarily cites inflation as the great evil, fails to take it into account when citing farm figures. When it is, becomes clear that farm income same as in 1968 and farm assets have actually declined since 1973.

2. Worldwide droughts, not Republican non-policies, improved farm income picture in 1974.

3. Rate of increase in food prices has slowed not because of inflation policies of administration, but because farm non-policies are causing farm incomes to plunge. Cattle ranchers and wheat growers going broke in two short years.

5. Refer to attack points above.

4. Mr Ford neglects to mention that the greatest set-aside of acreage occurred in 1972, under Mr. Ford's predecessor. In typical Republican fashion, Mr. Ford is taking credit for ~~a~~ undoing damage that Republicans had been done before.

not because they were protecting consumers against foreign so much demand, but

A lot of consumers have heard Mr. Ford himself talk about embargoes. Farmers know what embargoes meant. But I don't think that consumers realize that ~~Mr. Ford was forced to embargo four times~~ the Republicans were forced to impose their own embargoes because they had completely ~~mismanaged~~ mismanaged & lost control of your food supply. For example,

~~(In 1972)~~ in 1973, the administration waited ~~soybean~~ for 6 months while soybean prices tripled, before they even attempted to find out how much soybeans we had in the country and how much we had to export. When they finally realized a problem existed, they were forced to impose an embargo. This pattern was repeated three more times under President Ford.

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14, 1 ~~AGRICULTURE~~

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Basic statement

The Republican administration, as usual, has put the interests of agricultural middle-men ahead of the interests of either farmers or consumers. The failures are clear in:

---General agricultural policy, where ~~middlemen have come before farmers or consumers~~ prices have been put on a roller coaster for both farmers and consumers; and farmers are unable to plan ahead;

---Embargoes, illustrating Republican incompetence, lack of foresight, secrecy, duplicity and failure in information-gathering; Last fall's wheat embargo cost 1 billion dollars in farm income and export earnings;

---Grain inspection, where wrongdoing was not prosecuted;

---The lack of reserves, to guard against world famine or unexpected shortages;

---The lack of rural development programs

~~I think~~ It is time to distinguish Republican rhetoric from Republican reality. And it is time to give farmers and consumers credit for knowing the difference between the two.

- First, it has been crop shortages abroad and in the U.S., not Republican farm policy, that gave us the opportunity for full farm production, and that raised farm exports from $7 billion a few years ago to $22 billion this year, and that reduced government costs. The crop failures began with Russia in 1972, and included China, India, Australia, West Europe, the U.S. in 1974-5-6, and Russia again in 1975.

- President Ford suggests farmers never had it so good. He should go out and talk to cattle raisers and feeders in the auction barns as I have. They have had their worst years under President Ford. He should talk to the small farmers who continue to be squeezed out by big farmers.

- ~~I am very glad that some of our farmers have done better in recent years, but I am also concerned that~~ Farm income last year was lower than in 1973 and 1974. Farm income this year will be lower than it should be because of the unnecessary

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-For the future, I look forward to farmers producing abundantly for the market, but with the protection of price supports to cover cost of production.

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Possible Question #1

Q: "~~Gov.~~ Mr. Carter, "You have criticized President Ford's embargoes on grain exports, but have also admitted that you might have to do the same thing if crops ~~are~~ were very short when you ~~are~~ were President. ~~How do you distinguish your farm and food policy ideas from the Republicans?"~~ How do you explain this?"

~~Carter Response~~

Answer: Mr. ~~President~~ Ford cancelled some sales and then slowed grain exports late in 1974, and embargoed further sales to Russia and Poland from August to October 1975. President Nixon embargoed soybean sales in 1973.

-Each time, the President and the Secretary of Agriculture had promised farmers and foreign buyers right up to the day of the embargo that there would be no embargo. ~~I would tell them the truth;~~ In the event of a short crop put us in a disastrous situation, and an embargo became necessary, I would tell the truth ~~and I~~ about it.

-Each time, the Republican embargo could have been avoided. ~~I and~~ My Secretary of Agriculture would have known (and ~~will~~ would know in the future) ~~what~~ the true supply situation ~~is~~ and ~~what~~ the real export sales situation ~~is~~. If the President had had good information he would not have embargoed in previous years. The embargo on wheat sales last fall was especially damaging. It reduced exports and probably cut potential farm income and export earnings by a billion dollars.

and I

~~Third~~, I am for a grain reserve, ~~while~~ The Administration sold our reserves at low prices in 1972 and continues to oppose reserves. A reserve should be small, held by farmers (although government help may be required), and should be used as a main line of defense against the possibility of having to limit exports. It should be used only when commodity prices have risen well above support levels. If President Ford opposes grain reserves, his only defense in case of a shortage is to embargo exports. He can't have it both ways.

The opposition has accused me of favoring a government-owned reserve. I am not convinced this would be needed, but I expect farmers would ask for some government assistance for storage and other costs if they are to carry a reserve in the public interest.

On this point, I call your attention to the fact that the Administration is acquiring some 1975 crop rice this year under the price support program, despite the claims that Secretary Butz will not rebuild government-owned reserves.

Possible Question #2

~~B.~~ "Gov. Carter, ~~"~~You have criticized Secretary Butz, ~~etc.~~ What would your farm policy be?"

~~A.~~ First, it would be a farm and food policy. The natural alliance between farmers and consumers should be rebuilt. Farmers should get good and stable prices in the marketplace (and I am very much for the market economy) with price supports assuring them of their cost of production. Consumers should be assured of adequate food supplies at reasonable and stable prices.

~~Q. How~~ We would ~~we~~ do this:

- By full production on our farms until we are sure food supplies are adequate.
- By raising farm price supports, not to ensure a profit and certainly not to inflationary levels, but to cover farmers' cost of production. This will help farmers stay in business during poor years.
- By pushing exports as hard as we can. ~~Now~~ Our farmers know, and I know, that recent gains in farm exports were mainly a function of poor crops abroad. ~~I suppose it is fair enough for the Administration to claim credit for export expansion,~~ but the fact is that their policies have had little to do with it. President Ford by his embargoes actually settled for lower exports of wheat, corn and soybeans than we should have had. Secretary Butz has turned Food for Peace exports on and off like a water faucet. And market development efforts have not kept pace in recent years.
- By telling farmers, consumers, and foreign customers the truth about the food situation. ~~(Refer back to Carter response under A)~~
- By a small farmer-held reserve. ~~(See A).~~

Possible Question & President Ford on general farm situation.

~~f.~~ Question giving President Ford the opportunity to make a general response on farm and food issues.

Ford Response ~~(in brief form)~~

1. Farmers have been given the opportunity for full production in a free market and they have responded.

2. As a result, farm exports have set new records year after year, and will continue to increase. (see Dole speech at Des Moines)

3. Net farm income in the U.S. has averaged over $20 billion since 1969 but only about $13.8 billion (Dole said $11.9 in Des Moines) under the previous Democratic Administration.

4. Cost of farm programs the last few years has been below $1 billion a year, compared with average costs around $4 billion under the Democrats (figure could vary depending on budget concept and years used).

5. Consumer food prices are stable (rising only 2-3% this year) and rose far less last year than before I became President.

6. We will continue a free market agriculture with unlimited exports; if Congress were to pass a bill setting up a government-owned grain reserve, I would veto it.

7. Democratic farm programs have always controlled what farmers can do, limited their production, and held farm exports below their potential. Gov. Carter produces peanuts, one of the last crops still under the old control programs developed in the 1930's and still not in the world export market.

Carter Rebuttal

CITIES

Q. Governor, you place a major emphasis on jobs but you have also mentioned general revenue sharing and welfare reform. Can we afford these jobs programs and welfare reform and isn't this spending inflationary?

A. --With respect to jobs I would only ask: Can we afford not to have them? For every one percent increase in unemployment above four percent we lose about 17 billion dollars due to lost tax revenue and recession related expenditures. This is a wasteful use of our resources and unemployment deprives our citizens of the dignity of a decent job. Secondly, a carefully targeted jobs program is not a shot-gun approach to joblessness, and it can reduce unemployment by at least one percentage point without causing inflation.

--As we return to a steady rate of economic growth and begin to restore our revenue base, we can begin cleaning up the welfare mess. Budget realities will necessarily constrain what we can do in this area, but if we are to restore a sense of fairness, reduce abuse and fraud and stabilize costs we must begin.

Q. Governor, you mentioned the recent outbreak of gang warfare in Detroit. How would you handle this situation?

A. --While you can understand the reasons behind the violence--a complete absence of job opportunities -- there is no excuse for lawlessness, and measures must be taken to control any such civil disturbances. I believe Mayor Coleman Young has handled this situation well, but if federal assistance is necessary it should be provided. Again I would like to emphasize the importance of providing jobs for our youth. Without decent jobs, criminal conduct becomes much more likely; however, under no circumstances can we condone it.

Q. Governor, if you were elected, how would you deal with the fiscal problem of New York City?

A. --Although I haven't monitored New York's progress under its current fiscal plan, I think that the three-year plan may be too rigid. After meeting with Mayor Beame and Governor Carey and my economic advisers, we can determine whether it is possible to balance the budget in that time period. If it cannot be met, then I would go along with a longer period of time.

CITIES

Q.: The great cities of the Northeast are in crisis. Despite all the bold rhetoric about "saving the cities," is this a realistic goal? Can they really be saved? In fact, is this a goal of such importance that we are willing to sacrifice many other objectives that might be within reach if we didn't have to channel billions of dollars into our decaying urban areas?

ANSWER:

--One has to begin with the realization that the Republican Administration has no urban policy. The Republicans have pursued a policy of sustained negativism, whether the issue was vetoing such vital legislation as counter-cyclical assistance to urban areas or impounding funds for a host of vital services. I completely disagree with a philosophy where the President of all the people simply turns his back on millions of American citizens, just because they happen to reside in a given type of geographical region. This is just as true for farmers in the upper Midwest as it is for residents of Jersey City, Buffalo, or Pittsburgh.

--We should also recognize that most of the cities of the South, the Southwest, and the West are not faced with the severe problems that confront our older cities in the Northeast and Midwest. This means that the problem is not general, but clearly delineated.

--The overriding goal of our urban policy must be to restore the economic base of our cities. The failure to provide sufficient job opportunities and income and to engage the private sector in urban development is a failure of will, not of knowledge. The absence of a Republican urban strategy is squandering vital resources that otherwise could be put to work.

--Jobs are the key. Providing jobs and job-training opportunities, primarily through the private sector, is the most cost-effective way to reduce poverty, improve housing, and to give people a choice of where they want to live.

--Last year alone, due entirely to the Republican recession and high unemployment, we lost almost $17 billion that was spent on welfare and unemployment compensation. The loss of jobs and production cut state and local tax revenues by $27 billion in 1975 from what it would be if the economy was healthy and expanding. States and localities were forced to cut back services, lay off workers, and raise taxes, thereby removing $8 billion from the economy that otherwise could have been used to end the recession.

--I would not have vetoed the Public Works Employment Act of 1976 that provided for accelerated local construction projects of badly-needed public facilities and for counter-cyclical assistance to state and local governments, thereby putting some 300,000 people back to work. Mr. Ford's own party rejected this misguided veto.

--I would propose a youth employment program to get teenagers off the streets and into job-training and jobs.

--I would support an employment incentive program to encourage the private sector to hire and train persons who are not out of work.

--I would support money and credit policies that would stimulate housing, an essential ingredient to rebuilding our cities.

--I would consider proposing a domestic development bank that could make low-interest loans to businesses and state and local governments for the purpose of stimulating private sector investment in chronically depressed areas.

--I would support extension of general revenue sharing and I would prefer that such funds go directly to localities, where the need is greatest.

--I would support extension of general revenue sharing and I would prefer that such funds go directly to localities, where the need is greatest.

--I would support federal assumption of the local share of welfare as fast as budget realities permit. This will provide relief to urban taxpayers who are now shouldering so much of the welfare load.

--These policies go to the core of the problem--economic recovery--and they will cost far less than our present policy of neglect.

CITIES, URBAN POLICY

Governor Carter has stated that America's number one economic problem is our cities. In his address to the U. S. Conference of Mayors he spelled out a national urban policy containing major initiatives in economic, fiscal assistance, housing, transportation, and welfare policy. Many of these remedies were tried in the "Great Society" programs of the 1960's. Many programs and billions of dollars later our cities are still in decline. Governor Carter's national urban policy is just a retread of our Great Society programs, and it is well beyond our fiscal capacity if we are to balance the federal budget by 1980.

BASIC STATEMENT

--Joblessness and poverty in our cities are the nation's major economic problems. The accelerating migration of businesses and the younger and better off families from our central cities is creating pockets of depression throughout our country. During the 1960's we have learned what approaches and programs won't work to solve this problem. During the 1970's we have also learned that benign neglect will not work. We don't need an ill-conceived or piecemeal approach to urban America, nor can we afford to pretend the problems don't exist. The recent outbreak of gang warfare in Detroit makes this painfully clear.

--We need a coordinated policy that concentrates on providing jobs, investment and income for our cities and their residents. The goal of our urban policy must be to restore the economic base of our cities. The failure to provide adequate job opportunities and income and to actively engage the private sector in urban development is a failure of will, not of ability or knowledge. The absence of a Republican urban strategy is squandering valuable resources that otherwise could be put to work.

--Jobs are the key. Providing jobs and job training opportunities is the most cost-effective way to reduce poverty, improve housing, and give people the freedom to chose where they want to live. The Republican Administration has rejected this approach.

--Last year alone we lost almost $17 billion in welfare and unemployment compensation due to unemployment. We can use these resources more wisely. Look at what these Republican economic policies have done to our cities:

--In 1975, central city unemployment averaged almost 10 percent compared to 5.3 percent in the suburbs. Among black teenagers it reached 42 percent. With the current rate of recovery many of our young people will be 24 or 25 before they have the opportunity for full time employment.

--The loss of jobs and production cut state and local revenues by nearly $30 billion in 1975 from what it would have been at full employment. States and localities were forced to cut back services, lay off workers, and raise taxes -- actions which resulted in removing $7.5-8 billion from the economy and counteracted federal efforts to stimulate the economy.

--Since 1968, the number of people living in poverty has remained virtually unchanged because of declining job and job training opportunities.

--Ford response. In the face of this worsening condition in our central cities, President Ford's vetoed every jobs bill to reach his desk, including one that contained vital counter-cyclical assistance. The Republican platform continues this policy of neglect.

--Economic recovery vital to urban survival. General economic policies must be designed to achieve steady economic growth -- that provides good jobs in the private sector. By doing this we can reduce unemployment to 5 or 5-1/2 percent. Such policies will greatly reduce the recession-related fiscal burdens placed on our cities and provide a more stable environment for business investment.

--These policies must be supplemented with employment programs that are targeted to pockets of high unemployment. (Note: Such jobs can be financed through a reallocation of the $17 billion we incurred as a result of the recession.)

--Urban Proposals. I would not have vetoed the Public Works Employment Act of 1976 that contained accelerated public works and countercyclical assistance to state and local governments and would have put 300,000 people back to work. (Note: passed over Ford's veto.).

--I would propose a youth employment program to keep teenagers off the street and reduce the incentives for criminal conduct.

--I also support an employment incentive to encourage the private sector to hire and train persons now unemployed.

--We should consider the creation of a domestic development bank that would make low interest loans to businesses and state and local governments for the purpose of stimulating private sector investment in chronically depressed areas.

--As an additional step to ease the fiscal plight of our cities and increase local flexibility, I support extension of General Revenue Sharing with an inflation factor and stronger provisions for civil rights and citizens' participation. But I would prefer that the funds go directly to localities.

--Also as part of my plan to reform welfare, I intend to support federal takeover of the local share of welfare as fast as budget realities permit. This will provide relief to urban taxpayers, who are currently shouldering so much of the welfare load.

--I intend to work toward a uniform national standard for welfare benefits so that there is no longer an incentive for poor people to reside in the northern states.

--The federal government can use public funds as a catalyst for attracting much larger amounts of additional resources from the private sector. The public sector must develop incentives and new structures for joint public-private development projects.

--With these economic and fiscal policies, we can begin to return economic vitality to our cities. They go to the core of the problem--economic recovery--and they will cost less than our current policy of neglect.

Follow-up Question #1

"Governor, you place a major emphasis on jobs but you have also mentioned general revenue sharing and welfare reform. Can we afford these jobs programs and welfare reform and isn't this spending inflationary?"

--With respect to jobs I would only ask: Can we afford not to have them? For every one percent increase in unemployment above four percent we lose about 17 billion dollars due to lost tax revenue and recession related expenditures. This is a wasteful use of our resources and unemployment deprives our citizens of the dignity of a decent job. Secondly, a carefully targeted jobs program is not a shot-gun approach to joblessness, and it can reduce unemployment by at least one percentage point without causing inflation.

--As we return to a steady rate of economic growth and begin to restore our revenue base, we can begin cleaning up the welfare mess. Budget realities will necessarily constrain what we can do in this area, but if we are to restore a sense of fairness, reduce abuse and fraud and stabilize costs we must begin.

Follow-up Question #2

"Governor, isn't this program more modest than the one that you outlined at the Mayors Conference? And is this part of your campaign strategy to move more to the right?"

--No. The major element of my urban program has always been jobs and earned income. The problems in our cities stem from an erosion of the tax base, loss of jobs, and high service costs for a population that is more dependent on government services than the average citizen. Unless we can begin to reverse these trends through economic policies, anything else we may do will have a marginal impact.

Follow-up Question #3

"Governor, you mentioned the recent outbreak of gang warfare in Detroit. How would you handle this situation?"

--While you can understand the reasons behind the violence--a complete absence of job opportunities -- there is no excuse for lawlessness, and measures must be taken to control any such civil disturbances. I believe Mayor Coleman Young has handled this situation well, but if federal assistance is necessary it should be provided. Again I would like to emphasize the importance of providing jobs for our youth. Without decent jobs, criminal conduct becomes much more likely; however, under no circumstances can we condone it.

Follow-up Question #4

"Governor, if you were elected, how would you deal with the fiscal problem of New York City?"

--Although I haven't monitored New York's progress under its current fiscal plan, I think that the three-year plan may be too rigid. After meeting with Mayor Beame and Governor Carey and my economic advisers, we can determine whether it is possible to balance the budget in that time period. If it cannot be met, then I would go along with a longer period of time.

CRIME-RELATED ISSUES

Q. Can the United States afford to prohibit corporate bribery of foreign officials without assurances that other countries will do the same?

A. 89 major American corporations have admitted bribing foreign officials to get contracts for their goods. This practice is not only morally unacceptable, it is bad politics. I cannot understand how anyone thinks the United States can allow such practices without alienating millions of decent and reasonable people all over the world.

Ironically, in many cases, the purpose and impact of the bribe is simply to divert purchases from one American manufacturer to another with no net benefit for American workers, American industry, or the balance of payments. The Lockheed bribes, for example, simply took business away from Grumman and McDonald-Douglas companies. In this context these practices simply put pressure on honest American businessmen to lower their moral standards.

In light of these facts, the Ford Administration proposal for "confidential disclosure" to the Secretary of Commerce is almost worse than nothing. It allows the Secretary to keep such information for a year--and in some cases more--for the express purpose of protecting the recipients. In effect it involves the government in concealing and tacitly condoning such activities. It has been suggested that it would be impossible to enforce laws against bribery of foreign government officials. Of course it is always difficult to enforce laws against white collar crime since a well-educated and highly skilled businessman determined to violate the law is often able to cover his tracks. But the Administration's proposal does not avoid this problem. Its "confidential disclosure" concoction allows the Department of Justice in its discretion to give the information received to a foreign government so that government can prosecute the corrupt businessmen and officials. So no businessman who is consciously violating foreign laws is likely to want to tell our government about it. Allegations of enforcement difficulties cannot be used as an excuse for condoning misconduct. If I am elected I promise to prosecute vigorously those who violate existing laws and to seek new legislation requiring financial accountability and making bribery of foreign officials a crime.

Q. What is your standard for selection of judges and Justices of the Supreme Court?

A. The prerequisites for judges and Justices are the same as for other high level positions in our government; unquestioned integrity, highest quality, and an understanding of and devotion to the principles of our democratic government.

We must candidly recognize that the President cannot and should not choose judges or Justices on the basis of predictions about how they will vote on specific issues. Such predictions often turn out to be incorrect. More importantly, such an approach to judicial selection demeans the independence and stature of the judicial branch. The best way a President can perform his constitutional responsibilities in choosing members of the judiciary is to assure that a broad spectrum of experiences and backgrounds are represented, so that society's concerns are reflected in the conscience of the courts.

In Georgia, I established by Executive Order a Judicial Nominating Commission and instituted a merit system of selecting judges. If elected, I would set up an equally effective mechanism

for selection of judges for the federal District Courts and Courts of Appeals. In this way, political considerations would not lead to the nomination of unqualified people for the courts.

Q. Do you favor the creation of a National Court of Appeals to reduce the congestion in our courts and ease the overwhelming burden of the Supreme Court?

A. There is no question that there is an immediate need to ease the burden of the federal courts, not for the sake of the judges so much as for the sake of the people whose access to justice is adversely affected.

I do favor the creation of a properly structured National Court of Appeals. There are complex problems to be worked out if this change is not to create even more delay for litigants and more work for the Supreme Court.

-- The Freund Committee Report recommended that the National Court of Appeals be inserted as another layer of appellate review, which would extend litigation and narrow the

ability of the Supreme Court to select critical cases for decision.

-- The Hruska Commission recommendation that the Supreme Court refer cases to the National Court of Appeals would not relieve the Supreme Court of the burden of reviewing all petitions for review, a process that already takes an inordinate amount of the Supreme Court's time.

These proposals need Presidential attention and leadership before a final plan is proposed to the Congress. So far the matter has not been given the attention it deserves.

I might add that in general, the problem of the structure and inefficiency of our court system has not been given very much attention. Like so many other areas, the Federal government has been more willing to throw money at this problem than to give a hard look to see if the system if being managed properly to meet the objectives that we are trying to accomplish.

-- The Law Enforcement Assistance Administration, for example, has spent $4.5 billion on crime control over the last 8 years, yet only 6% of that money has gone to reform of the judicial system. Commentators in the field have known for years that nothing could be done to control crime as long as the courts are so incapable of dealing with their caseloads.

-- Yet LEAA, instead of analyzing and improving the operation of our criminal justice system, has become simply a source of subsidy funds for the existing system, which only 18% of our citizens believe makes much difference in the deterrence of crime.

In this area, as in so many others, we need leadership that is able to determine how the use of limited federal funds can be most effective and willing to make hard decisions that special interests and the inertia of existing bureaucracy may oppose.

I believe the American people think it is time we elected a President with those qualities.

Q. Do you favor the creation of a permanent special prosecutor to deal with illegal activities of high government officials, as provided for in the Senate Watergate Reorganization bill?

A. There is no question that we must provide for a special prosecutor by legislative act. Unfortunately, the Ford Administration has not shown any leadership in this area. It has

vacillated on the Special Prosecutor from support of a court appointed prosecutor to support of a permanent special prosecutor.

The creation of the appropriate machinery for prosecuting high government officials who act illegally is only one of the precautions that a determined President would take to avoid a recurrence of Watergate crimes.

If I am elected, I will issue Executive Orders covering

-- Complete financial disclosure by all important officials;
-- Complete prohibition of any financial conflicts of interest by all important officials;
-- Broad sunshine requirements for open meetings and records of all meetings by all high officials;
-- Broadly applicable and strict controls to end the "revolving door" between regulatory agencies and the industries they regulate.

Q. Do you feel, as you told Walter Cronkite, that unemployment is the principal cause of crime?

A. What I actually said to Mr. Cronkite was, "But the overall, only solution that I can see to the crime problem that would be substantive is in the reduction of unemployment." And I do think that a dramatic reduction in the level of unemployment, particularly among urban youth, would inevitably help to create conditions in which the crime rate could be expected to fall.

But we cannot of course wait for full employment and urban revitalization programs to take hold to begin doing something about the problem of crime. We have to do what we can to control crime now.

-- Crime is up 58% since 1969; up 17% in 1974, up 10% in 1975, and still growing in 1976.
-- The federal crime control agencies have fallen into disrepute. (FBI, Drug Enforcement Administration, anti-trust enforcement, organized crime). New leadership is needed to restore them to their former level of performance.
-- LEAA has failed to achieve the promises made for it. Money has been wasted. The critical problem is the courts,

which cannot handle their cases. Plea bargains result in over half the second felony offenders in some states getting no prison sentences.

-- Discretion in sentencing should be reduced to assure greater equality of treatment.

-- Mandatory minimum sentences do not work, unless accompanied by court reform, as shown by the New York drug law experience.

-- Yet LEAA has failed to press for court reform. Only 6% of its money goes there. LEAA is simply giving financial support to existing inadequate institutions, but with lots more red tape than revenue sharing.

Q. What is your position on gun control? Isn't it essential to crime control?

A. I do think that there must be increased controls on handguns, particularly in our urban areas. 51% of the murders, over 10,000, and 44% of the robberies, over 194,000, were committed with handguns in 1975. My proposal is for banning Saturday Night Specials, prohibiting criminals who use guns and the mentally incompetent from owning guns, handgun registration, and reasonable waiting periods before purchase.

I oppose controls on long guns and hunting guns. As a hunter and outdoorsman myself, I know that sportsmen will support responsible programs to combat the criminal use of handguns in urban areas. I do not think responsible gun owners should be penalized for the misdeeds of criminals.

Crime is up 58% since 1969; up 17% in 1974, up 10% in 1975, and still growing in 1976. I support strict sentencing for those who commit crimes with guns. There has been a great demand for mandatory minimum sentencing for those who commit crimes with guns, and I am in agreement with those who think that the present practice of indeterminate sentencing for serious crimes detracts from the goal of swift, certain punishment for wrongdoers.

But it is unfortunately the case that mandatory minimum sentences are an illusion unless the courts and the corrections institutions are capable of handling the caseload. Yet LEAA has failed to press for court reform. Only 6% of its money goes there. LEAA is simply giving financial support to existing inadequate institutions, but with lots more red tape than revenue sharing.

We need to ask the hard questions about the management of the criminal justice system and target our funds to achieve the reforms we need. We need a President who has the courage to face the special interests and bureaucratic inertia, and begin getting some action on these problems.

Q. What reforms would you make in sentencing procedures and penal reforms? Does rehabilitation work?

A. Yes, I think that well-designed rehabilitation programs can work, particularly with youthful offenders. The Juvenile Justice and Delinquency Prevention Act of 1974 is designed to deal with these problems, and with adequate funding and forceful administration, it could help to reduce the intensity of some of these problems.

But the problems of sentencing and assuring swift and certain justice are far more important to the immediate problems of crime control. Discretion in sentencing should be reduced to assure greater equality of treatment. Mandatory minimum sentences do not work, unless accompanied by court reform, as shown by the New York drug law experience.

LEAA has failed to achieve the promises made for it. Money has been wasted. The critical problem is the courts, which cannot handle their cases. Plea bargains result in over half the second felony offenders in some states getting no prison sentences. Yet LEAA has failed to press for court reform. Only 6% of its money goes there. LEAA is simply giving financial support to existing inadequate institutions, but with lots more red tape than revenue sharing.

We need less discretion and more certainty in our sentencing.

Q. What can be done to stop the growth of juvenile crime?

A. In a very real sense, the problem of juvenile crime is the crime problem itself. 31% of all those arrested for robbery are between 13 and 17, and 75% of those arrested for serious crime are under 25.

Crime is up 58% since 1969; up 17% in 1974; up 10% in 1975, and still growing in 1976.

LEAA has failed to achieve the promises made for it. Money has been wasted. The critical problem is the courts, which cannot handle their cases. Plea bargains result in over half the second felony offenders in some states getting no prison sentences.

The Juvenile Justice and Delinquency Prevention Act of 1974 is designed to deal with these problems, and with adequate funding and forceful administration, it could help to reduce the intensity of some of these problems.

Yet LEAA has failed to press for court reform. Only 6% of its money goes there. LEAA is simply giving financial support to existing inadequate institutions, but with lots more red tape than revenue sharing.

Q. What is the role of the Federal government in crime control?

A. We have to begin by realizing that the Federal government, despite its expenditure of almost $1 billion a year through the Law Enforcement Assistance Administration (LEAA) to help state and local governments control crime, contributes only about 5% of the total state and local expenditures on crime control and corrections in the United States. So there is only a limited impact Federal government can have even if it uses that money in the most effective manner. Unfortunately, over the past 8 years since LEAA was created, most of the money has simply been thrown at the crime problem without goals or standards for evaluation or performance.

LEAA has failed to achieve the promises made for it. Money has been wasted. The critical problem is the courts, which cannot handle their cases. Plea bargains result in over half the second felony offenders in some states getting no prison sentences.

Yet LEAA has failed to press for court reform. Only 6% of its money goes there. LEAA is simply giving financial support to existing inadequate institutions, but with lots more red tape than revenue sharing.

Q. What are your views on the death penalty? Does it have a deterrent effect?

A. Yes, I think the death penalty may have some deterrent effect, and there should be provision for its application in a few aggravated crimes like murder committed by an inmate with a life sentence. The problem of deterring crime is not simply a matter of imposing longer or more serious penalties. The most effective deterrent to crime is the certainty of swift, firm punishment.

Q. Do you favor S.1, the codification of the criminal code with its related provisions?

A. I am very much in favor of a comprehensive revision of the federal criminal code, but I am adamantly opposed to the adoption of Senate Bill 1 as it was reported to the Judiciary Committee, because of its potential adverse effect on civil liberties.

There is general agreement that the federal criminal laws are in desperate need of updating. Title 18 is a hodge-podge of almost 200 years' worth of congressional acts and judicial decisions. A five-year prison sentence may still be given to anyone who misuses the name or symbol of Smokey the Bear. Seventy separate statutes deal with theft, and eighty or more with forgery and counterfeiting, yet no law on the books addresses directly the problem of bank embezzlements. The confusion of American laws often makes it difficult if not impossible to administer extradition treaties with other countries.

The unfortunate truth is that the excellent work of the National Commission on Reform of Federal Criminal Laws, chaired by former California Governor Pat Brown, was distorted by John Mitchell and Richard Nixon into an instrument for the repression of dissent and the protection of illegal activities by government officials. The Ford Administration has not taken the lead to restore the Brown Commission proposal as the focus of legislative attention or propose some other alternative that can serve our purpose. The next Administration must show leadership in this area, and if I am elected, I will work with Congress to see that appropriate action is taken to assure adoption of a new federal criminal code.

Q. Would you have pardoned any of the lesser officials in the Nixon Administration involved in Watergate? (Or) Do you think that those people who have been put in jail, such as Mr. Liddy and Mr. Hunt, have paid disproportionately for their share in the Watergate affair?

A. Yes, I do think that the lesser officials in the Watergate affair have been punished disproportionately, in light of the fact that the person for whom they were working was pardoned without even making a public statement of guilt. One of the conditions that alienates many honest Americans from their government is the repeated spectacle of big shot crooks going free while those who did their dirty work for them suffer much more serious penalties.

As for pardons to those who were involved in Watergate, their individual situations differ substantially. Some have already been to prison, others have not. Some have received more serious penalties than others. And some were leaders while others were led. So I cannot say that any or all of them should be pardoned. But I do think that some respect for the principle of proportionality in punishment should be shown here.

DANGERS OF ONE-PARTY GOVERNMENT

Q. Mr. Carter, public opinion polls in recent years have revealed that many voters deliberately split their tickets between presidential candidates and persons running for the House and Senate. A major reason for this is their belief that you can't trust politicians so you had better elect the candidate of one party to be President and provide a majority of the other party in Congress . . . to keep an eye on each other. Since it is almost certain that Democrats will control the next Congress, isn't it likely that a lot of voters will want your Republican opponent to be President, to avoid the dangers of one-party government. What can you say to people who feel this way? Doesn't recent history suggest the wisdom of this kind of ticket-splitting?

A. -- The Republicans have had light years to apply this argument and all we've had is stalemate and recession.

-- As I did when I was governor of Georgia, I will object to any legislation I feel is irresponsible.

-- We have too many problems to build in disharmony in our government.

-- There are enough constitutional checks and balances built into our system of government to avoid abuses.

-- Our most sustained period of progress has been when we've had a Democratic President and a Democratic Congress.

-- My commitment to a balanced budget by 1981 is a firm one.

-- The politics of fear and timidity should not be permitted to obstruct progress.

Q. You have stressed the need to provide positive leadership as the best way to control Congress, rather than the more natural way of having a Republican President to keep the lid on a Democratic Congress. You may have very specific ideas of what Congress ought to do and not do, but what assurance is there that Congress will follow your lead? Isn't it just as likely that Congress will continue going its own way, passing spending bills, and then you will be in the very difficult position of having to decide whether or not to sign them. In many ways, your position would be more difficult than Mr. Ford's. Isn't it likely that, in the end, you would just cave in and sign the legislation?

A. -- First, I have stated very clearly my guidelines for initiating new programs that will require substantial federal expenditures. I believe this is a sensible and fair way to proceed and I believe it will permit a sensible and balanced legislative program. So I do not anticipate that a stalemate, such as we have today, would develop between the two branches of government. But I am very concerned that in our efforts to put people back to work and to begin some long overdue efforts, such as national health insurance, that we do not also permit the kind of inflation that has occurred during the past eight years. So I must restate my determination to oppose legislation that would prevent us from achieving the goal of a balanced budget by the end of my first term.

-- Second, my record as Governor indicates that strong executive leadership can produce very significant legislation in the public interest, such as statewide mental health program and complete reform of the financing of public education. My record also shows my capacity to oppose and resist legislation that is clearly not in the public interest, that is primarily special interest legislation.

-- Third, I expect to be an active President in relation to Congress. I also recognize the constitutional equality between the two branches and I intend to respect that equality. But history suggests that those Presidents who have been most successful in their relations with Congress have enjoyed broad public support of their objectives. In other words, if the people believe the President is on the right track, Congress has gotten the message and a productive and positive relationship has been developed. I expect to be this kind of President, one who listens to the people, who takes their problems seriously, and one who acts to do something about these problems. This kind of leadership that merits broad public support will, in my judgment, provide an environment for very positive and responsible relations between the executive and legislative branches.

Q. Mr. Carter, your Republican opponent--Mr. Ford--has stressed the fact that a Democratic victory in the presidential race will create a very dangerous situation in Washington, namely, that all checks on a free-spending Congress will have been removed. He suggest that your victory in November will mean that no one will be around to keep the lid on Congress

and its natural tendency to spend large amounts of money. It's clear that people are concerned about Congress in this respect. Wouldn't your victory mean an end to all discipline and control over Congress?

A. -- Anybody who would say that doesn't know me very well. I stood up to irresponsible legislation when I was governor and I would do no less as President.

Q. Mr. Carter, you've told us about your plans for not moving forward with new spending programs if it means an unbalanced budget by the end of your first term. You've also pointed out that a 5.5% growth rate will produce a budget dividend of about $60 billion. But this is a very vigorous rate of growth, rarely achieved in our history. What happens if our growth rate slips below 5.5% annually, down to 2% or 3%, for example. Won't that leave you in a very difficult position in terms of holding down congressional spending?

A. -- First, I cannot agree with your hypothetical example. I feel strongly that we can achieve a 5.5% annual growth rate without excessive inflation. This is exactly what President

Kennedy and President Johnson achieved during the early to mid-1960s. We are still coming out of a very deep recession and I see no reason whatever why we should not expect a sustained and vigorous rate of growth, given the proper mix of policies.

-- But let's assume the worst, suppose the growth rate does slip, as you suggest. What then? Well, in those circumstances we would necessarily have to cut back somewhat on our legislative plans, as I have indicated. We would have to slow down the rate of expanion of certain programs. We would phase-in programs in a more deliberate way. But, in my judgment, we could begin with dealing with the welfare mess and begin the initial stages of a national health security program, for example. And that is a great deal more activity than has taken place during the last eight years of Republican government.

Q. Mr. Carter, if we have learned anything about American government in the past decade, it is that unrestrained and unchecked executive power in the White House can lead to very grave abuses and problems, specifically our entry into the Vietnam war during the Johnson Presidency and the Watergate

crimes committed by Mr. Nixon and his associates. Don't we need the extra check of the legislative and executive branches being controlled by opposing political parties? And if the Democrats are almost certain to retain majority control of Congress, where does that leave you as a Democrat running for the Presidency? Aren't there very real dangers in one-party government?

A. -- The Republicans have had eight years and produced nothing but stalemate and recession.

-- There are sufficient checks and balances built into our system of government to prevent abuses.

-- We have too many problems to build in additional disharmony in our government.

-- Our most sustained period of progress has been when we've had a Democratic President and a Democratic Congress.

EDUCATION

Q. You have indicated that the federal government is providing an insufficient percentage of total education costs. What share do you think is an appropriate share, how much would it cost to get to that share, and can this be afforded within the context of achieving a balanced budget?

A. Within the context of a reorganized Department of Education, and within the context of strict accounting of our federal dollars to see that each federal dollar spent increases the educational ability of our young people, I think we need to increase the federal contribution to education because:

-- we need to help state and local governments redress a dramatic decline in basic skills abilities.

-- we need to assist state and local school districts whose costs have risen 10% since last year, 70% since 1969.

-- we need to redress the steady decline in the real spending power of federally provided funds -- $1 billion since 1971.

It would be hard for me to put a specific figure or percentage on the federal government's share at this point without studying the whole budgetary process and assessing relative priorities.

There are some interim things that can be done, however, to make money available to education without delay. One would be

to remove the prohibition against the use of revenue sharing money for education. This would release substantial amounts of money to needy communities, specifically for the education of our children.

Q. Would you favor a voucher system for education under which all parents, regardless of where they wished to send their children, would be entitled to a certain allotment to purchase that education? The American Federation of Teachers says that a voucher system would destroy the American system of education. Do you agree with that?

A. This is an idea that we used in Georgia for university and college students. Voters authorized annual grants for each student attending private colleges at a smaller cost to taxpayers than if these students enrolled in public institutions.

I would have to study the constitutionality of extending such a plan to the elementary and secondary levels before I commented on it.

Q. How would you improve vocational education to make it more effective?

A. 1. Administratively, by bringing together the Office of Career Education (with $10 million in programs), the Bureau of Occupational and Adult Education (with $509 million in programs), and the Education and Work department of the National Institute of

Education (with $8 million), with the manpower efforts of the Department of Labor. We need to coordinate vocational education efforts with the U.S. Employment Service, which has abandoned its youth division.

2. By increasing the opportunities for high school and college students to have various types of work experiences -- some paid and some volunteer -- through work-study, internships, and other avenues. I would also hope, for example, that some of our college-bound youth get work experiences in a field completely foreign to their life's work so they have an understanding of how others, including hospital and sanitary workers, for example, make a living.

3. Improve school counseling. Counselors should be exposed to world-of-work internships, programs in vocational schools, etc.

4. Greater parent involvement in vocational education decision-making. Research shows that parents have the strongest influence on pupils' decision-making about future careers.

5. Bring the advisory councils on career education and vocational education together -- one council on education for work, with ample representation of business, labor, parents, administrators, teachers, and young people themselves.

6. Implementation of the findings of several commissions -- the President's Science Advisory Committee headed by James Coleman;

the panel on Adolescent Education in the U.S. Office of Education, headed by John Henry Martin, all of which have called for provision of more work experiences for young people.

Q. Do you favor block grants for federal aid to education?

A. I would like to reduce drastically the number of categorical aid programs. I think when Eisenhower went out of office we had about 150 in the whole federal government; now we have almost 2,000 and a substantial amount of the administrative work that's performed by state departments of education, for instance, is oriented toward the preparation of education grant requests and the monitoring of the independent and narrowly defined grant programs. I would like to make these much more general in nature. The only category that I would like to maintain is to ensure that federal monies are spent for the kinds of children who need help most, those who come from deprived families or who have some special learning disability, those who come from poor areas of our nation where the tax base is not adequate for a good education. But I would drastically reduce the number of categorical grant programs, let the money be issued in larger block sums but make sure that the money is spent from the federal level for the children that need it most.

ADDITIONAL SUGGESTION: I would want to make certain that block grants do not impede the federal government's capacity to serve children from non-public schools, as well. (Note: Catholic groups oppose block grants for this reason.)

Q. What is your view about the role of the federal government, if any, in equalizing fiscal disparities between school districts in terms of the per capita expenditure for children within school districts?

A. I've been dedicated to the principle of eliminating fiscal disparities between school districts since the early 1960's. As Governor of Georgia, I successfully sponsored a major reform of education financing to help eliminate disparities based on the relative wealth of the area in which a child lives.

The federal government ought to identify those localities and dates which are very poor and in which educational opportunities are scarce and allocate federal funds so as to help those states and localities provide equality of educational opportunity.

Without such aid, major urban school systems face collapse. Schools serving the rural poor are in many cases even less able than the inner city schools to meet the challenges of 20th century educational needs.

(Today, only 22 out of 50 states have dealt with state equalization laws, despite recent court decisions. The others still depend overwhelmingly on property taxes to provide education revenues.)

I'm not sure where the Republicans stand on this issue. Their platform calls for a study of education finance, but I was disheartened to note recently that President Ford wants to cut out of the budget the relatively small sum of $3 million earmarked for assistance to state commissions to study state school financing.

Q. An increasing number of Americans are finding it difficult to pay for the costs of higher education. What relief, if any, would you provide to such parents so that higher education can become more available?

A. In spite of numerous federal programs -- our country has not yet fulfilled the commitment to eliminate financial barriers that prevent many low and middle income students from attending college.

We need to reform the federal loan programs. For example, rates on the National Direct Student Loan Program and the Guaranteed Student Loan Program differ unjustifiably by several percentage points.

Another possible reform is to reduce the number of different kinds of scholarship and loan programs to a minimal number -- at present there are at least ten frequently overlapping different programs -- and increase the amount of money allocated for these programs.

We need to ensure that our federal loan and scholarship programs ensure freedom of choice as well as access for low and middle income students.

Federal programs should not be structured so that lower and middle income students have no option but to attend a public community college within commuting distance of home. While many students may find a community college the most attractive option, others may benefit more from attending a large public university, while still others may receive greater benefit from attending a private college in a different state.

On the state level, I would encourage programs such as the one I helped enact as Governor of Georgia. In that program voters authorized annual grants for each student attending private colleges, at a smaller cost than if these students enrolled in public institutions.

Q. You are aware of the law suit brought by Mr. DeFunis contending that he had been discriminated against in law school admission because blacks were favored despite the fact that objectively they had less academic qualifications. What is your view on such problems and to what extent does affirmative action in the education field discriminate against whites? Are white ethnic groups being discriminated against in admission standards?

A. The Civil Rights Act of 1964 and the Higher Education Amendments of 1972 prohibit discrimination against anyone on the basis of race, religion, sex, or national origion. Those laws are the foundation of our efforts to eliminate discrimination on the basis of irrational preconceptions about the abilities of members of these groups. Their adoption transformed the South--it was the best thing that happened in the South in my lifetime.

The Supreme Court has recently held--properly, in my opinion--that the equal employment provisions of the law protect whites as well as blacks, women, and minorities from differential treatment because of those characteristics. I see no reason why this protection would not apply equally in the field of higher education.

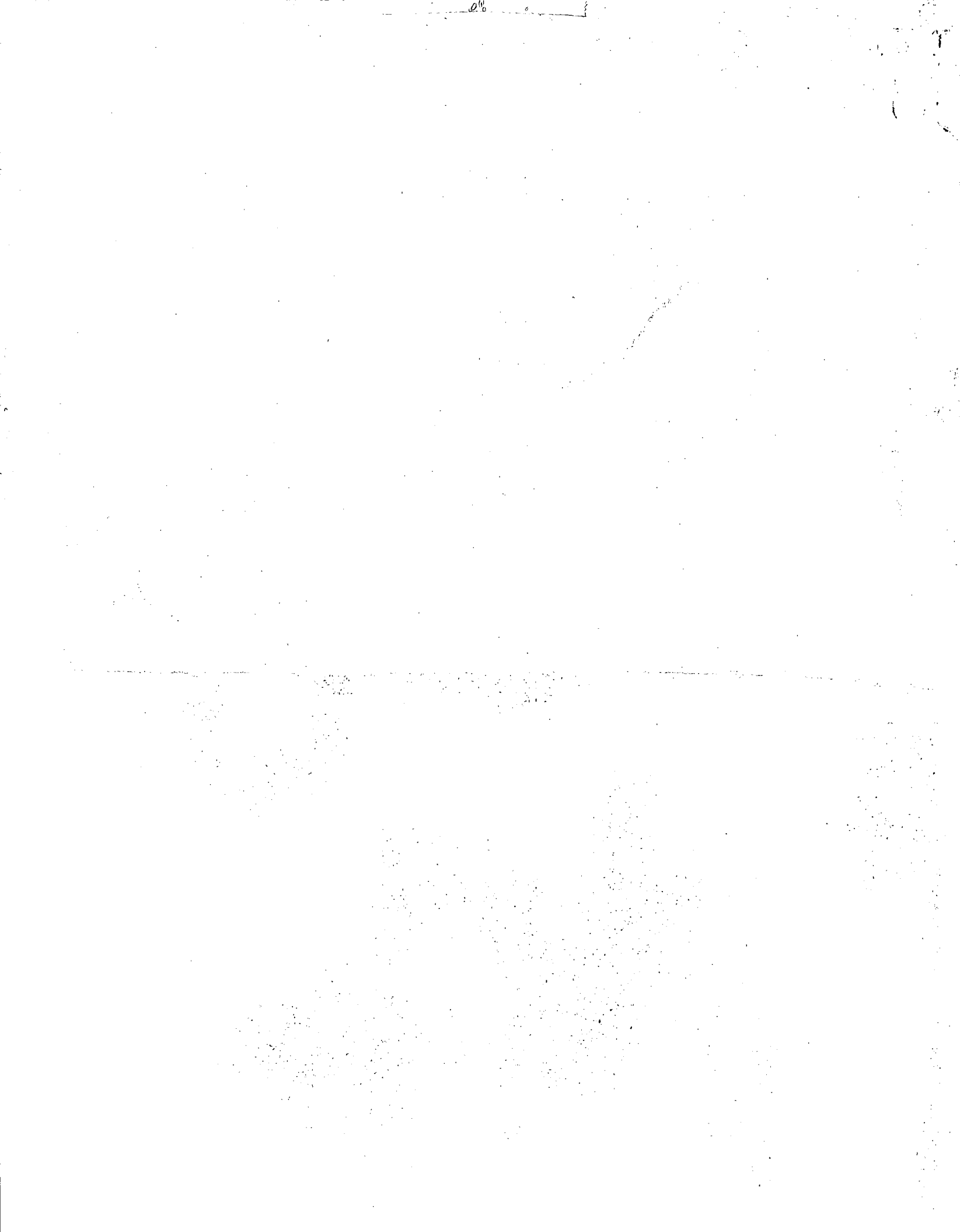
I have spoken in the past about compensatory opportunity and affirmative action, and I think there is a great deal of confusion about the meaning of those terms. They should not mean that admissions to universities, employment, or other opportunities are allocated according to quotas and enforced by counting heads and computing ratios. The proper objective of these programs is to see that these opportunities are fully open to all.

Pursuit of this objective requires two things: First, we must recognize that in some circumstances particular individuals have themselves been the victims of past discriminatory practices; as a result, they may not yet have had the opportunity to develop the skills that constitute the criteria for admission to the job or the academic institution. In such cases it would be wholly inappropriate for society to allow its past mistreatment of an individual to serve as the justification for present denial of opportunity. And again, this kind of determination must be made on an individual, case-by-case basis, not on the basis of a head count.

Second, affirmative action by employers and academic institutions should mean exactly that--a positive effort to let blacks, women, and minorities know that there are opportunities open to them, that the old policies of overt and covert discrimination are gone, that they will be welcomed and treated with dignity and respect.

The experience of the Democratic Party in 1972 and 1976 demonstrate, I think, the effectiveness of such efforts. In 1972 the Party established strict representation requirements that were widely viewed as quotas. The result was a level of conflict and bitterness that deepened the divisions in our society instead of healing them. Between 1972 and 1976 the requirement was changed to a true affirmative action program of the kind I have described. The result was a full measure of representation of all groups and a degree of harmony and good feeling that was unique in the history of political conventions.

I believe that the kind of harmony that prevailed at the Democratic Convention can grow across the nation if we elect a sensitive and competent President in November.



EDUCATION

QUESTIONS

1. You have indicated the government is providing insufficient percentages of total education costs. What role do you see for federal government, what is appropriate share, how much will it cost and can we afford it?

2. How are your education programs different from Mr. Ford's and how much will your programs cost?

3. In last 10 years, SAT scores have declined steadily and many high school graduates are poor readers and writers. How do you intend to handle current crisis in education and how is approach different from President Ford's?

ANSWERS

A. Attack Points

1. Education is one area where themes I have stressed throughout the campaign--need for leadership and reorganization and strict accountability for federal dollars--are especially applicable.

2. Basic problem is Republican failure to take lead in redirecting federal monies and reorganizing federal education agencies to ensure that each federal dollar spent increases the educational ability of our young people.

3. Basic skills and verbal and math SAT scores have declined over last ten years, education costs are up 132% in last eight years, one million high school students per year drop out, and jobs have increasing educational requirements.

4. Mr. Ford has vetoed education appropriations (FY 76) and has impounded education funds (FY 75 and 76). In addition, Ford's own budget requests would have had severe effects on human needs and school districts:

(a) Because of Republican inflation, local school districts have seen operating costs rise by 10% last year, 70% since 1969. Result is local property taxes have been raised repeatedly.

(b) Mr. Ford's 1976 budget request means 5% less for Head Start programs.

(c) Means 50% less for Right to Read programs.

(d) Means 28% less for education of handicapped children.

(e) Means 100% less for school milk programs.

5. With the Republican Administration, we've had no meaningful initiatives, six Commissioners of Education in the last five years and an unwieldy bureaucratic morass (e.g., three differnt bureaus on vocational education--grossly deficient in coordination within HEW and Labor Department; California has to file 229 different reports with 32 different agencies to get federal aid.)

B. Positive Points

1. Education is what enables us to move forward--my own family and many immigrants, minorities, low and middle income groups have experienced this.

2. Georgia Record. I have long supported improved educational programs; educational services upgraded dramatically during my governorship, with emphasis on vocational education and education for handicapped and gifted; state assumed greater funding role from local governments.

3. The President has extremely important role to play in education. (Thomas Jefferson was Chairman of the Board of Education for Washington, D.C. When he became President, his aides urged him to give up chairmanship because it was "beneath his dignity." Jefferson replied, "Next to being President, that is my most important assignment.") As a former school board member, I would take my responsibility for education of our nation's youth very seriously.

4. It is not our teachers who are at fault--we need to give our local teachers and school districts the support they need so they can teach our students effectively. We need the following:

(a) Greater federal contribution to help relieve property tax burden resulting from rising education costs. But support should not overwhelm local initiative and control. For example, federal government should have an effective program to search for basic education programs in local school districts that work. It should then make these programs known to all school districts across the nation. This is an example of one simple, positive and constructive federal step to improve education.

(b) Greater emphasis on basic skills in federal programs such as Title I of the Elementary and Secondary Education Act.

(c) Appointment of classroom teachers and others who have had experience in running elementary and secondary schools to all levels of our federal education structure.

(d) Elimination of overlap in federal education programs by emphasis on block grant approach.

(e) Creation of a separate, Cabinet-level Department of Education to include myriad entities concerned with education

(f) Elimination of unnecessary paperwork and regulations for local school districts in dealing with federal government

(g) Greater emphasis on a curriculum that prepares students to become adults, including intern programs for work experience.

(h) Full support of aid to parochial schools within constitutionally acceptable limits.

F. While I am for increased federal assistance, we cannot place a specific figure or percentage on the federal government's share of education costs, without first knowing the revenues available, studying the whole budgetary process and assessing relative priorities.

C. Likely Ford Responses

1. Considers education a priority.

2. Sought to return responsibility to local level; remove federal intrusion.

3. In 1975, submitted so-called Ford reorganization packet to Congress.

D. Rebuttal

Ford bill was so deficient that the ranking Republican Senator refused to support and not a single teacher or educational organization backed it.

EDUCATION

Basic Theme

Basic problem is Republican failure to take leadership in redirecting federal monies and reorganizing federal education agencies to ensure that each federal dollar spent increases the educational abilities of our young people. Declining SAT scores show that our high school graduates today are less prepared for college than they were 10 years ago:

--Verbal skills down nearly 8%

--Math skills down nearly 5%

--Science knowledge is declining. 70,000 fewer 13 year olds could respond acceptably to a typical science question in 1972 than in 1969,

--80,000 fewer 17 year olds could answer the survey questions correctly in 1972 than in 1969. (NAEP--National Assessment of Educational Progress survey).

Our students flounder when it comes to applying basic computational skills:

--Less than half of the 17 year olds and young adults assessed in a NAEP study could successfully determine the most economical size of a product.

--Only 10% could correctly calculate a taxi fare.

--Only 1% could correctly balance a checkbook.

Inner city schools are well below the nation and are not improving.

The teaching of basic skills has been given low priority at the federal level.

Vocational Education

I'm also concerned about the fact that our present school curriculum prepares students poorly for finding a career.

Each year for the past 16 years over 1 million young people have dropped out before graduating from high school.

--The overall youth unemployment rate is 20%--40% for minority youth.

--By 1980 80% of all jobs are expected to require education beyond high school but less than a four-year degree.

The present large federal expenditure for career education is largely ineffective, according to several studies.

There is almost no involvement of the business and labor communities in decisions on federal spending about career education, although they have the basic information and expertise necessary.

Federal Mismanagement

Our Federal education dollars are not producing results.

--In New York City, the National School Lunch Program, intended to provide lunches for low income children, has "lost" $250,000 due to poor management and auditing.

--The $250 million spent in vocational education research has had little import on students, according to the National Academy of Science.

There is too much overlapping of functions and duplication within the federal education bureaucracy. For example, three different bureaus work on vocational education. Within the U.S. Office of Education are 2 divisions: the Office of Career Education, which reports directly to the U.S. Commissioner of Education, and the Bureau of Adult and Vocational Education, headed by an Associate Commissioner who reports to the Commissioner, as well. Then there is a Division of Education and Work within the National Institute of Education, an entirely separate entity.

There is poor coordination between the education bureaucracy and other deparments of government.

--School violence is handled not by the Office of Education but by the US Justice Department.

--Vocational education programs within the Office of Education are not coordinated with the U.S. Employment Service in the Department of Labor.

Church-related Schools

I am familiar with the tremendous contribution that has been made to the educational processes of our country by people who send their children to religious-oriented schools.

Our nation's church-related schools relieve a tremendous burden which would otherwise be placed on public schools. They provide the opportunity for those of whatever faith, Catholic, Protestant, or Jewish--to combine secular and religious education. Yet they are now failing at an increasing rate.

SOLUTIONS

A Carter administration would not merely be content to veto appropriations. A Carter administration will provide vigorous leadership to streamline the federal education bureaucracy; will strictly account for the effectiveness of every federal dollar spent on education; and will act so as to support, and not overwhelm local initiative and leadership.

Basic Skills

1. We need to use the limited federal dollars that are available more effectively--by identifying basic skills programs in local communities that are already working and supplying information about them to the nation's school systems.

The federal government should help supply "how-to-do-it" manuals and materials so other school systems can adopt the programs.

2. We need to place a priority on basic skills in the use of Title I ESEA money. (Title I is reserved for programs for low-income students under the Elementary and Secondary Education Act).

3. Cite Sesame Street as a constructive use of federal money for teaching reading. (The Children's Television Workshop recieved large initial grants from the U.S. Office of Education for this purpose).

Career Education

1. We need a partnership of education, business, and labor in career education. This would be achieved through appointments of business and labor representatives to advisory councils, through closer cooperation between the USOE, the Department of Labor and Department of Commerce, and other departments, and through the appointment of federal officials who are knowledgeable about changing economic trends, and about the working world in business and the public sectors.

2. We need more effective evaluation of federally-funded vocational education programs.

3. We need to reorganize the federal career education bureaucracy, combining all of the disparate divisions now assigned to this area.

4. We ought to place greater emphasis on work experience for high school students--both paid and volunteer. For example, we could provide more student internships in federal agencies, and place greater emphasis on youth volunteer programs in the Action agency. (Action is an agency reporting directly to the President which currently houses the Peace Corps, Vista, student volunteer, and senior citizens volunteer programs).

Federal Mismanagement

1. We need strict accountability for federal education dollars being spent. We need better evaluation of programs' effectiveness. We need annual reassessment of all federal education programs.

2. We need to collect all the various agencies scattered throughout the federal bureaucracy and place them in one, unified Department of Education.

3. We need to appoint people to the federal educational bureaucracy who have had practical experience in running complex school systems and who are sensitive to the needs of primary and secondary school children. (The present education bureaucracy is headed primarily by people from higher education).

Church-Related Schools

1. I believe that parents and children have a basic right to choose alternatives to public education, including religious instruction, if that is their preference. The right to choose religious education lies at the core of America's diversity and strength. And it is also a Constitutional right the Supreme Court has upheld. This is a right some citizens cannot afford to exercise without some economic help from public sources.

2. As long as governmental help (state or federal) takes the form of services avaiable to all poor and middle-income parents and children, regardless of the schools they attend, the courts have properly upheld it as a neutral public service rather than a forbidden aid to religion. Free books, health services, and other child-benefit programs, including scholarships in higher education, can and should be extended to all children attending any non-segregated school. This is the direction pioneered in the child-benefit or public trustee theory of the Elementary and Secondary Education Act of 1965, and I believe it is still the correct public policy. We should provide support to parochial schools to the extent constitutionally permissable.

ENVIRONMENT

ENVIRONMENT

BASIC CHARGE:

Mr. Carter, you have said that whenever there is any conflict between the environment and economic growth, you would favor the environment. Won't this preference for the environment undermine your promises to end high unemployment and endanger our energy supply?

BASIC STATEMENT:

-- Strong environmental leadership will safeguard our natural heritage, conserve our finite energy supplies and support sound economic growth.

-- Ford lacks an environmental commitment. A member of Ford's Cabinet recently said that Earth Day is over. The Republicans would haveus believe that concern for the environment is just a passing fad and we can now cut back on our environmental commitments to suit the convenience of large corporations. President Ford wants to delay requirements for reducing automobile missions until 1982, even though one foreign manufacturer's (Volvo) 1977 models -- recently certified in California -- meet the Clean Air Act's standards and get 10% better gas mileage over last year's model.

President Ford recommends a do-nothing approach to protection of the remaining parts of this country where the

air is still pristine. He has opposed efforts which would ensure that willy-nilly industrial growth and lack of planning don't degrade the air over the national parks and wildlife areas. According to his plan, we should just let air quality deteriorate to the lowest common denominator, and worry about patching it back up later.

As many of 15,000 deaths result each year from air pollution alone. Water pollution and uncontrolled dumping of city garbage threaten beaches and shoreline of the Atlantic Coast. In the Southwest, agricultural losses run as high as $50 million per year from salinity caused by upstream water pollution.

Over two million acres of land which has been strip-mined lies devastated. By his two vetoes of federal legislation, President Ford would ask us to continue the very practices which have blighted the countryside of Appalachia and now threaten the same destruction of our western landscapes and water supplies.

Relying on the lobbying of large chemical companies rather than his own environmental advisors, President Ford has opposed requirements to test toxic chemicals before they are used in industrial processes and in consumer products. As a result, our workers and the American public are the guinea pigs to test the effects of chemicals such Kepone,

PCBs and vinyl chloride. The result: the James River in Virginia is closed to fishing and 15,000 watermen are out of work. In northern Michigan, dairymen have had to shoot entire herds of cows which were sick and dying from contamination by a carelessly used highly toxic chemical called PBB (polybrominated biphenyl). Lead poisoning from peeling paint and automobile emissions still infects over 400,000 of our inner city children each year.

-- A Republican environmental future. Under the Republican program which supports environmental protection only when its convenient we can look forward to oil drilling and exploration of the Outer Continental Shelf which disregards sound environmental practices, and strips coastal states of their rights to protect their own marine and shoreline areas. We will have four more years of uncontrolled strip-mining -- both on private lands and on the public lands which the government is supposed to protect for all of us. Effective control of toxic substances will be just another idea pending in Congress rather than an industry practice of making sure that the chemicals we use will not endanger health and the environment.

Our national parks and wildlife areas, having gotten election year publicity, will be left again to deteriorate. More and more urban areas which could be dedicated to parks and recreational uses will be bulldozed into parking lots and shopping centers.

Each time the citizens of this country demand responsible environmental protection, the Administration will throw back in their faces the myth that it will cost them their jobs, or exacerbate the energy shortage. It is a timid and short-sighted President who fails to reconcile our need for a health environment with a strong economic plan and a clear energy policy.

-- The Carter environmental program. My Administration would reaffirm this nation's commitment to providing a healthy air and water.

-- I will stick to the goals we have set for environmental protection and our industries will know they cannot come running into the President for a change in direction each time it finds environmental compliance slightly inconvenient.

-- I will sign responsible national strip-mining legislation and strengthen and enforce our deep mine safety laws so that coal producers have a clear understanding of the requirements they must meet and coal production can bet going again.

-- I will ensure that our park system, our national forests, and our wildlife areas are properly maintained and run not just for the good of the oil companies and special interests which use and exploit these resources but for each and every individual.

--Safe drinking water, a pure food supply, and a healthy urban environment will provide the foundation for a successful national health program.

--We will develop the resources of the outer-continental shelf in a way which permits our coastal states to protect their shorelines, tourist industries and coastal communities.

--I will cut back on porkbarrel kinds of expenditures now used to build unnecessary dams and to channelize every winding country stream.

--Environment and jobs. I reject the premise that there must be a conflict between environmental protection and jobs. Over a million new jobs have been created by our concern for air and water quality. Construction of sewage treatment facilities has created between 200,000 and 300,000 jobs in the hard hit construction industry. Biologists, chemists and toxicologists -- who five years ago who were unable to find work, now find their talents in high demand to assess the effects of pesticides, water pollutants, and toxic chemicals on the environment. The manufacturing of pollution control equipment, has emerged as a new $1.7 billion industry. But we have only scratched the surface. Enactment of a strong federal strip mining

law will reduce the present uncertainty surrounding coal production and put miners back to work without exacting unreasonable environmental costs. Development of rapid transit systems to reduce our dependence on the automobile cuts down air pollution and provides jobs for unemployed auto workers.

--Recovery of the resources which we now throw away will reduce the need for imported raw materials such as aluminum and copper creating jobs here in America rather than abroad. Solar energy, when fully developed is estimated to be almost three times as job intensive as nuclear power and far more environmentally sound. Each million dollars invested in home insulation to stop wasting energy creates an estimated 70 to 90 jobs compared with 43 jobs per million dollars invested in building new electrical generating plants.

--To get from here to there, however, we need strong leadership, not a President who meets every new pollution control challenge with the same tired rhetoric than pollution control expenditures put people out of work or that industry cannot afford to provide a safe and health workplace.

--Environment and energy. I do not believe that production of adequate domestic energy supplies must conflict with protection of the environment. A President who understands the nature of the energy and environmental problems will recognize that both have the same basic cause.

We have used our air, water and energy supplies as though they were infinite, inexhaustible, and free. It was conservationists who first warned that our energy supplies would be exhausted unless care was taken to use them wisely and efficiently. But now that prediction has come true, the very forces which encouraged us to abuse and squander our natural resources turn around and blame the energy shortage on the environment. Conservation of our natural resources by better using what we have will protect both our environment and help close the gap between energy supplies and demand.

--If the federal government were to encourage cities to take advantage of the technology which already exists to convert municipal garbage into energy supplies we could immediately save the equivalent of 40,000 to 50,000 barrels of oil. The Environmental Protection Agency estimates that recovery of resources from solid waste could save the energy equivalent of 521,000 barrels of oil per day, an amount equal to 35% of the oil we will be receiving each day through the Alaska pipeline.

--Intelligent management of our electricity demands by encouraging peakload pricing and locating smaller generating stations near industrial consumers can reduce the need and demand for new coal supplies by 150 tons for each 1% saving in the electricity growth rate.

--Development of rapid transit systems permits our citizens to commute more conveniently and efficiently while lessening the air pollution caused by the automobile.

--I believe this nation is filled with people who love God's world, who love the trees and the wildlife and who want to pass along to their children and grandchildren a world which reflects high quality stewardship of our national resources that I know we can achieve.

Q. What can the federal government do to prevent the injection of poisonous substances such as Kepone and Mirex into our environment?

A. --The Environmental Protection Agency must be given the resources and the leadership to require strong premarket review of pesticides and other toxic chemicals before they are released to the environment, not after.

--We must press for enactment of a strong toxic substances control act which will give the federal government the tools to require testing of dangerous chemicals, and to act promptly when hazards are shown to exist.

Q. Would you favor extension of the deadline by which automobile companies must meet certain air pollution requirements?

A. --No. I believe we must require our auto industry to meet the standards spelled out in the Clean Air Act just as soon as lead times allow. One foreign manufacturer (Volvo) has already certified its 1977 models in California at pollution control levels which meet the federal requirements. It is clear that the technology to comply with these standards is available, and we must make clear to our own domestic auto industry that no further foot-dragging will be permitted.

--President Ford's proposal for a five year delay in meeting the auto emission standards reflects excessive attention to special interests, and a callous disregard for the need to provide healthy air quality, particularly in our cities.

ENVIRONMENT

Q.: Governor, in light of our present economic difficulty, and the added demands of the energy crisis, the environment seems to have received a setback. You yourself have urged increased coal production, and, at one time, called for urgent development of the breeder reactor (then reversed yourself). Has the environmental movement been a passing fad? What emphasis would you give to environmental concerns as President?

ANSWER

I reject the premise that there must be a conflict between protection of the environment and development of adequate energy supplies or sound economic growth. Safeguarding our air, water, drinking water, and natural resources is vital to protecting the health and welfare of all Americans, including those in future generations.

--President Ford has failed to level with the American people about the seriousness of either our energy problem or the deterioration of the environment. This country does face a severe energy crisis but it is not one which can be resolved by abandoning our environmental goals.

--Many would have us believe that concern for the environment is just a passing fad which we can abandon any time it inconveniences large corporations or requires us to plan ahead for responsible development of new energy supplies. They forget that it was the conservationists who first warned that our energy

supplies would be exhausted unless we learned to use them wisely and efficiently.

--Conservation of all our natural resources will both protect our environment, and through elimination of waste, help close the gap between energy supplies and demand.

--Although there may be occasional conflicts of a very specific nature between, for example a pollution control device and the goal of decreasing energy consumption, disregard for the finite nature of our natural resources, including our air and water, is responsible for the enormous inefficiencies now built into our system. The way out of this box is not to continue the abuses of the past, but to live within, rather than beyond our environmental means.

--Coal: Coal production has been inhibited over the last 5 years by a climate of regulatory uncertainty. Producers refuse to open new mines because the ground rules are unknown, and workers are forced to strike for a healthy and safe workplace. I would, as President, sign responsible federal strip-mine control legislation and insist on enforcement of our mine safety laws. Without these measures, silting and erosion will destroy agricultural land and water resources so vital to the production of an adequate food supply, and no wage incentive will be sufficient to encourage people to seek work in the deep mines.

--The technology to burn coal without environmental damage, whether by cleaning it before it is used, or removing the sulphur during the combustion process, is available. While we must speed up our efforts to further refine these technologies, we must use what is now available to ensure a healthy urban environment. Air pollution results in as many as 15,000 deaths each year, hitting the elderly and our children the hardest. I will not accept the notion that we must trade the health of our people for special interest resistance to making our energy facilities environmentally sound.

--Breeder: You make reference to an article in a newspaper that I said that the breeder reactor was a promising source of energy and research efforts on it should be increased. Since that time I have had the opportunities for further study of the safety, economics, and technical feasibility of the breeder reactor, and have found serious questions in all three areas. The costs of developing the breeder have skyrocketed--from an estimated $700 million in 1973 for the demonstration reactor at Clinch River, Tennessee to almost $2 billion for today. Disposal of radioactive waste and the security of nuclear materials remain unresolved.

--While this country may well have to depend on nuclear power for some time in the future to meet our electricity needs,

I believe we must deemphasize the breeder and commit those energy dollars to an all out conservation effort and the development of environmentally sound renewable resources.

A Carter Administration would reaffirm this nation's commitment to providing a healthy environment and will stick to the goals we have set for environmental protection.

ENERGY

Q. What is your position on horizontal and vertical divestiture in the oil industry? Do you believe there is sufficient competition within that industry and if there is not, how would you deal with the absence of competition?

A. Vertical divestiture: I will support restrictions on the ability of a single company to own all phases of production and distribution of oil if competition within the industry is inadequate to ensure maximum benefit to consumers and proper functioning of the free market. I have not found adequate evidence of a lack of competition to warrant divestiture of the production, transportation and refining sectors of the industry at this time. I do, however, have serious question whether competition is sufficient at the wholesale and retail levels to ensure reasonable consumer prices at the gas pump.

The past year's debate over vertical divestiture has made clear that neither the government nor the public has adequate accurate data on the competitive picture within the oil industry. This information is critical to sound enforcement of our antitrust laws as well as to responsible decision-making on the divestiture question. Governor David Boren of Oklahoma has made a suggestion which I intend to explore in some detail--

The oil companies would be required to reveal their profits in segments rather than lumping together their entire domestic income. This would permit a more accurate assessment of the adequacy of competition and would allow us to fashion direct remedies if problems are found only in one segment of the industry.

Horizontal divestiture: I support legal prohibitions against ownership of competing types of energy sources by a single company, for example oil and uranium or coal. This type of horizontal ownership provides opportunities for manipulation where, for example, an oil company with substantial coal holdings can keep coal production low so as not to compete with oil and thereby drive the price of oil down. (Note: In the past you have used the problem of separating fuel oil from propane production as a reason for not supporting across-the-board divestiture. This example should not continue to be used since propane and fuel oil are both petroleum derivatives and no horizontal divestiture proposal has ever contained such a requirement.)

Antitrust laws: We must be extremely strict in the application and enforcement of the antitrust laws in the energy area. A healthy and competitive industry here at home will encourage a maximum exploration and development of our domestic energy

supplies. (Note: If Congress has agreed on strengthening amendments to the antitrust laws by the time of the debate and Ford has not yet signed them, he should be called upon to sign them. If he has vetoed the bill, which is unlikely, he should be roundly criticized for failing to give the government the tools to act effectively against monopoly power. Update on this will follow.)

Q. What specific steps would you take to increase oil and gas supplies? Would these steps not require loosening environmental requirements which currently have a restrictive effect on such development?

A. -- We need a clear, long range policy for development of oil and gas reserves rather than present climate of regulatory instability and changing signals from the White House and Congress.

-- To encourage new exploration, favor deregulation of new natural gas for a five-year period. Existing contracts should remain in force.

-- Oil prices should be kept below OPEC levels. No need to deregulate price of old oil, and present pricing structure of the Energy Policy and Conservation Act appears adequate to provide incentive for development of new oil supplies. (The Energy Policy and Conservation Act is the major energy bill passed in December, 1975 which regulates oil prices. It sets a composite average price which must be maintained for all domestic oil. The regulated price is gradually permitted to rise over a forty-month period after which controls expire.)

-- Believe that oil and gas reserves can be developed without compromising environmental quality.

-- Need revision of federal leasing procedures for Outer Continental Shelf lands to safeguard the marine and estuarine environment and to ensure that coastal States have full partnership role in leasing decisions.

-- Support full implementation of the Coastal Zone Management Act to ensure that energy development plans do not conflict with environmental and social goals.

-- Reject notion that environmental goals must be cast aside in quest of energy supplies. Environment not a luxury, and protection of air, water, drinking water, and natural areas is basic to a successful national health program and stewardship of natural heritage.

-- Need aggressive energy conservation program to ensure that scarce oil and gas resources used wisely.

Q. Which of the pipeline alternatives do you support to bring natural gas from the North Slope of Alaska to the lower 48? Senator Mondale at one time sponsored legislation favoring a pipeline through Canada to the midwest. Which one do you feel has the least adverse impact on the environment along with the greatest opportunity for early delivery of this gas? Are you and your running mate in disagreement on this issue?

A. -- It would be entirely inappropriate for either nominee to enter into a debate on the merits of the three proposals for transporting natural gas from the North Slope of Alaska to the lower 48 states. Procedures for a full and orderly review of this issue are under consideration by Congress, and the several federal agencies responsible for this decision now have these proposals under review. Each of the routes involves its own series of highly complex economic, financial, environmental and technical questions. These cannot be properly studied and dealt with during the course of a political campaign and it would be irresponsible to presume that they could.

-- I do, however, believe that the President has strong obligation to ensure that the decision-making process is open, fair, and conducted under the light of public scrutiny and review. The environmental issues these proposals raise must be given consideration equal to that accorded the technical and financial questions. Finally, we take care not to repeat the mistakes and sloppy performance which has delayed the construction of the Alaska oil pipeline.

-- Senator Mondale and I are in complete agreement on the need for clear and fair procedures for making this decision. While he did at one time sponsor legislation favoring one of the proposed routes, he has since supported the bill which sets out the timetable and responsibilities in the decision-making process.

-- I would raise only two additional concerns about the gas pipeline. First, we must ensure that the route chosen is the most appropriate one to deliver the gas to the consuming areas which need it most. Second, environmental concerns must not be permitted to be overridden by special interests or irresponsible financial considerations.

Q. Congress is now considering legislation which would provide federal loan guarantees and other supports for commercial-scale development of synthetic fuels. What is your position on this bill and why?

A. -- Because I feel it would be inappropriate to try to influence the course of specific legislation pending before Congress, I have not commented directly on the synthetic fuels loan guarantee bill which the Senate has passed and the House may consider yet this session. (N.B.: Status subject to change. Will update as needed.)

-- As a businessman, however, I question the wisdom of federal guarantees for commercial-scale energy projects which produce fuels for which there is no genuine market.

-- Such a program could divert both public and private capital away from economically sound energy investments and could create substantial pressures either to raise energy prices unnecessarily or to initiate an entirely new federal program of expensive energy price supports.

-- Concern that encouragement of synthetic fuels industries in water-short Western states, instead of in the midwest and east closer to adequate water supplies, would sacrifice water needed for agriculture and growth in Pacific Northwest, northern plains, and Colorado River basin.

-- Support a strong federal role in research and development of new energy technologies. For example, the federal government should play a major role in the research, demonstration, and development of technologies which will permit us to mine and use coal cleanly.

-- Would also support a strong federal program to provide needed analysis of environmental and social impacts of new technologies, as well as providing assistance in determining the economic costs and benefits.

-- There are a number of technologies, such as coal beneficiation (where sulphur is removed from coal prior to combustion), and fluid bed combustion (coal burned in a solid/air mixture using limestone) which show both economic and environmental promise and should be of high federal priority.

Q. A major aspect of your energy policy is a need to shift to coal, yet coal is one of our dirtiest resources, both to mine and to burn. You have maintained that the shift to coal can be accomplished without adverse environmental impact. How will this be done?

A. -- Coal is America's most plentiful fossil fuel. We have enough to meet our energy needs for 300 years at present rates of consumption. Given dwindling oil and gas reserves, we must match our demands with those resources we have in most abundant supply.

-- Development of coal need not conflict with environmental goals if the President has sufficient leadership and commitment to act.

-- Need strong federal strip mining legislation.

-- Strengthen and strictly enforce deep mine health and safety laws to protect miners and the environment.

-- Development of coal reserves has been hindered by unstable regulatory climate and Ford's refusal to make clear environmental requirements.

-- Technology to clean up coal must be promptly developed. In Europe coal has been converted to synthetic gas since 1933. Other new and promising technologies such as fluid bed combusion (coal burned with limestone), and coal beneficiation (clean up before burning) need to be speeded up.

-- In the meantime must encourage production of low sulphur coal and require shift to coal wherever it can be burned without violating air quality standards. Ford record on this poor. Congress authorized $75 million in loan guarantees to encourage opening of new underground low sulphur coal mines. Administration has taken no steps to implement this program.

Q. President Ford submitted a comprehensive energy program which the Democratic Congress rejected. As a result, energy production is dropping and we have no comprehensive energy program. What is your comprehensive energy program and how much would it cost?

A. --Ford energy program not comprehensive or workable. Ford's policy says use more and more energy and pay more and more for it; it let's OPEC set energy prices; 100 billion dollar Energy Independence Authority unrealistic, budget-busting welfare program for large companies; not one drop of oil yet added to strategic reserves; supported development of expensive nuclear technology at expense of policy of conservation, and development of renewable resources.

--Carter energy policy: reduce vulnerability to OPEC embargo through development of strategic reserve, and standby authorities; reduce domestic demand through aggressive conservation program, including revision of electric rates, home and office building insulation and retrofit, automobile standards, industrial conservation; shift to coal with strong strip mining legislation and strengthened deep mine health and safety laws; increase solar and other renewable resource funding; minimize dependence on nuclear, and shift LMBFR to lower, multinational priority; convene international conference on energy and develop alliance with consuming nations.

--Cost: This year Congress authorized over $5 billion in budget authority, with over $4 billion in budget outlays for energy, higher than President's request of $3.4 billion. With realignment of research and development priorities to decrease emphasis on nuclear, elimination of duplication and overlap within the regulatory and administrative agencies, and elimination of unnecessary subsidies for uneconomical fuels, we need not increase the budget for energy expenditures beyond present levels.

Q. Three years after the embargo we are importing a greater percentage of our oil than were prior to the embargo. What specific steps will you take to arrest our growing dependence on foreign oil? Don't you believe it is necessary to decontrol oil prices in order to encourage exploration and decrease consumption?

A. --Ford has done nothing to reduce imports or to reduce the rate of growth in domestic demand. We have no long-range energy policy and have failed to use the strength of American food, technology, arms, and training as a bargaining tool with OPEC to negotiate reasonable agreements on price and supplies of foreign oil.

--Ford has left negotiations and import decisions entirely to large oil companies, who in spite of their strength still have less bargaining power than the U. S. Government.

--Even though Arabs have shown willingness to sit down at bargaining table in Paris, U. S. has stalled any serious talks between producing and consuming nations.

--To reduce U. S. dependence, must build up strategic reserve, establish aggressive conservation program, shift to coal, and make better use of R & D dollars by investing in technologies such as solar and other renewable sources rather than sinking it all into nuclear fission.

--Some governmental devices such as government purchase of oil or import restraints may be needed, but focus of program is strong conservation measures and development of alternative energy supplies.

--Must not permit OPEC to set U. S. energy prices as Ford policy would. Domestic oil prices must remain below OPEC. Would not support decontrol of old oil or natural gas since no new incentives needed for production and exploration. Ford's decontrol policy would force the price of domestic oil up to OPEC levels.

--Would favor deregulation of new natural gas for five years to encourage new exploration and production. At end of 5 years must reexamine policy to determine impact on supply and on consumer. Must also insure that gas deregulation is carefully phased in to avoid dramatic jolt to economy through sharply increased prices.

Q. Your position on the several nuclear initiatives under consideration by several western states in unclear. In Oregon, you said you favored the initiative to require safeguards and procedures for siting nuclear power plants, yet in California, you said you would probably vote against a similar initiative? What is your position?

A. The nuclear safeguard initiatives in California and in Oregon, while similar in many ways, have one fundamental difference. The California initiative would apply specific safety and waste handling requirements retroactively to nuclear power plants now in operation, The Oregon initiative would apply only to future nuclear power plants, or those which are currently in the early phases of construction.

--I believe that each citizen should decide individually how to vote and only after careful study of the initiative, an opportunity which I have not had I did say that I would probably support the Oregon initiative, but not Proposition 15 in California. Distinction between applying standards to reactors built in the future and requiring plants which are already in operation and licensed by the Nuclear Regulatory Commission to meet those standards is important. Unless there is evidence that a particular reactor is unsafe or is operating in violation of Nuclear Regulatory Commission standards, I don't think it is fair to change the rules in the middle of the game, particularly if the change would have the practical effect of turning off all of our atomic power plants.

--I do not support a nuclear moratorium. Nuclear plants now supply about 8% of our electricity and may well be needed to supply an

additional percentage of our electricity in the future. But nuclear power should have decreased priority, particularly LMFBR.

--If elected, I pledge that all nuclear plants, whether operating now or planned in the future, will be designed and run with full safety precautions and safeguards. Any reactor found to be unsafe should be shut down. A trained federal employee be present in every reactor control rooms and should have full authority to halt operations if abnormalities or emergencies arise.

--I have had training as a nuclear engineer working in the Navy's submarine program. Nuclear energy can be used for peaceful purposes, but we must also be aware of the dangers.

--Government has not been forthright about the dangers of nuclear power. Ford emphasizes the excellent safety record in nuclear reactors, but rarely discusses problems such as handling and disposing of the wastes from atomic plants. We need to immediately develop safe nuclear "trash can" to prevent leakage into our environment or theft or diversion by terrorists.

--In early August, the Government Accounting Office reported that some 100,000 pounds of nuclear material was unaccounted for by the federal government. Of this, 6000 pounds - 3 tons - is of high enough quality to produce a nuclear weapon. This kind

of sloppy accounting is intolerable. It takes only 12 pounds of plutonium, about the size of a baseball, to make a crude, but effective nuclear weapon.

--Given the federal government's failure in areas such as waste management, it is little wonder that some 22 states have taken the reigns into their own hands and are considering, or already have on the ballot proposals to set safety standards, provide for safeguards against diversion, and require safe disposal plans before a plant is built.

--If elected, I will strengthen safety requirements for nuclear reactors and safeguards for nuclear materials. States, in partnership with the federal government, must play an active role in deciding where new plants are built. I will also promote international solutions to non-proliferation problem through strengthened international safeguards. U. S. leadership is needed to secure voluntary moratorium on national fuel enrichment and reprocessing facilities and to fulfill decade old promise of placing all peaceful U.S. nuclear facilities under international safeguards.

Q. What specific programs do you have for conservation of energy?

A. -- Building on the base of automobile and appliance efficiency standards already established, must move beyond the easy questions to redesign our system to encourage conservation, not waste.

-- Redesign of electric rate structure. Now, the more you use the less you pay. Need to encourage electricity pricing which rewards efficiency, and takes advantage of techniques such as peak load pricing.

-- Need to provide incentives to the private sector to build in consideration of conservation, as one west coast bank has done by giving loans at lower interest rates for houses and cars which meet energy efficiency standards.

-- Need to encourage decentralization of power generating capacity and make use of waste heat through co-location of power plants and industial users.

-- Need to encourage industry to revamp its processes to become energy efficient--one large chemical company has achieved a 40% savings in energy efficiency at one of its plants over the last 5 years without a loss of productivity. These kinds of programs must be encouraged, and where necessary, supported by federal incentives.

-- Need to mount broad-scale program to retrofit homes, office buildings, and industrial plants to become energy efficient. This helps achieve dual goals of adequate energy supply and some economic growth. For example, investment in home insulation creates an estimated 70-90 jobs per million dollars compared to 43 jobs per million invested in new electrical generating plants.

-- Need to encourage mass transit and revitalize our railroads.

-- Need to wean inefficient users of oil and gas off of these scarce supplies on to coal.

-- Promote use of technology which uses municipal waste as fuel for industrial boilers and electricity production.

-- Encourage recycling of materials, which is almost always more energy efficient than producing products from virgin materials.

-- Need to harness the sun, and make use of solar technology now available for home hot water and space heating.

-- Need to revamp government regulations, such as the ICC trucking regulations which often require extra trips with no freight, to encourage conservation.

ENERGY

Basic Statement

1. Three years after the humiliating Arab embargo, we are even more dependent on foreign oil for our energy supply as we were then. The prospects now are for more of the same. By 1985, we could be 60% dependent on imported oil.

-- The Republicans act as if the energy crisis is over.

-- All that is over is the pretense that the administration has any sort of policy for dealing with the energy crisis.

2. The cause of this sleeping crisis is clear. It is a total lack of leadership. The consequences are equally clear.

-- A sword of Damocles hangs over the future of our economy and our way of life.

-- The security of our allies and of our nation itself is potentially hostage to foreign governments.

-- In the first six months of this year, foreign oil imports represented 44% of our total oil supply. During the week of March 8, 1976, for the first time in our history, we imported more oil than we produced at home. OPEC oil,

landed on the East Coast, now costs us $13 per barrel. Our bill for foreign oil last year was $27 billion. And the OPEC Ministers continue to talk of a 10 to 15% price increase in December.

-- This country is far less independent that we were at the beginning of the embargo when imports supplied only 35% of our oil needs. We need only look back at the 1973 embargo to see the risks our present course holds. By fall of 1974 unemployment had risen to 6.6%. The embargo itself cost 250,000 jobs. In one short year the consumer price index rose by 11%, giving us our first year of double-digit inflation since 1947. Energy prices in 1974 alone rose an astronomical 29%.

-- Domestic production of oil is down 14%; natural gas production has declined 6% per year since 1973. Even if OPEC prices rise only enough to cover world inflation, the U.S. could be spending $80 billion for imports by 1985 -- almost $1600 for a family of four. With only an estimated 35-year supply of proved oil reserves remaining, the energy crisis is not just a U.S. crisis, it is a world crisis.

Slogans, not policy

-- Project Independence was invented by Richard Nixon, who against the advice of many of his own advisors tried to tell the American people that we could be completely free of

dependence on foreign energy sources by 1980. President Ford has embraced Project Independence, stopping only to redefine "independence" as importing no more than 40% of our oil in 1985. Project Independence tells us that the way to reduce our imports and increase domestic supplies is to let the price of energy rise to whatever the Arabs think best. The same administration which pledges never to ration gasoline has built an entire energy theory around a program to ration energy by prices, not coupons. And to make sure that price rationing worked, President Ford proposed in his 1975 State of the Union message a $2 per barrel excise tax on domestic oil and a $2 per barrel tariff on imported oil.

-- The Republican Administration's solution to the energy problem is to raise energy prices so high that oil companies achieve record profits and consumers are priced out of the market. (Note: The President also proposed an excess profits tax.)

-- If these proposals seem unreasonable today, think back to the time they were proposed. In January 1975, this country was entering the worst recession since the 1930's. Yet the President harped away at this theme,

ignoring or ignorant of the estimates by his own Federal Energy Administration that decontrol would increase the energy bills of the average family of 4 by almost $400 per year. If these estimates included the full impact of the increased price of all goods and services we use, then this cost jumps to over $600 for the average family.

Budget-Busting Energy Plans

-- President Ford had a sudden change of heart about the adequacy of price rationing to spur development of new energy sources and limit imports. In September 1975 he and Vice President Rockefeller proposed the budget-busting "Energy Independence Authority" -- a $100 billion welfare program for private industry. Critics from all sides were shocked at the proposal.

-- President Ford would have us add $8 billion for loan guarantees to attract private industry into the business of producing uranium to fuel nuclear reactors. We have already poured billions into the development of nuclear power--this year the President asked for $1.4 billion, 50% of our energy research and development budget--for nuclear fission, including the economically uncertain nuclear breeder reactor.

Energy Mismanagement

-- To deal with the emergency of the Arab embargo, the Federal Energy Administration was established. Its mission was to allocate scarce supplies during the boycott, and ensure that the independent oil and gas companies suffered as little as possible when cut off from supplies. But once the embargo was over, and the immediate need for FEA removed, the agency went out hunting for something else to do.

-- FEA now shares authority to develop natural gas policy with the Federal Power Commission. Until Congress intervened, it was competing with ERDA as a lobbyist for nuclear power. It has sought, and through lack of Presidential restraint received, authority to issue unintelligible regulations touching every aspect of energy use. Recognizing the complexity of these regulations, Congress required FEA to create a system whereby businessmen's questions about the regulations would be answered. Today the unanswered requests for interpretations date back to the creation of the agency. Less than a quarter of all requests have been filled, and the agency currently has no employees assigned to the task.

-- 14 separate agencies in Washington have major roles in development of energy policy and regulation. They operate with considerable overlap and little coordination. In fact, it has recently been reported that, in response to my criticisms of the organization of government, President Ford has created

a task force to develop a plan for reorganizing government agencies responsible for energy. I am always happy to have a convert, but it is a sorry commentary that it takes a Presidential campaign to point out these needs.

New energy policy

This country needs a President who can convince the American people of the urgency of our energy problem. Our people are willing to make sacrifices if they understand the reason for them and are assured that the burden is fairly distributed. But the Ford program asks those least able to bear the burden to foot the bill for increased prices, while it doles out $100 billion handouts to our wealthiest corporations.

-- Limit vulnerability to blackmail by the Arab states

-- Emergency standby programs to allocate resources in the event of an embargo must be implemented.

-- The Arab states must understand in no uncertain terms that we will resist any future boycott with every political and economic tool at our command.

Energy Conservation

-- Reduce the enormous waste of our energy resources. The potential for dramatic energy conversation remains untapped. Our energy waste in transportation is 85%, in generating electricity 65%. Overall, 50% of our energy is wasted.

-- We are the most energy-wasteful nation on earth, and have done less about conservation than almost any other industrial state.

-- Build on the base of auto fuel efficiency standards, and programs for the improvement of home insulation to promote aggressive and innovative energy conservation measures.

-- Restructure electricity rates so that the energy conscious consumer rather than the industrial electricity guzzler gets the benefit of the lowest rates must be implemented.

-- Encourage private sector programs such as that now offered by a West Coast bank which makes loans at lower interest rates for energy efficient cars and houses.

-- 40% of the energy now lost to the atmosphere as waste heat could be put to use by locating energy consuming facilities near electricity generating plants.

New Supplies

-- We have at least a 200-year supply of coal.

-- Power companies and industries must shift to this source of energy, and we must invest in improved mining efficiency, cleaner combustion technology, and a better transportation system for moving coal to its end users.

-- Substantial increases in coal production and utilization will only come with a stable regulatory climate. President Ford's two vetoes of the strip mining bill have prolonged the present climate of uncertainty.

-- Exploit the potential of solar energy in the construction of new homes and offices.

-- Maintain the strictest possible safety standards for our atomic power plants, and be completely honest with our people concerning any problems or dangers.

-- An international conference on energy research and development would benefit all nations. It is foolish for each nation to go its own separate way and replicate research projects which are being completed in other nations.

New leadership

-- The lack of direction in our energy policy threatens the dream which this country holds for a better standard of living here and around the world.

-- We must have a President who is straight with the American people about the need to conserve and to sacrifice.

-- We must have a President with the vision and leadership to make the hard decisions and direct energy policy.

-- We must act now to take the reins of energy pricing out of the hands of the OPEC countries and to assure our citizens that inflation will not eat away their hard earned dollars.

-- We must reaffirm our commitment to protecting our environment and creating a stable regulatory climate so that what comes out of Washington is not just a long series of surprises.

-- Clear, predictable energy policies, developed with the full understanding and participation of our citizens is my pledge to the American people.

EXECUTIVE MISMANAGEMENT

Q. President Ford recommended that 59 social service categorical grant programs be consolidated into 4 block grants, but his recommendations were rejected by Congress. If the interlocking relationships between Congress, the special interests and the agencies stopped President Ford, why should you do any better?

A. The Administration's consolidation program was really an excuse to cut out vital programs, such as health services for the elderly, preventive health care, assistance for the handicapped, and vocational education. The Administration's proposed cuts in aid would mean sharp reductions in critical local services or even higher local property taxes for millions of Americans. Consolidation should never and will never succeed if it is used to hurt the people most in need. There is wide support in Congress for a consolidation of programs, so long as the new programs are fair.

Secondly, if a President wants legislative support for his program, and if he wants it to be effective once enacted, he will do what this Administration has failed to do: involve the mayors and governors in a full consultative relationship in developing new approaches.

Reorganization and elimination of wasteful programs will not be easily accomplished. It will require strong Presidential leadership, based on a cooperative relationship with Congress. The Administration has met neither of those conditions.

Q. Most of the categorical grant programs that create so much red tape for state and local government were Democratic initiatives; the movement toward revenue sharing and more local control has been a Republican thrust. Can you really turn this around and make this a Democratic issue? Aren't you running against the history of your own party?

A. First, two prominent Democrats (Walter Heller and Joseph Peckman) initially proposed the concept of revenue sharing, which is the strongest action Washington has taken to return decision-making power to the states. The Democratic Party can take pride in its history of providing for those truly in need. The Republican position has simply been that important programs benefitting millions of Americans should be cut out. The answer is not a wholesale repudiation of our commitments, but rationalizing our government, trimming and eliminating in areas of overlap and waste.

In many cases, the problem is not so much the program itself--Medicaid is an example--but the fact that programs have been wastefully administered.

Democrats, like Republicans, have made mistakes. What's important is a commitment to leadership to take advantage of our experience, including the mistakes, to make the system work again.

Q. The purpose behind the categorical grants, which were Democratic programs, was to meet critical national objectives. Aren't you really talking about cutting back on our social commitments -- commitments which have always represented what the Democratic Party stood for?

A. No. When money is wasted in red tape and bureaucratic morass, it's not the poor that benefit. Efficiency means channelling more money to the poor. An efficient welfare system would save up to $2 billion in administrative costs alone. Reducing waste in other programs would achieve similar benefits.

The Republicans have been using the rhetoric of efficiency as a cover for simply ignoring pressing national needs. We are committed to meeting those needs, but we can only do so if we are equally committed to making our programs more efficient.

HEALTH

Q. What are your views on the Kennedy-Corman health insurance bill and the catastrophic coverage proposal of Senator Long and Senator Ribicoff?

A. I think we need to move as aggressively as possible to bring quality careto all our people at a price they--and our nation--can afford to pay.

I support catastrophic health insurance as part of a comprehensive national health insurance program. But there are several problems with this proposal as a single solution to our problems.

First, catastrophic insurance alone still leaves millions of people without any basic insurance coverage. People without insurance often put off seeking early effective care.

Second, open-ended payment for catastrophic care would greatly increase spending for highly technical care and shift our resources and health personnel further away from early, effective primary and preventive care.

And finally, catastrophic health insurance by itself might greatly increase the already soaring costs of medical care. Expenditures for health have increased 250 percent during the Republican Administration. The average working person now works one month out of every year just to pay for health care.

So I believe we must establish a national health program which helps build a foundation for a well-planned, comprehensive, and coordinated financing system. With this approach, we can insure that

our people are protected from the financial burden of a catastrophic illness and at the same time contribute to the efficiency and effectiveness of the other components of our health care mechanism.

I share the objectives of the Kennedy-Corman bill--providing good quality health care at reasonable prices for all our people, regardless of income or geography. However, my health proposals would differ from Senator Kennedy's and Representative Corman's in three ways.

First, the Kennedy-Corman program would be implemented all at once. My program would be phased in over several years. By phasing, we can insure that health costs are contained and that tough, effective management is established and is working at every step along the way. In addition, phasing will also insure that we are involving the federal government and the federal budget only to the extent that is necessary, prudent, and fiscally responsible.

Second, the Kennedy-Corman proposal would pay for all health care on a "first-dollar" basis. My program would ask that those who can contribute to the payment of a modest portion of their health bills do so, at least in the initial stages of the plan. These contributions would be limited to prevent financial hardship from burdening any family. This way, the cost of the program can be reduced, and we can provide incentives for making the most effective and efficient use of our health resources.

Third, the Kennedy-Corman approach would not provide for any role at all for the existing private health insurance carriers. I would not want to rule out so quickly a positive role for these

companies, which have a great deal of experience in providing health insurance. They might assist in the administration of the program or offer supplementary benefits, especially in the early stages of the program. This approach builds on the strengths of the existing health insurance system, and would reduce the size of the federal bureaucracy needed to administer the program.

Q. You have complained about the fact that there are 300 government health programs administered by some 78 agencies. If this is the case, how do you propose to reorganize the health delivery system of the federal government? Wouldn't a reorganization lead to the creation of a super-agency which would be as unmanageable as HEW and the one you created, the Department of Human Resources, in Georgia?

A. The government reorganization we accomplished in Georgia was extremely successful. We lowered the operating costs of our government, improved the efficiency of our programs, and were able to deliver more services to the people with money that formerly went into paper-shuffling and bureaucratic confusion.

There have been problems in the Department of Human Resources, but through the reorganization and its follow-up processes they are being overcome. In fact, the program is more efficient than it was before reorganization, and not a single critic of the program has suggested that it be dismantled.

On the federal level, health is an excellent example of the economies that a thorough reorganization could produce. Currently each of the 11 Cabinet Departments of the Executive branch are at

least indirectly concerned with health matters. Nine Departments receive specific appropriations for the direct delivery of health services.

Every expert I have consulted has stressed that it is literally impossible to track down and uncover every health program our government operates or funds. A recent GAO report found at least 70 boards, agencies, bureaus, and offices involved in health services, presiding over more than 300 different health programs.

This bureaucratic sprawl cannot provide effective direction and coordination. Instead, it is a "disorganization" of overlapping jurisdictions and redundant programs, each with separate grant and reporting requirements. The result is more loss of money and time, and the wasted talents of our administrators.

The administration of Medicare and Medicaid is a perfect example of the need for government reorganization. The two programs often serve the same people. Each program is in a different agency of HEW. Neither agency is a health agency. Neither relates to programs to provide more professional and allied health manpower, or to research programs. Quality review is in a third separate agency.

Our people need streamlined, efficient, and responsive health programs. Tough management and firm administration can provide the economy and coordination necessary to deliver essential services swiftly and at reasonable cost. Reorganization must be the first step toward this goal.

Q. In view of your criticism of the Medicaid program, what specific steps would you take to correct that problem?

A. Medicare and Medicaid were administered for three years by a Democratic President and for eight years by Republican Presidents. In the last four years alone, the costs of these programs have doubled, and they will double again in another four years if the Republicans continue to manage them as they have for the last four.

Despite annual revelations of rampant waste, fraud, abuse, and inefficiency, the Nixon-Ford Administration has totally neglected the administration of Medicaid. We waste as much as $5 billion a year on this program--money that could be providing care for people who desperately need it.

A prestigious advisory group appointed during Nixon's first term in office recommended a number of management improvements in the Medicaid program, which included information systems and technical assistance to help the states administer Medicaid. In addition, Senator Talmadge has proposed that Medicaid and Medicare be administered by one agency. Medicare and Medicaid are now separate agencies and quality review is a third separate agency. This fragmentation prevents sound, consistent, and tough administration.

If I had been in office, I would have accepted and implemented the recommendation to combine the administration of all health financing programs. This would have brought the expertise in the administration of Medicare to the Medicaid program and it would have included tough penalties for fraud and abuse.

In Georgia, we instituted vigorous performance auditing to insure proper conduct and efficient, effective service delivery. We must bring well-planned and coordinated systems of record-keeping, data processing, investigations, and auditing into the administration of the program. This accomplishment has obviously eluded Mr. Ford. It will not elude me.

Q. Why should the government become further involved in health care, since many experts argue that inflation in this sector is largely due to government involvement and since the Medicaid program has shown that government participation is inefficient and wasteful?

A. Developing the administrative and structural machinery to contain costs and to expose and eliminate waste and fraud would be the first step in my health program. Despite repeated warnings, the Republican administration has failed completely to end the abuse and waste in the Medicaid program. We waste perhaps $5 billion per year on this program--money that could be providing desparately needed care.

We cannot abandon our goal of providing quality health care to our people at a reasonable cost simply because the Republicans have failed to properly administer our federal health initiatives.

Instead, this failure of leadership is only another illustration of the need to return sound management and compassionate concern to our national health activities.

A fiscally responsible government role in health care can be an important weapon in the battle to contain our soaring hospital costs. Forty cents of every health care dollar we spend goes into hospitalization, while only 2¢ cents goes into effective and economical preventive care. Our existing health insurance emphasizes hospitalization, and does not sufficiently encourage less expensive and more effective primary and preventive care. Hospital prices rose 18% last year alone. We cannot continue to tolerate these distorted priorities, and my health program will vigorously emphasize preventive and primary care.

We must implement present laws to abolish duplication of services, eliminate expensive services of little or no benefit, and make certain that health services are provided by appropriate personnel in the least expensive and most humane setting. We must implement the cost controls and hospital-auditing provisions contained in the legislation sponsored by Senator Talmadge.

With a proper emphasis on firm and clear built-in cost and quality controls, our health plan can contribute to better health delivery and financing as well as to a more effective control of health care costs.

Q. Do you favor on-site consultation services for businesses?

A. On-site consultative services are essential for the efficient operation of a national occupational health system. Businesses--and particularly small businesses--have no expertise to adopt

technical innovations that compliance often requires. This expertise must be shared with them, not only to promote small business but primarily to insure that occupationally related disease and accidents are no longer a threat to the worker. These supportive services should be provided through states, with Federal aid, in order to allow OSHA compliance officers to effectively police the system.

Q. What would you do to aid the enforcement of standards by OSHA?

A. OSHA needs more manpower, but not just in numbers but in terms of expertise. The small businesses that we hear of that are closed down because of picky enforcement neither promotes business nor promotes the cause of occupational health. We must attack this problem with a coordinated effort between state and local enforcement agencies.

As long as there are chemical plants, like those in New York or West Virginia, where two workers die by the age of 55 for every worker that retires at age 65 this nation cannot afford to continue to ignore occupational disease. It has been estimated that 100,000 people each year die from diseases or illnesses associated with their employment--the fact that we only have estimates points to our ignorance.

There is a little we do know--we know of black lung, but we are only beginning to realize talc workers are dying from "white lung" caused by breathing talc powder. We know that asbestos workers contract cancer easily, but we have only begun to realize that all

the apocalyptic predictions about air pollution must be amplified for the workers inside the plants that cause it.

We know of smelter companies where the president of the firm dies from breathing a fraction of the fumes that his workers labor in. We are slow to react to the plight of those who feed the coke ovens -- even though an English physician 200 years ago noted the cancer associated with smokestacks. This terrible trend must end.

Q. Would you support legislation exempting small businesses from OSHA requirements?

A. Small businesses complain about OSHA standards because they do not understand what OSHA is supposed to do. This nation must be committed to solving the problems of occupational health. To do this requires that we all examine our places of work for hazards and work together to eliminate them.

Small businesses need to be made a partner in our drive against occupational disease and accidents, not the victim of attempts to abate disease. Where regulations are burdensome we should institute periodic review to eliminate those that are unnecessarily harsh. The standards must be realistic and they must be enforced. 98% of the violations that are the source of citations are not serious. We should concentrate enforcement on the serious health hazards.

Small businesses need our help. They have 55% of the industrial fatalities in this nation, and 58% of the serious

violations. Exempting them from this legislation invites wholesale slaughter.

I note that the Republican Platform opposes federal regulation of OSHA standards in farm practices. I was raised on a farm and I know the horrors of a farm accident. Agriculture has the third worst record of all industries for safety. 15% of all fatalities on the job were on farms. 80% of the injuries require medical attention. Yet we only have six standards that apply to farms, and many of the 11,000 inspections of farms in 1970 were to check migrant housing not job safety.

Standards need to be realistic for small businesses and farmers. Improving the operations of OSHA will do more than exempting those that need help the most.

Q. What is the role of the states under OSHA?

A. Under section 18 of the OSHA enabling legislation the states are given a role in standards and enforcement. Section 18(b) allows any state at any time to submit a plan to assume the responsibility over any occupational safety or health issuefor which the federal government has instituted a standard. The states have an important role in improving occupational health and safety.

Consultation and other support services should be supplied by the states. The states may even aid the overloaded federal inspection staff in assuring compliance with the law. But enforcement

should be a federal responsibility and whenever a state fails to fully satisfy obligations it has brought to itself under section 18(b), it is the duty of the federal government to enforce the spirit of the 1970 Act.

Occupational health services were poor in this country because states failed to insist upon compliance where the health of our workers was concerned. We cannot return to such a situation.

Q. What are the major issues in occupational health?

A. The major issue in occupational health and safety in this country is that we can no longer tolerate a situation in which almost 100,000 people die every year and 390,000 cases of new disease are discovered annually. 65% of the workers in this nation handle toxic materials or are exposed to a hazardous working condition. Sadly, only 25% of these same workers are adequately protected by in-plant controls.

In terms of human suffering, it is tragic that we expose 1.5 million workers to inorganic arsenic while we know that these workers will have up to eight times the cancer rate as the average worker. We let 1 million people expose themselves to asbestos while we can estimate that 300,000 of them will contract cancer. No industry is immune -- operating room personnel have twice the cancer rate as other medical personnel; workers exposed to solvents have five times the rate of leukemia; workers in the wood products industry experience abnormal rates of stomach and lymphatic cancers.

A nation that can sit and listen to this endless list without acting is a nation that will choke in its own work environment.

In terms of economic loss, it is wasteful that we do not provide adequate preventive care at the jobsite. The cost of occupational hazards -- the money wasted for medical care, insurance claims, lost wages, lost production -- is reaching $9.3 billion. Each year we lose 100,000 man-years of work because of absenteeism. Reducing this figure even one day per worker per year will add $10 billion to our economy.

Q. Should businesses be allowed to have a consultation visit without possibility of getting a citation?

A. Under the legislation as it now stands, businesses are able to invite OSHA inspectors into their plants for consultation on technical matters. This is a good way for the expertise that has been amassed by the federal government to be shared with business. The law also requires that if the inspector on one of these visits finds a serious health hazard he must issue a citation to the firm.

Some people want to exempt the firm from this first citation. I think to do so would be to destroy the limited progress that we have made in the area of occupational health.

Without the possibility of the first citation there is no incentive for individual businesses to voluntarily comply with the law. Most businesses do not need such an advantage; once we have

demonstrated that we are committed to improving occupational health business will strive to comply.

There are other solutions to the problem of providing consultation services. The states can be made responsible for this vital activity and enforcement can be left to the federal authorities. We should publicize the institutes and associations that provide technical help to industry. The federal government can provide matching grants to the states to finance state-wide programs of occupational health education.

The problem that is facing business and government in this area of preventive health care is that neither side has the base of experience necessary to do the job. Education is a vital component of a successful occupational safety program. We must provide for the education to allow businesses to do their part; we must provide effective compliance machinery because the health of the American worker is too precious a resource to waste.

HOUSING

Q. Wouldn't this housing program be prohibitively expensive and prevent you from attaining your goal of a balanced budget in 1980?

A. --No. Fortunately, housing is one of those areas where relatively small expenditures can pay big dividends if they are handled properly. The Ford Administration has not realized that the failure to spend appropriated funds for housing programs may have a superficial and short-term effect on the federal deficit, but it also depresses a significant segment of the economy and, among other things, reduces tax revenues well below what they would otherwise be. While direct subsidy programs may not fully pay for themselves, they should come close to it, and in the meantime will contribute enormously to the well-being of all Americans.

--Moreover, it should be recognized that only direct subsidies require significant expenditures. Loan guarantees are without significant costs to the taxpayer, and yet they are a tremendous stimulation to private investment.

--I am committed to balancing the budget by 1980 if we have a strong economy by then, which I believe is possible. If some of the housing programs I have proposed have to be phased-in over a period of time in order to achieve that goal, we will do it. But I do not expect that to be necessary.

Q. Won't the housing program you have proposed have the danger of rekindling inflation?

A. --Not if they are carried out in the manner that I have proposed. The fact that we have 18% unemployment in the building trades now indicates that there is much unused capacity in the housing market. As long as our housing efforts are put to work to reduce that unused capacity, it should not contribute significantly to inflationary pressures.

In order to do this, our housing programs must be pinpointed to those geographical areas where both housing shortages and unemployment exist, rather than indiscriminately to all parts of the economy, as many of our present programs do.

HOUSING

"Jimmy Carter has stated that he believes there is a 'housing crisis' that has contributed to the poor state of our economy as a whole. He has stated that we must establish 'simple, workable and predictable housing policies' and restore 'idealism and purpose to our housing programs.' But the only solutions Governor Carter seems to have advanced for our housing problems have been general improvement of the economy and continuation of present programs. Is that enough?"

Basic Statement

Despite the fact that President Ford has listed housing, and in particular an accelerated home ownership program, as one of the five major domestic campaign issues, the Republican Administration's performance in the housing area can only be described as a disaster. The record:

--In 1968 the median price of a new single-family dwelling was $22,000; in 1976 it was $44,000 -- a 100% increase.

--The combination of increased housing costs and increased mortgage rates, now up to 9% from 7% in 1968, means that the monthly payments for a median-priced house with an 80%, 25-year mortgage has increased from $124.40 per month to $294.40 per month, a 137% increase in 8 years. In the meantime, family income has increased only about 77% during the same period.

--Therefore, the proportion of American families able to afford a median-priced new house has declined from 55% in 1970 to less than 40% in 1975, and, among families headed by a person in the 25 to 34 age group, to less than 30%. Home ownership is now the prerogative of the well-to-do.

--In 1968, housing starts totaled 1,545,000, of which 295,000 were with HUD assistance. By 1975 housing starts had declined to 1,171,000, the lowest level since the 1940's, and only 167,000 involved HUD assistance.

--When total unemployment rose from 4.9% to 8.9% during the Republican administration, unemployment in the construction industry rose from 8.8% to 21.8%. Today, with total unemployment at 7.9%, it is almost 18% in the construction trades. Residential construction as a percentage of quarterly real GNP fell during the Republican Administration from over 5.3% to under 2.9%.

--Incompetence and outright criminal behavior at HUD has been notorious. None of the Secretaries or Undersecretaries during the Republican Administration had any housing experience. Over 500 HUD officials have been indicted, and over 200 convicted, of corruption and bribery in administering HUD's housing programs. It has had 240,000 apartment units and 65,000 houses turned back to it, at an overall loss to the government of $2.1 billion.

--The Republican Administration has slowed or shut down numerous housing programs:

--Public housing starts for the poor have been cut back 80% since 1970.

--The Administration refused to spend most of the appropriated funds for housing for the elderly, moderate income families and home improvements. Congress had to take the unusual step of sueing the Administration in order to secure its compliance with the Impoundment Act of 1974.

--As of June 1976, the Administration's own favorite housing program -- the Section 8 program to assist low income families to live in rental housing -- was providing assistance to only about 4% of the families for whom funds have been appropriated.

--Taken together, the housing record of the Republican Administration is a combination of incompetence, neglect, criminality and failure.

New Housing Goals

--If we are to adequately house our increasing population over the next 8 years, we will need to more than double our present number of housing starts, rather than continue the downward trend of the Ford Administration.

--We need a housing policy and a commitment to providing a decent home in a decent environment for every Amerifan. It is obvious that we have not had either during the last eight years.

--Our housing program must be oriented toward insuring a high and stable level of housing production, which will both aid and be aided by a healthy and growing economy. Low rates of inflation, a steady supply of credit from the private sector to the housing industry and low interest rates can revive and stabilize housing production.

--Abundant housing also means putting the construction and building trades back to work, revitalizing an important segment of our economy.

Specific Proposals

1. A well-organized and competently managed Department of Housing and Urban Development, headed by persons with experience in housing and a commitment to providing decent housing to all Americans.

--There are already in place, in varying stages of neglect, a number of housing programs that, with only minor adjustments and competent management, can be made to achieve their original purpose of providing necessary housing assistance to the poor, the elderly an the handicapped, and to improve existing housing, as they did successfully during the Johnson Administration. Even making use of our existing programs would be a great leap forward in housing.

--Introduce insurance for graduated-payment mortgages, under which young families could purchase homes with relatively low monthly payments initially, to increase later when their income increases.

3. Work for and sign legislation providing mortgage interest subsidies on rates over 6%, along the lines of the legislation vetoed by President Ford last year.

--Directed to middle income families, rather than those with average incomes of $21,000, to whom the Ford Administration's subsidies have gone.

--Used principally in areas where high unemployment and housing shortages exist, rather than indiscriminately in areas where it is not neeeded and would only fuel inflation if used.

--Include loans for improving existing housing--the least expensive means of increasing our housing supply and revitalizing our neighborhoods at the same time.

--Provide an automatic trigger that would turn the program on when housing starts to fall and unemployment rises, and shut them off when the situation reverses itself, again for the purpose of not overheating the economy.

Finally, general economic recovery will both contribute to a resurgence inthe housing market and will be directly assisted by such a resurgence.

Follow-up Question #1

"Wouldn't this housing program be prohibitively expensive and prevent you from attaining your goal of a balanced budget in 1980?"

--No. Fortunately, housing is one of those areas where relatively small expenditures can pay big dividends if they are handled properly. The Ford Administration has not realized that the failure to spend appropriated funds for housing programs may have a superficial and short-term effect on the federal deficit, but it also depresses a significant segment of the economy and, among other things, reduces tax revenues well below what they would otherwise be. While direct subsidy programs may not fully pay for themselves, they should come close to it, and in the meantime will contribute enormously to the well-being of all Americans.

--Moreover, it should be recognized that only direct subsidies require significant expenditures. Loan guarantees are without significant costs to the taxpayer, and yet they are a tremendous stimulation to private investment.

--I am committed to balancing the budget by 1980 if we have a strong economy by then, which I believe is possible. If some of the housing programs I have proposed have to be phased in over a period of time in order to achieve that goal, we will do it. But I do not expect that to be necessary.

Follow-up Question #2

"Won't the housing program you have proposed have the danger of rekindling inflation?"

--Not if they are carried out in the manner that I have proposed. The fact that we have 18% unemployment in the building trades now indicates that there is much unused capacity in the housing market. As long as our housing efforts are put to work to reduce that unused capacity, it should not contribute significantly to inflationary pressures.

In order to do this, our housing programs must be pinpointed to those geographical areas where both housing shortages and unemployment exist, rather than indiscriminately to all parts of the economy, as many of our present programs do.

HOUSING

QUESTIONS

1. What kind of housing program, if any, do you propose?

2. Wouldn't your housing program be prohibitively expensive?

3. Wouldn't your housing program set off another wave of inflation?

ANSWERS

Theme: Lack of leadership, planning and responsiveness of Republican administration is nowhere more evident than in housing.

A. Attack Points

1. During last 8 years, median price of new single-family home has increased 100%, monthly payments 137%, family income 12%.

2. Two out of three Americans priced out of housing market in today's economy.

3. Housing industry in third year of depression. Last year, housing starts hit 30-year low; today we are million short of what we need. Unemployment in construction trades is over 17% -- almost 100% in one bricklayers local in New York where new construction is almost non-existent.

4. Mismanagement, incompetence, and scandal abound at HUD. 1,316 indicted and 867 convicted of bribery and fraud in connection with HUD programs. People have no confidence or trust in housing programs.

5. F.H.A. foreclosures are at their highest levels in history. $2.1 billion wasted as a result of foreclosures, abandonments. The federal government has become the country's largest slum landlord.

B. Positive Points

Housing crisis is more than just statistics. Means that American dream of owning home and raising family in liveable environment is moving beyond reach of most Americans. This need not happen.

Need competent, effective management of existing housing programs that are adequate for most needs but have fallen into misuse or disuse. Emphasize elderly and home improvement programs particularly. Goals should be home ownership for all middle income Americans that want it and decent housing for all.

My housing program would consist of the following:

(1) Encourage home ownership for the middle income Americans through federal credit assistance to reduce effective interest rates from 9% to 6% for 400,000 families (1st year cost of $120 billion, eventual cost under $1 billion-$900 million) and by a steady supply of credit at low interest rates.

(2) Full implementation of the Section 8 rent supplement program which has fallen so far below expectations, so lower income families can afford decent housing.

(3) For the elderly, expansion of the highly successful Section 202 program which utilizes direct federal subsidies for elderly housing.

(4) Specific funds geared to rehabilitate existing homes, so that neighborhood revitalization can become a reality.

(5) Prohibit by legislation the practice of red-lining by federally sponsored savings and loans institutions and FHA, which deprived certain areas of the necessary mortage funds to upgrade themselves.

(6) Maintain interest deduction for home ownership. (Don't say for first home only, as makes it appear that if you sell and buy another home, as do most Americans, you couldn't get deduction, even though you only own one home.)

C. Likely Ford Responses

1. Housing starts are up and interest rates are down.

2. Established Section 8 rent subsidy program for low income families.

3. Recently released funds to stimulate apartment starts, where the housing need is greatest.

4. Goal is home ownership for every middle income family that is willing to work for it.

5. In Ann Arbor speech, proposed program to reduce down payments and lower mortgage payments in early years (to be raised later when income increases). This is loan guarantee program that will not cost government any money.

6. Vetoed inflationary interest subsidy bill passed in 1975 and forced Congress to accept more realistic and less costly proposal.

7. Strongly support interest deduction from taxable income. Carter says he would eliminate it. (Mentioned in White Plains speech last week).

D. Rebuttal

1. Ford's dismal housing record speaks for itself (refer to attack points).

2. In view of need before, why did Ford wait until campaign to announce proposal?

3. Ford proposal is a deception. At most 3,000 families could take advantage of program. While concept is worth considering, under Ford formulation payments after a few years would escalate beyond reach of most families, causing more abandonments.

INFLATION

Q. Governor Carter, a lot of your suggestions for fighting inflation such as increased productivity, decreased regulation, increased enforcement of the anti-trust laws, etc., are things that most everyone supports and things which have never had much effect in the past. Do you think these tools will have more effect now, or is there something more to your inflation program?

A. (1) There may have been a lot of talk about these things in the past but there's never been much action.

-- Antitrust. Cannot expect vigorous enforcement from Republicans. They either have special relationship with big corporations (such as ITT) or are just plain uninterested. Republicans have consistently opposed increased funding for Antitrust Division of Justice Department. Recent Agriculture Department reports show that farmers are getting lower prices for their beef and the price reductions aren't being passed on to consumers in supermarkets. And not one word from the White House.

-- Regulated Industries. People have been talking about sweetheart arrangments in the regulated industries for years, (such as lack of competition in airfares and the return haul rule in trucking) but nothing has been done about it.

-- Council on Wage and Price Stability. No support in White House. Recent study criticizing pricing practices in aluminum industry first bottled up by White House, then issued with key recommendations suppressed. AFter U.S. Steel rolled back its price increases, G.M. still refused to lower its $6,000 new car price tag. Maybe G.M. is justified, but White House ought to at least look into matter.

-- Jawboning. Ford has never raised his voice against any price increase.

-- Carter will work on these matters; he is not beholden to any special interests, only the voters.

(2) Carter has specifically targetted inflation programs. He rejects the unemployment approach.

One thing we have done in our campaign, which I don't think has been done before, is to put together a specific set of programs which are targeted to deal with the many different causes of inflation. We're not going to try to use the blunderbus approach of trying to sit on inflation by throwing people out of work and having record interest rates. This Administration has continually been trying that approach and the result has been to have record levels of unemployment, inflation, and interest rates.*

*NOTE: Answer can stop here unless question (or follow-up) specifically calls for affirmative details of Carter program.

(3) Carter inflation program:

--Steady economic growth, yielding increased productivity and supplies.

-- Attention to supply side of economy to anticipate and prevent bottlenecks and capacity shortages.

-- Carefully targeted (rather than blanket) employment programs to reduce unemployment among those groups and in those geographical areas where it is highest -- a policy which will allow us to cut unemployment without accelerating inflation.

-- Food reserve program that protects farmers and consumers from the wild gyrations in food prices we have had in recent year.

-- Regulatory review and reform.

-- Voluntary consultation and cooperation among labor, business and a government both can trust.

-- Council on Wage and Price Stability with real White House support.

-- Antitrust enforcement.

-- Jawboning like J.F.K. and a president who cares and isn't too timid to speak out.

Q. Governor Carter, lately an economic theory which is subscribed to now by a lot of people has arisen to the effect that inflation and the expectation of inflation itself causes consumers to reduce their spending plan and thereby increases unemployment. If that theory is right, it would seem to follow that cutting down on inflation should be our number one economic priority, as the Republicans say it should. Do you agree with that theory and would you agree that therefore we ought to be focusing our main efforts on cutting down inflation?

A.(1) Inflation and unemployment are twin evils. It is self-defeating to argue over which has #1 priority because we aren't going to make any progress against either unless we take them both or together.

(2) The Republicans ought to know about inflation -- their Administration and their approach to the economy have given us the worst inflation we've had for any Administration in more than 50 years.

-- When you have a 20% increase in food prices in a single year, when you have a situation in which most Americans are being priced out of the housing market, and when you couple this with the greatest unemployment since the Depression, of course a lot of consumers are going to be very cautious and tend to reduce their purchases.

-- And even now the current rate of inflation of 6%, which this Administration seems to be very satisfied with, is greater than it's been at any time between the Korean War and the inauguration of Richard Nixon. I don't think that's good enough.

(3) Carter has targeted inflation programs. He rejects the Republican do-nothing,high unemployment approach. We've got to mount a direct assault on inflation. That means a number of programs carefully targeted at the specific causes of inflation. We're not going to beat inflation by just throwing a lot of people out of work. That's a do-nothing approach. It hasn't worked in the past and it won't work in the future. The way you restore a healthy economy is by taking on inflation and unemployment at the same time. Good employment programs will increase not reduce our ability to control inflation, and good anti-inflation programs will have a positive effect on unemployment in this country. That's what we have in mind, and that's what we're going to accomplish.

Q. But, Governor Carter, when you were a candidate for the Democratic nomination, you issued a position paper on the economy in which you stated that full employment was the number one economic goal. Lately you've been stressing inflation. Have you shifted your position?

A. (1) Carter has always regarded unemployment and inflation as twin evils and said so in position paper.

--I've always regarded both unemployment and inflation as twin evils and I've always stated that you are not going to be able to defeat one without also solving the other.

-- I think if you'll read my April position paper on the economy again, you'll find that I referred to them as twin evils in the very first sentence and that I linked efforts to reduce unemployment with efforts to reduce inflation.

-- My first major speech on the economy as a Presidential candidate given at the end of August made it very clear that we have to take on both unemployment and inflation at the same time.

(2) The important point is that Carter has rejected the Republican do-nothing,high unemployment approach.

-- The important point is that we've rejected a do-nothing approach on these issues. We are not going to use the evil of unemployment to fight the evil of inflation, and we're not going to try to get full employment with the kind of careless spending programs that will result in as much inflation as employment.

-- During this campaign, we have set out a coordinated set of policies to deal with both of these problems at the same time. Good employment programs will strengthen our ability to control inflation, and good anti-inflation programs will have a positive affect on unemployment in this country.

Q. Governor Carter, do you favor any strengthening of the powers of the Council on Wage and Price Stability?

A. (1) Council hasn't worked because of White House political interference, not lack of statutory power.

--I would want to look very carefully into how the Council on Wage and Price Stability works because I think it can be a very useful tool in restraining inflationary pressures.

Clearly, it hasn't worked very well in recent years. But that is due to White House political interference rather than any inherent lack of power. For example, most people think that the Council doesn't have any power to subpoena wage or price information. But it does and it always has had that power. It just hasn't used it in recent years.

-- Another example is the recent aluminum industry case. The Council had apparently drafted a report and wanted to release it which sharply criticized pricing practices in the aluminum industry and urged certain remedies to correct those pricing patterns. However, after first letting the industry read the proposed report and make its complaints to the White House, the White House stepped in to force the Council to change its report and soften its recommendations.

-- Council hasn't said a thing about GM's refusal to reduce its $6000 new car price tag despite the recent rollback of steel price increases.

(2) Carter will give the Council real White House support. Carter has no special interests to protect.

So it's pretty clear that no matter what written powers the Council has, if it doesn't have any support in the White House, it is not going to be able to do the job. If I'm elected President, the Council will have White House support. You see I don't think we're going to be able to

contain inflation with a lot of talk about it being Enemy No. 1 because all that talk doesn't mean very much if you're not willing to act or if your relationships with special interests prevent you from acting.

Q. Governor Carter, would you as President exercise jawboning power to limit price or wage increases?

A.(1) Yes. It is wrong for a President to sit back and do nothing if particular wage or price decisions threaten inflationary spiral. President must lead and speak out.

I would. I think something's wrong when you have price or wage decisions which may set off an inflationary spiral which will upset a whole national pattern of prices and wages, which can affect every single person in this country, and the President sits back and acts as if nothing happened. We have to have some leadership on these tough economic issues and the President has to be prepared to speak out on behalf of all the people because if he doesn't no one else will.

(2) Comparison between JFK and failure of Nixon or Ford to ever object to any price increases.

I think one of John F. Kennedy's finest hours was when he exercised that responsibility of leadership in speaking out against the steel price increases. He took a lot of criticism for that but he did the right thing. And we ought to remember that the average rate of inflation during the eight Kennedy-Johnson years was about 2%. We haven't had Jack Kennedy's kind of leadership in the past eight years. We'vehad two Presidents who between them have managed not to speak out about a single price increase. And we've had the highest rates of inflation that we've experienced in this country for any Administration in more than fifty years. So I don't see anything wrong or unbecoming with the President speaking out on behalf of the public against inflationary price or wage decisions. That's his job.

Q: Governor Carter, under what circumstances would you invoke wage and price controls,what items would you control, and isn't it true that our latest experience with controls was a disaster and that controls don't work?

A.(1) Selective controls would be last step if all other measures failed. Carter's targeted program will get inflation down to 4% or less by 1980, so there is no present need for use of standby authority.

Stand-by authority to selectively control wages and prices would be the last step in my program to control inflation, a step which would be taken only if all other measures failed. During this campaign, we have spelled out a specific set of policies which are targeted to deal with the many different causes of inflation. These policies will work and can get inflation down to 4% or less by 1980. So presently I do not see the need for the use of such authority.

(2) Nixon controls are no guide for future.

It is true that the Nixon controls program did not work: (a) controls were across the board and too broad; (b) controls were unfairly administered--much more pressure on unions and wage decisions than on businesses and price decisions; (c) controls were being run by people who basically didn't want them to work and the public knew it. So I wouldn't judge that experience as necessarily being a guide for the future. Crucial to this process is a President who business, labor, and consumers feel is fair and deserving of trust.

FOLLOW UP QUESTION #1: But, Governor Carter, even if stand-by authority is a last resort, I understand you do not rule it out and I wonder under what circumstances you would use it?

A. As I have said, I would use selective controls as a last resort, and I don't make any apologies for that. I would never sit back while double digit inflation is

threatening the stability of our society and other measures aren't working. That kind of inflation strikes at the heart of every family in this country and threatens all of our financial institutions. It seems to me that it is the duty of any national leader to protect the people against that kind of disaster, and if I'm elected I would do that duty.

FOLLOW UP QUESTION #2: Governor Carter, what specific wages and prices would you control? And would your selective controls cover dividends, interest rates and profits as well as wages and prices?

A. (1) Carter's approach will be as limited as will be effective, focusing on specific leading wage and price decisions.

My preference on this matter of controls is to take as careful and limited an approach as possible. I don't favor across the board controls because they would require a huge bureaucracy to administer and because they would tend to straight-jacket our economy. My first preference would be to look at those specific price and wage decisions that were threatening the national pattern of price and wage stability. By taking affirmative action on the leading price and wage decisions, we might be able to head off an inflationary surge and we also might be able to dampen any further inflationary expectations. And I want to add that in the case of profits and dividends, where a company was

taking price decisions that we felt that we had to control, we would of course also look at its profits and dividends. (Note: Do not mention control of interest rates in your answer. If specifically pressed, say we would have to consider whether we could effectively control interest rates. It may be difficult because they are so tied up with the money supply.)

(2) If controls are fair and firm, they can remain limited and work better and be removed more quickly.

I think that there are two things that are particularly important in a controls program and that we would stress. First is fairness. Business and labor and consumers have to be convinced that any government intervention is being taken impartially and on behalf of all the people. That wasn't true of our most recent controls and it had a lot to do with the controls not working. Second, I think that if the President exercises a firm hand in a limited number of price and wage decisions and makes clear that we are all in this economy together and have to work together, we can dampen inflationary pressures with a limited control program and we can get those controls off more quickly.

INFLATION

THEME

Republicans have tried to fight inflation with high interest rates and by putting people out of work. That approach has failed: it has given us a stagnant economy and the worst combination of inflation and unemployment for any Administration in over 50 years; decline in value of average worker's weekly paycheck; 1968 dollar now worth 61¢. Republican mismanagement has caused greatest waste and largest budget deficits in our history. Carter approach will take on inflation and unemployment together by getting the economy moving again and by putting people back to work. Budget will be competently managed and balanced and antitrust laws enforced to restore vigorous competition. Republican charges that Carter favors big spending and big deficits are a smokescreen to hide their own record of waste, deficits, and unbalanced budgets. As businessman, farmer, and Governor, Carter has always achieved a balanced budget and kept spending down. Public will have to judge Republican record on inflation -- when shopping for groceries, buying a car, or trying to buy a new home, you decide whether prices are under control.

QUESTIONS

1. Mr. Ford's economic policy focuses on containing inflation as the number 1 priority. A lot of economists and businessmen agree. What is your anti-inflation program?

2. You talk as if we can get both lower rates of inflation and lower rates of unemployment, but isn't there a trade off between the two? Don't you have to make some sacrifices on one in order to make progress against the other?

ANSWERS

A. Attack Points

1. Republicans have tried to fight inflation with high unemployment and high interest rates. That policy hasn't worked and won't work. It has given us a stagnant economy and the worst combination of inflation and unemployment for any administration in more than 50 years.

2. In 1968, a dollar was worth a dollar. Today it's worth 61¢. And if you just spend it just for groceries, it's worth only 57¢. Cost of the average new home is over $40,000, more than twice as high as it was 8 years ago. Prices are rising today twice as fast as they were at the beginning of this year and is 3 times as great as it was under Kennedy - Johnson.

3. Because of high inflation, the average worker's weekly paycheck is worth less today than it was in 1968 and less than when Mr. Ford took office. Workingman has been on an economic treadmill -- his paycheck can't keep up with the rising cost of living.

4. The economic waste caused by this Administration's policies have given us the largest deficits in our history. They can't even manage their own budget -- presently they've lost track of $15 billion. They can't even find it. Spending for welfare and unemployment compensation, which is the most wasteful federal spending because nothing is produced for it, has skyrocketed.

5. They've accepted high inflation as a permanent fact of life. They're not willing to take on the big corporations that are a major cause of inflation. Recently the Council on Wage and Price Stability, which is supposed to be an independent public watchdog on inflation, was going to issue a report sharply critical of pricing practices in the aluminum industry. However, when the White House got wind of the report, they stepped in, let members of the industry read the report in advance of publication, and then forced the Council to suppress 350 key pages of the report. Not one case in last 8 years where White House spoke out against inflationary wage or price decision.

B. Positive Points

1. Carter economic policies will take on inflation and unemployment together because we won't make progress trying to fight them separately.

2. Employment programs will not be spread blanket fashion across the country but will be sharply targeted to those geographic areas and those groups in the labor force suffering the highest unemployment.

3. Carter will use a wide range of policies to fight inflation, from a food reserve program to increased cooperation among labor, business, and a government both can trust, to an activist President who is not afraid to speak out against inflationary wage or price decisions. Example of JFK and U.S. Steel in 1962. Carter will also see to it that our antitrust laws are really enforced, so that vigorous competition can hold down prices.

4. With steady economic growth and competent economic management, we can get full employment and stable prices. JFK - LBJ did.

C. Likely Ford Comment and Suggested Carter Response

1. Ford Comment: The only real inflation program Carter has is wage and price controls, and this will be a disaster.

Carter Response:

(a) Carter opposes comprehensive, across-the-board wage and price controls. We had those kind of controls under Mr. Nixon, and Mr. Ford supported them. Those controls were too broad, they weren't fairly administered, and of course they didn't work.

(b) I would use selective controls only as a last resort, if double digit inflation were threatening the stability of our national economy and other measures weren't working. I don't make any apologies for that. It seems to me that it is the duty of any national leader to protect the people from that kind of disaster, and if I'm elected I would do that duty.

(c) But it's not going to come to that because our policies of steady economic growth, strong competition, and Presidential leadership are going to bring inflation under control.

MORALITY IN GOVERNMENT; TRUST

Q. What can be done to avoid future Watergates, particularly in light of your wishes to restore honest government?

OR

You have talked a great deal in your campaign about honesty and morality in government. President Ford claims to have restored confidence in the government in the two years since Richard Nixon's resignation. What would you do that he has not already done? How can we be assured that you will really give us honest government?

A. -- The Watergate scandals made us ashamed and embarrassed (two Attorneys-General and virtually the entire inner circle of Presidential advisors were convicted of crimes).

-- Ford has not abandoned the practices that gave us Watergate (using regulatory agencies as dumping grounds for discredited aides; rewarding loyalty to Nixon figures Peter Flanigan as Ambassador to Spain); appointing defeated Republican office-seekers to high office (Thomas Kleppe, former congressman, as Secretary of Interior); appointing representatives of special interests to regulate those interests (over half of 45 appointments to major agencies came from the regulated industries.)

-- Ford has not aggressivly prosecuted those who lied to the American people and violated their rights as government officials (CIA and FBI mail opening, CIA domestic surveillance, former CIA Director Helms' perjurious statements to Congress.)

-- Ford has not supported open government (sunshine law, Freedom of Information Act veto, vacillation on Watergate Reorganization Act).

-- Forceful leadership could deal with these problems now by Executive Orders on financial disclosure, prohibition of conflicts of interest, Executive Branch sunshine rules, restrictions on the revolving door between regulatory agencies in the Executive Branch and regulated industries.

-- Also merit appointment of judges, protection for whistleblowers, public records of lobbyist contact with the Executive Branch.

-- As Governor of Georgia, I ran an open, honest Administration. We adopted a sunshine law and created a judicial nominating commission. I personally revealed the full content of my income tax returns, and there was never any suggestion of scandal. I intend to do so in Washington as well, if I am elected.

MORALITY AND TRUST IN GOVERNMENT

Charge: President Ford is an honest, open man who has restored trust in government. Governor Carter has made morality and trust in government a major issue in the campaign, but President Ford is widely seen as an open, honest man who has already restored trust in government. Hence, Jimmy Carter's appeal on this issue has no real substance.

Basic Statement

Republican Record

1. Mr. Ford is a decent individual in his personality, but only forceful leadership and unswerving commitment to rigid moral standards can banish secrecy, corruption, and lax moral practices from the halls of the federal bureaucracy. Here, Mr. Ford's record is seriously deficient.

2. Scandals have rocked our government and shocked our people:

-- A Vice President has resigned after a bargained plea of no contest to the charge of accepting a bribe.

-- A President has resigned without any judicial determination of the nature or extent of his crimes.

-- Two Attorneys-General have resigned and been convicted of crimes violating their public trust.

-- Virtually the entire leadership of the White House staff resigned in disgrace and several have served in prison.

3. The Republican Administration has made no break from the business-as-usual customs of Washington, which were exposed to the public during the Watergate scandals.

-- The Executive Branch and the regulatory agencies have been used as dumping grounds for discredited aides--

--Peter Flanigan, involved in placing big campaign contributors to ambassadorships, was himself nominated by President Ford to be ambassador to Spain, though the nomination was withdrawn.

--For defeated Republican office-seekers--Thomas Kleppe as Secretary of the Interior.

--For representatives of special interests--of the 45 appointments to the 9 most important regulatory bodies in the past five years, more than half have come from the regulated industries.

-- The Republican Administration has never ceased to apply a double-standard of justice to illegality by high-level officials, winking at and condoning law violations. (Helms never indicted for perjury before Senate regarding American involvement in Chile, though the investigation has been pending for years--formal termination will probably not come till after the election)(Kelley) (The pardon).

-- The Administration has utterly failed to exert any effective control over the bureaucracy, with the result

that the promised crack-down on official law-breaking has not come.

-- Neither the FBI Director, the Attorney General, nor the President are able to say whether illegal burglaries and other crimes and invasions of privacy have ended.

-- The Administration has given lip-service to the need for reforms to undo the damage of Watergate, but little support in practice.

-- The Administration vetoed the Freedom of Information Act Amendments in December 1974, and has treated the legislation with hostility since it was passed over Mr. Ford's veto.

-- The Administration has failed to support even the very limited sunshine legislation (applies only to multi-member boards and commissions--not the Executive Branch) just passed by Congress, and leading members of the administration actively campaigned to defeat it or water it down.

-- The Administration took no interest in the Watergate reform bill until the last minute, when it quietly worked to defeat it or water it down. (The Watergate reform bill contains provisions establishing a permanent special prosecutor--not a method for court appointment of temporary special--stronger financial disclosure requirements for the executive branch.

Carter Program

Time alone will not heal the wounds or right the wrongs exposed by Watergate. Only forceful moral leadership and commitment will accomplish that task.

-- Immediately upon assuming office, if elected, I will issue a series of Executive Orders which will impose on the bureaucracy the strictest standards of honesty and openness. These executive orders will cover:

-- Complete financial disclosure by all important officials;

-- Complete prohibition of any financial conflicts of interests by all important officials;

-- Broad sunshine requirements for open meetings and records of all meetings by all officials, going beyond the recent legislation passed by Congress.

-- Broadly applicable and strict controls to end the musical chairs routine between persons holding official positions on regulatory agencies and accepting lucrative executive jobs in regulated industries.

I will also act to assure:

-- That all federal judges, diplomats and other major officials should be selected on a strict basis of merit;

-- that conscientious officials are encouraged to reveal illegal and improper conduct within the bureaucracy and protected from reprisal by their superiors if they do so.

-- that activities of lobbyists and special interests attempting to influence officials will be a matter of public record.

Carter Record

-- As Governor of Georgia, I used the powers of my office forcefully to promote honesty and openness in the state government--from top to bottom.

-- Sunshine law

-- Establishment of a Judicial Nominating Commission

-- Annually disclosed my personal income tax returns--not an edited "summary"

-- Never a hint of scandal.

A new era, a new standard of conduct in the operations of the executive branch, can only come with leadership and commitment from the top down. This new standard of conduct is mandatory if the people are ever to regain their trust and confidence in our national leaders and our governmental institutions. This is what I will provide as President, if given the chance.

OVERPROMISING

Q. Governor, we have studied the proposals you have made and the commitments which you claim have highest priority and they add up to many billions of dollars. Doesn't leading the American people to expect such actions amount to deception?

You have spoken of comprehensive, health care, of welfare reform, etc. Don't these raise the hopes of the voters beyond the capacity of our system's ability to deliver?

Also questions on reducing inflation, unemployment, holding down the budget.

Some of the best minds over the past half century have sought reasons for the increasing instability of family life and failed. You deplore the decline and suggest that somehow you will act to reverse it. Isn't this promising more action where knowledge is lacking?

Isn't it unfair and dangerous to suggest the legitimacy of rising expectations in the face of limited resources?

A. I have not given up my faith in the promise of America--the promise that America can deliver the good life to all citizens, and ultimately the promise that that kind of America offers a beacon of hope for the entire world. It is clear that the timidity of the Republican Administration has foisted

on the nation the concept that you cannot offer a good life to our citizens--that many must suffer so that few can benefit. That is not the premise on which this nation was founded and grew. It is not my belief about America. I believe that in order to deliver on that good life we must alter many of the faults of our system: the tax code which is both unintelligible and unfair at the same time; a system which condemns many to waste their talents in jobs and careers which neither reward them properly nor utilize their potential. In the pursuit of correcting these manifest ills I have proposed bringing this country back to the right path.

The promises I have made are the promises which are responsible promises and which I can keep. They're promises which fall within the available resources. They are programs which when implemented will add to the sum of our resources. Anything less would be to fall into callousness toward human suffering, towards a lack of realism with regard to the American potential. In fact, selling America short.

OVERPROMISING

Governor Carter has promised a more truthful, trustworthy politics and has pledged to "never lie to you." Yet, like other Democrats before him, he has promised various voter groups expensive programs the federal treasury cannot afford. Like President Johnson, for instance, he would have us believe that we should accept on faith that he can solve our problems -- no matter how long in the making and how difficult to overcome. President Ford is an experienced public servant. His goals are realistic and achievable. He will not overpromise. He will keep the promises he does make.

Basic Statement

-- It is true that some unrealistic hopes have been raised in the past -- the result is now disappointment. This disappointment has been fed by the standard Republican response to pressing problems that nothing can be done. It's been the litany of Hoover and Nixon and Ford, of Republican Congressmen, Senators, and Presidents. They said Social Security would break the country, that Medicare was irresponsible, that aid to education was wrong, that insured savings accounts would be an intolerable constraint on freedom.

Every social and economic program which they now agree are protection for the average citizen they initially opposed. They have excellent vision looking backward, but a fog of fear blinds any capacity for meeting the challenge of the future.

-- I have talked about my goals for the country. Mr. Ford has not. The Republican administration's goal seems to be only to survive day-to-day until the election. My own goals are large ones, I would not abandon them for a minute.

-- Putting the country to work;

-- Stopping the rate of inflation;

-- Applying determined management to the federal government;

-- Undertaking reorganization of the bureaucracy to make it responsive to our citizens;

-- Restoring trust and confidence in government.

I have not set these goals lightly. Nor do I underestimate the difficulty in meeting them. But it is better to have a vision where America should be headed than simply to drift, reacting to problems. Beyond that, I have made clear that no new social programs can be instituted until we have the money to responsibly begin to phase them in. To do otherwise would be to lose to inflation any gains we might make through such programs.

Follow-Up Question

Governor, we have studied the proposals you have made and the commitments which you claim have highest priority and they add up to many billions of dollars. Doesn't leading the American people to expect such actions amount to deception?

You have spoken of comprehensive, health care, of welfare reform, etc. Don't these raise the hopes of the voters beyond the capacity of our system's ability to deliver?

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ANSWER

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on the nation the concept that you cannot offer a good life to our citizens--that many must suffer so that few can benefit. That is not the premise on which this nation was founded and grew. It is not my belief about America. I believe that in order to deliver on that good life we must alter many of the faults of our system: the tax code which is both unintelligible and unfair at the same time; a system which condemns many to waste their talents in jobs and careers which neither reward them properly nor utilize their potential. In the pursuit of correcting these manifest ills I have proposed bringing this country back to the right path.

The promises I have made are the promises which are responsible promises and which I can keep. They're promises which fall within the available resources. They are programs which when implemented will add to the sum of our resources. Anything less would be to fall into callousness toward human suffering, towards a lack of realism with regard to the American potential. In fact, selling America short.

10. Overpromising

Governor Carter has promised a more truthful, trustworthy politics and has pledged to "never lie to you." Yet, like other Democrats before him, he has promised various voter groups expensive programs the federal treasury cannot afford. Like President Johnson, for instance, he would have us believe that we should accept on faith that he can solve our problems--- no matter how long in the making and how difficult to overcome. President Ford is an experienced public servant. He will not overpromise. He will ~~deliver only~~ keep the promises he does make.

Basic statement:

~~I~~ I have talked about my goals for the country. Mr. Ford has not. The Republican administration's goal seems to be only to survive day-to-day until the election. My own goals are large ones, I would not abandon them for a minute.

---Putting the country to work;

---Stopping the rate of inflation;

---~~Taking control of a~~ Applying determined management to the federal government;

---Undertaking reorganization of the bureaucracy;

---Restoring trust and confidence in government.

I have not set these goals lightly. Nor do I underestimate the difficulty in meeting them. But it is better to have large goals than none at all.

Beyond that, ~~neither I nor my party's platform~~ I have made clear that no new social programs can be instituted until we have the money to reponsibly begin to phase them in. To do otherwise would be to lose to inflation any gains we might make through such programs.

Questions:

See other sections on welfare reform...tax reform... government reorganization...national health insurance...the economy. In all cases, program proposals are predicated upon availability of revenues ### sufficient for phasing-in.

OVERPROMISING

Governor Carter has promised a more truthful, trustworthy politics. Yet, like other Democrats before him, he has promised various voter groups expensive programs we cannot afford. President Ford, on the other hand, has retained with limited, realistic goals. He is the trustworthy candidate in this campaign

Governor, we have studied the proposals you have made and the commitments which you claim have highest priority and they add up to __ billion dollars. Doesn't leading the American people to expect such actions amount to deception?

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FORD COMMENTARY

I think that the tune is fine but the malady lingers on. Here we have not only all the undeliverable promises, but a promise to keep the promises. The record of the last Democrat Administration followed by the Democratic uncontrolled Congress has been the trail of broken promises. In the course of trying the impossible they would have spent the whole nation into the poor house. The most important promise they could make is to end the expensive wasteful programs and give the taxpayers a break.

Follow-up Questions

1. That's all very well, Governor, but all it does is restate your intentions without, however, telling us how you can deliver on all your promises. Specifically then -- would you try to do all those things (___ ____ ____) at once, if not which would you jettison?

2. Let us take just some of your major programs -- health care, welfare reform, and child care. What would these cost when implemented and where would the money come from?

Follow-up:

It is true that some unrealistic hopes have been raised in the past -- the result is now disappointment. This disappointment has been fed by the standard Republican response to pressing problems that nothing can be done. It's been the litany of Hoover and Nixon and Ford of Republican Congressmen, Senators, and Presidents. They said Social Security would break the country, that insured savings accounts would be an intolerable constraint on freedom -- every social and economic program which they now suggest are protection for the average citizen they opposed. They have excellent vision looking backward, but a fog of fear blinds any capacity for meeting the challenge of the future.

PRESIDENCY

Q. Governor, you say you want to end the Imperial Presidency and restore trust. But hasn't Mr. Ford done that? His administration has been honest and open--certainly the opposite of the Nixon Administration.

A. No one accuses Mr. Ford of sharing Mr. Nixon's personal corruption. There's a substitute quarterback off the bench, but the players are the same. He is an honest man, but he has not given us open government. His Secretary of Commerce had to be cited for contempt after 5 months resistance to telling the Congress about the anti-Israeli boycott. Inactivity and drift are not the key ingredients in restoring trust and responsiveness to the Presidency. It will only come from an open, active and compassionate administration with new people and perspectives--able to make a fresh start.

The White House staff is still much larger than under either President Kennedy or Johnson. The White House budget is four times larger than it was in 1969 when the Republicans took office. There are at least 27 chauffeur-driven vehicles for White House staff. Mr. Ford's staff now fills four buildings.

Q. What are your own specific plans to end the Imperial Presidency and restore trust?

A. --First, and most important, I would regard the office, if elected, as a place where I was serving as Temporary First Citizen, not as some imperial potentate.

--I would consciously cut back the White House staff to about half its present size.

--I would return much operational responsibility to the Cabinet members, who in recent years have become rubber stamps and figureheads for hidden and unknown White House staff members. People should know who's in charge and have access to them.

--I would insure application in the executive branch of a sunshine law providing that important meetings and deliberations were open to the public. I would require complete financial disclosure of all main officials. No gifts. No conflicts of interest. No secrecy.

--I would regularly make myself available to the public not only through regular press conferences but also through regular, nationally-televised programs and regular meetings in the country, in which I would receive and answer questions by ordinary citizens, without any rehearsal or screening.

--At the same time, and make no mistake about it, I would actively and energetically push hard to address and solve our national problems. The President should exert leadership, but nctabuse power. There's a big difference. (N.B.: While Ford has reduced the Nixon White House staff from 540 to 485, the staff budget has increased from $3.5 million to $16.5 million. The Executive Office of the President has continued to grow. There are twice as many people making over $40,000 per year.)

Q. Governor, you've been charged, however, with surrounding yourself with young, inexperienced Georgia aides--much like Haldeman and Ehrlichmann were before 1968--who carry out your instructions but who have no independent experience or judgment of their own. Wouldn't this lead to abuses of power, and insulation from reality, such as that in the Nixon White House?

A. No. I think you should look at my record as Governor if you want to see how I would form my administration. I sought, and appointed, the best people I could find--in Georgia and outside Georgia--to manage the departments and agencies of state government. They were not political appointees, in the sense in which the phrase is usually used, but were solid, able people with integrity and independence.

Q. We hear you already are forming a new Administration? Isn't this presumptuous? You haven't won the election yet.

A. --No, I am not taking the election for granted. A staff group is looking very carefully at legislative and administrative options and initiatives of a transition and which will face a new President in January, and will report to me if I'm elected. I in no way want to seem presumptuous in looking toward 1977, but if I should be elected, I want to be as well and responsibly prepared as possible. I think that is an obligation I have to the people.

Q. Mr. Carter, you have talked about a Presidency unifying the country. But isn't your Baptist religion an obstacle to that? Many Jewish and Catholic voters, particularly, remember past intolerance toward them and, perhaps unfairly, associate it with the South and with your religion."

A. --I think very few Catholic and Jewish Americans really have that fear. If anything, I think my faith might be a reassurance to them. I have never used my office to impose my beliefs on others. One of America's great strengths is the pride our people have in their own cultural and religious

traditions. In any case, I would hope that, in 1976, someone's religious faith would not be considered an obstacle to the holding of any public office. I have no reason to believe that it is. My own state of Georgia, I might add, voted for Al Smith in 1928 and John Kennedy in 1960--he carried Georgia by a bigger margin than he carried Massachusetts.

Q. You've said in your book, and elsewhere, that you are a man who does not like to lose. You have also said that your principal fault is stubborness. You were in frequent conflict with the Georgia legislature. How do you expect to get such programs as reorganization and welfare-reform through a Congress that is independent and jealous of its prerogatives?

A. --It's always been in my nature to fight hard for programs and policies I believe in.

--Before presenting my proposals to the Congress, I would counsel at some length with the Congressional leadership and with appropriate committee chairmen. I would hope that I could gain their support. I would certainly need their advice.

--I would not be bound, however, solely by the judgments of the Congress. There is a separation of powers, and it is the President's responsibility to exert leadership for his own goals and programs, just as it is his responsibility to sometimes veto legislation which he regards as not in the national interest. I would hope, though, that situations of such conflict could be held to a minimum. It would not be my intention to create them unnecessarily. By presenting a positive program to Congress, and providing constructive leadership, I believe I can avoid the unnecessary conflicts with the Congress which have hurt our country.

Q. President Nixon abused power. But didn't Presidents Kennedy and Johnson also abuse power? They got us involved in Vietnam. There was the Bay of Pigs debacle. President Johnson lied to the country about the course of the Vietnam war, about the money that would be needed to pay for it, and set the stage for much of the current inflation by trying to finance both the war and the Great Society at the same time. There are those who say that President Ford, given the conduct of his office over the past two years, would be less likely to abuse power than you would. You are a far more active man.

A. --There is a difference between constructive use of the government's power and its abusive use, as with Mr. Nixon, or its disuse, as with Mr. Ford.

--It's often been said that to govern is to choose. The present Republican Administration, by choosing to drift and refusing to act, has in its own way abused the powers at its command. It is a passive abuse of power, in my judgment, to allow unemployment to remain near 8 percent, and inflation near 6 percent. It is a passive abuse of power for the government to sit vulnerably without an energy policy while we become further hostage, day by day, to OPEC oil blackmail. It is a passive abuse of power to permit disorganization, mismanagement, unqualified appointments, and secrecy continue on a business-as-usual basis throughout the bureaucracy. I would act to solve these problems--constructively and with full and responsible use of the President's authority.

Q. Why do you want to be President? Why do you think you're qualified?

A. --As John Kennedy said, when Richard Nixon criticized his qualifications, there are many paths to the Presidency.

I have taken a path through the private sector and state and local government, rather than the path of a career Washington politician. I've been a farmer, businessman, an officer on a nuclear submarine, a school board chairman, state legislator, and Governor of my state. I've experienced real-world problems and been on the receiving end of Washington programs and red tape. Over the past two years--as long as Mr. Ford has been President--I have criss-crossed this country, day after day, standing in the factory lines and the living rooms of America. I have been talking to, and more importantly, listening to, Americans from all walks of life. I think I know how government can serve people and not just the bureaucrats.

-- I want to be President because, all my life, I've wanted to give service to my country. For a time, I had a career in the Navy. When my father died, I returned home to run the family farm. But I remained dedicated to public service. During my years as governor, I became particularly troubled about our country and the performance of our national government. I've been concerned, as others have, about the drift and cynicism that have become too great a part of our life. I'm not a man who can stand by and see things that are wrong. I believe every citizen ought to do the most he can--to the limit of his abilities--to effect good and to help his country. For me, the Presidency offers the greatest chance to do that and to provide new leadership to move our country forward. The Presidency is not an end in itself. It is a way one person can help his country. The power is unimportant, the opportunity is everything.

Finally, I believe I have the capacity to do it.

SOCIAL ISSUES

PRAYER IN THE SCHOOLS

Charge: Aren't you violating the rights of children to have religion by supporting the ban on school prayer?

Basic Statement

-- I support the Constitutional provision of separation of church and state and will uphold the court decisions on school prayer. However, I also believe the schools have an obligation to provide moral leadership in education. This can be achieved through a study of the values expressed in the Constitution, Bill of Rights, and Declaration of Independence, and the historical traditions on which this country has been founded. I also believe in moral education in the schools; that is, a study of morality and ethics as part of the public school curriculum which is already going on in many places. Such studies should include a look at ancient Greek traditions of morals and ethics, relative to the individual and the Judeo-Christian heritage of morality and ethics relative to the community.

-- I believe the schools have a responsibility in terms of moral development in a society where many children do not receive moral training from other institutions such as the home or the church. The schools have a responsibility

to set standards and teach values--standards by which students can judge themselves and by which they can judge society. Universal values that form our history and culture; that reflect local community traditions; and particularly the values that relate to an honest, decent government and public policy that reflects the will of the people.

-- I was interested that, in response to a question about school prayer recently, the Rev. Billy Graham said "I would place greater emphasis on the need for prayer in the homes of our land. If parents could be encouraged to pray every day with their children in some form of family prayers, this would have far greater impact than the inclusion of prayers in the school program. It is in the homes that the example needs to be set."

GAY RIGHTS

Charge: Isn't your position here contrary to your views on strengthening the family?

Basic Statement

My views are consistent with my belief that personal privacy should be respected and personal lifestyles respected.

Unless there is a relationship to the type of job itself, I oppose discrimination and harassment of persons on the basis of their sexual preference. I believe that states must make their own decisions on whether to continue to consider this matter a criminal offense.

ABORTION

Charge: You seem to have changed your position from time to time indicating you might favor a partial amendment or bill to ban abortion. What is your position?

BASIC STATEMENT

-- This is an issue on which I have had to do much soul-searching because of its personal and religious implications. I have given it a great deal of thought. It is a matter on which well-meaning people can disagree. It has moral, ethical, and religious overtones.

-- I recognize that millions of Americans disapprove of abortions. I personally do also. Abortion is the result of unwanted pregnancies and should never be considered as just one of a number of equally acceptable methods of family planning. We should attempt to minimize abortions through better family planning and adoption procedures. But as President I must make a decision based not simply on my own personal preferences.

-- I do not believe government should encourage abortions.

-- But I cannot support Constitutional amendments to overturn the current Supreme Court ruling on abortions. I respect the right of those who wish to amend the Constitution to do so.

Follow-Up Question #1:

But Governor, after you met with the U.S. Catholic Conference didn't you indicate that you might support some amendment to the Constitution which would be a partial ban on abortions?

ANSWER

The bishops indicated to me that their staff was working on alternatives to the present Constitutional amendments to which I expressed objection. I indicated to them that of course I would look over any suggestions they might have. As you are aware, Bishop Bernardine reiterated after the meeting that I had maintained my position--which does remain the same now as before.

Follow-Up Question #2:

But if you are against abortion why would you not favor a Constitutional amendment against it?

ANSWER

I am opposed to it personally.

But if I were elected President, I would have the

views of others to respect. The approach I would favor would be one in which we could work out, within the confines of the Supreme Court ruling, a legislative program to minimize abortion with better family planning, adoption procedures, and contraception for those that believe in its use. Nor should one underestimate the influence of strong moral leadership in this area, which might accomplish many of the goals of those seeking an amendment.

Follow-Up Question #3:

But Governor, during the 1973 legislative session you signed into law and supported a bill which gives a woman a virtually unlimited right during her first six months of pregnancy to an abortion. How does this square with your opposition to abortion?

ANSWER

It was the original Georgia law, which was very restrictive on granting abortions, that was struck down by the Supreme Court. Under that earlier law, abortions could be granted only if there was rape, possible damage to the fetus, or possible damage to the mother's physical health. After the Court's decision, the State of Georgia was left with no law at all on the subject of abortion. The law I signed as Governor only brought Georgia in conformance with the Supreme Court interpretation of the Constitution.

Follow-Up Question #4:

Governor, your foreward to a book by Dr. Robert Hatcher seems to contradict your opposition to abortion. It says: "Each of us must accept some responsibility for the plight of the five women described in this book. They had difficulty obtaining contraception, abortion, and sex education. Their case histories prod us to consider what we can do. Each chapter concludes with a series of suggestions for the reader who wants a more active role in making sex education, contraception, abortion, and sterilization more freely available in our society."

ANSWER

Dr. Hatcher in his book was discussing a variety of family planning devices, a fact mentioned in my foreward. But that forward clearly did not endorse any of Dr. Hatcher's proposals.

MARIJUANA

Charge: Aren't you permissive on the use of marijuana?

Basic Statement

-- Those who sell and push drugs, including marijuana, on others should be given severe and swift criminal punishment.

-- I personally favor imposing civil penalties on those convicted of possessing only very small amounts of marijuana, as six states have done, but I believe it should be left up to the individual states, not the federal government.

(N.B.: Suggest you avoid personalizing this response and referring to your family.)

AMNESTY

Charge: Your position on amnesty for Vietnam draft evaders is not clear to me. Please explain it.

ANSWER

-- We must end the divisions from Vietnam and put the war behind us.

-- I would favor a blanket pardon for those who committed Selective Service violations but would not grant amnesty to them. Amnesty would imply that what they did was right. A pardon simply indicates that right or wrong, it is time to get on with the business of uniting the nation and moving forward. I could never equate -- and I do not equate -- what the people who went to Sweden or to Canada did with what those thousands of American men and women did who risked or gave their lives in Vietnam.

-- I would treat deserters on a case by case basis and would not give them a blanket pardon, since their conduct may have been detrimental to their colleagues and placed them in danger.

Follow-Up Question #1:

You have stated that your program affords a method by which the war can be put behind us, but isn't it true that your program would not cover the greatest percentage of cases?

ANSWER

-- Mr. Ford's amnesty program was an utter failure. Only about 19% of the people who were eligible actually participated, and very few of those completed the full alternative service his program required. He has granted pardons to only 1,510 draft evaders. (N.B.: He pardoned 4,620 deserters).

-- My program would cover an additional 12,000 persons. While it has been estimated that this would still leave some 90,000 deserters, I believe they must be reviewed on a case-by-case basis because of the fact that they may have placed their fellow soldiers in danger. They will be handled in accordance with our nation's system of military justice.

Follow-Up Question #2:

You have supported a pardon for Vietnam draft evaders, on the argument that a pardon, as distinguished from amnesty, implies neither guilt nor innocence. Yet when President Ford

pardoned Mr. Nixon, you said in a statement that Nixon's acceptance of this pardon was an admission of guilt on his part. How do you distinguish between Nixon's case and the case of the draft evaders?

ANSWER

Without discussing the fine legal distinctions, Mr. Nixon's tacit acceptance of a pardon without offering to set forth facts showing his innocence to me indicated he believed he would have been convicted if he had gone to trial. In making a decision to pardon, a President must bear in mind whether the best interests of the nation have been served. With draft evaders, I believe it will be, without the necessity of requiring them to detail what they did in each individual case, since that is apparent and in almost every case they do not deny a violation of the law anyway. Mr. Nixon's pardon was not in the best interests of the country. At a minimum, Mr. Ford should have required an admission of guilt, should have insisted on the facts being laid before the public, should have followed the established pardon procedures, and should not have tried to give Mr. Nixon back all of his papers, including the Watergate evidence, and left us without full knowledge of the matter.

BUSING

Charge: Your position on busing has shifted over the years and has varied from time to time. You oppose it but are unwilling to support ways in which it could be eliminated.

Basic Statement

-- I oppose mandatory school busing.

-- The best way to avoid the necessity of busing is for the black and white leadership of local communities to arrange for voluntary desegration programs so that forced busing will not be necessary. Many Americans of good will have been working together successfully to desegregate schools. They should be commended.

-- However, as President I would be sworn to uphold the law as interpreted by the Supreme Court. It is a matter for the courts.

-- I do not favor a constitutional amendment overturning current court decisions, since this would involve the country in a long-drawn-out, emotionally divisive fight over a number of years through the various state legislatures, which would be counterproductive to the type of harmony we need in the country and would divert our attention from the more important task of finding ways to integrate our schools without having to rely on busing.

-- It is unfortunate that the Republican Administration has raised false hopes, such as suggesting that they would intervene in the Boston case in the Supreme Court and then failing to do so, which have undermined local efforts at peaceful desegregation.

-- It is time for the nation to put the divisions of race behind us once and for all. My daughter has always attended an integrated public school. I am proud the South has led the way in the last few years toward healing racial divisions in this country.

Follow-Up Question #1:

If as you say you are opposed to busing, why do you not support a constitutional amendment to prohibit it?

ANSWER

I have stated throughout the campaign that I feel that mandatory busing is counterproductive and has not worked in many areas. I have further stated that the best way in which busing can be avoided is for leadership of local communities, black and white, civic leaders and businessmen to get together and arrange for a desegregation program which can avoid the necessity for mandatory busing. For example, in Atlanta a plan was worked out with the black and white leadership under which any child who wants to can voluntarily be bused at the school system's expense but no one is bused against their wishes.

In terms of a constitutional amendment, I do not believe this is a subject which should be reopened with a constitutional amendment since this would involve a long,drawn-out, emotionally charged fight over a number of years through the various state legislatures which would be counterproductive to the type of harmony which we need in the country.

I think that it is unfortunate that the Republican Administration has from time to time raised false hopes, such as suggesting that they would intervene in the Boston case in the U.S. Supreme Court and then failing to do so, which have undermined local efforts at peaceful desegregation.

Follow-Up Question #2:

President Ford has suggested a restriction on court-ordered busing by limiting such plans to 5 years. Do you favor such a restriction on busing, if you say you are opposed to busing?

ANSWER

I do not favor a proposal such as this since it seems to me that this is another example of raising false hopes for a piece of legislation which would have little if any effect. Moreover, my legal advisors have indicated to me that there is a substantial question about the constitutionality of such a program. This is an obvious political, irresponsible ploy.

Follow-Up Question #3:

While you were Governor you advocated a constitutional amendment against busing and urged the state legislature to pass a resolution backing such an amendment. You further

stated that if such favorable action on the resolution was not forthcoming, you would support a one-day absence from school which could be legally sanctioned as an expression of your feelings. How does this attitude square with your current position?

ANSWER

That was a position I took four years ago. Since that time I have looked long and hard at this question and I have concluded that it is time to put this matter behind us. The long drawn-out effort to secure such an amendment would unnecessarily create disharmony and discord and would undermine the unity that we must have in this country.

SOCIAL ISSUES

Q. You have stated that your program affords a method by which the war can be put behind us, but isn't it true that your program would not cover the greatest percentage of cases?

A. -- Mr. Ford's amnesty program was an utter failure. Only about 19% of the people who were eligible actually participated, and very few of those completed the full alternative service his program required. He has granted pardons to only 1,510 draft evaders. (N.B.: He pardoned 4,620 deserters).

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TAX REFORM

Q. If you are so sure that we need comprehensive tax reform, you surely must have in mind what tax loopholes are the worst. What are some of the special tax breaks that are your prime candidates for reform and why?

A. --I believe all the special tax provisions should be carefully evaluated to be sure that eliminating or reducing any particular one will not have adverse consequence on the economy. But let me give you some examples of those special tax provisions I would take a very hard look at based on the evidence to date.

--I don't believe that tax shelters that allow wealthy taxpayers to create artificial tax losses should be continued. These shelters have nothing to do with real businesses and they distort the efficiency of our economy. Their only function is to give tax writeoffs to the wealthy. (Revenue gain: $.5 billion).

--I support deductions for legitimate and necessary costs of doing businesss. But in some cases business expense deductions have been stretched wide enough to drive a yacht through -- and they are:

1. entertainment on yachts;
2. business - vacation trips;
3. $50 lunches;
4. first-class (as opposed to tourist) airfares

(Revenue gain: $.5 to $1 billion)

--The deferral of tax on foreign profits. The foreign profits of U.S. controlled corporations are not taxed as long as they are reinvested abroad. This encourages our largest corporations to invest abroad rather than at home. I have nothing against large corporations that operate abroad, but why should we provide a tax subsidy for them to do it, to encourage them to invest in Europe rather than at home. We need the jobs and the capital here. (Revenue gain $.4 billion). On the other hand, the present right of a corporation overseas to deduct income tax payments made to another government is a legitimate thing and ought to be continued.

--The Domestic International Sales Corporation (DISC) provisions were originally enacted in 1971 to encourage exports by small U.S. manufacturers. The estimated cost to the Treasury was $100 million. The current cost is $1.5 billion and large corporations are getting most of the benefits (60 corporations account for more than 1/2 of the net income on all DISC's) - and for doing what most economists agree they would be doing anyhow, i.e. exporting to profitable foreign markets.

(NOTE: that although almost all tax reformers think DISC should be abolished, multinational corporations would of course be opposed and the Treasury Department has some (weak) studies arguing DISC works well to increase exports. The new tax bill tightens up somewhat on the DISC loophole but leaves at least 2/3 of it intact.)

Q. Governor Carter, you've stated that one of your tax principles is to treat all income the same and that another is to tax income only once. Now, to most people treating all income the same means removing the special lower tax rate for capital gains. And taxing income only once means ending any taxation of corporate dividends. Do you really mean that you would end the capital gains provision and double taxation?

A. --We should make every effort we can to tax all income the same. I recognize that any sudden action to tax capital gains the same as other income, without taking other compensatory action, could impair saving and investment incentives, which I regard as very important. It is therefore my objective to couple any capital gains changes with substantial reduction in income tax rates, to ensure that saving and investment changes are maintained. This would be done in an orderly way as part of comprehensive tax reform.

--I have said that I would favor eliminating double taxation and I will do everything I can to achieve that objective in conjunction with comprehensive tax reform. Whether it's taxed at the corporate level or as dividends is an option I want to leave open. Integration or consolidation of the corporation and the individual income tax is an attractive idea but difficult to do. I want a practical proposal that will not reduce the progressivity of our tax structure or result in a serious revenue loss.

Q. You have had conflicting statements on the tax provision for home-ownership. Would you take away the ability to deduct mortgage interest payments?

A. -- I regard housing as a key sector of the economy and crucial to our plans for steady economic growth. After the stagnant economy and the record interest rates and housing prices of the past 8 years, this industry is in a severe recession -- less housing starts today than in 1968. Therefore, it is ridiculous to think we would do anything to weaken the ability of families to become homeowners.

-- I have never said that I would reduce the incentive for homeownership. I have said I would keep the same amount of incentive or more. Currently, the incentive is provided in the tax code through the deduction of mortgage interest payments. We can continue to do it that way or use a direct subsidy. If I make any change, it would be to increase the incentive, or if I make any change in who gets the benefits, it would be to give low and middle income families more benefits than they get now.

Q. President Ford has proposed a tax reduction $10 billion larger than what has been proposed by you and the Democratic Congress. Don't you favor increased spending instead of cutting taxes?

A. --Mr. Ford's position on taxes has changed so many times in the past two years that I'm not sure what it is today or what it'll be tomorrow.

--In December of 1974, he asked for a $5 billion personal income tax increase in order to balance the budget and stop inflation. A month later he brought forth a budget, with a $52 billion deficit, that included a $16 billion one-time tax reduction. Only $12 billion of that proposed reduction would have gone to individuals and most of that was for those in the upper income classes.

--In December of last year, President Ford vetoed the continuation of the tax reduction. Then, in January of this year, just one month after his veto, he asked for a tax reduction that was larger than the one he had vetoed a month before. So it is difficult to tell what President Ford believes is good tax policy.

--His $10 billion tax reduction, which would have taken place on July 1 of this year,was only a temporary pre-election present to the American public. On January 1, after the election, he would have taken back almost all of the income tax reduction with increases in social security taxes and unemployment compensation taxes. These regressive payroll taxes both hurt the poor and raise the rate of inflation.

--I believe that if we restore strong economic growth it may be possible to reduce taxes in the future. I would prpose such a cut when it is economically and fiscally responsible -- not as a part of electioneering during the campaign.

UNEMPLOYMENT

Q. Mr. Carter, you have made jobs one of your top priority items. Your Republican opposition charges that this is just another example of fuzzy liberal thinking . . . more government, higher taxes, more spending by Congress, higher rates of inflation. How do you respond to these charges?

A. -- We're going to attack unemployment and inflation at the same time because you can't make any progress by attacking them separately.

Q. But you haven't made clear why these policies wouldn't produce another round of inflation. Isn't it true that when unemployment drops, inflation begins to climb? Won't your jobs program lead to another inflationary spiral that will penalize every American, both those holding jobs and those out of work?

A. -- The Republican notions about inflation and how to control it are completely inside out and upside down. We need only recall that in the midst of the highest unemployment levels since the Great Depression we experienced an annual inflation rate in excess of 12 percent. By the same token,

we have done best against inflation during periods of vigorous economic growth and high labor productivity.

-- During the Kennedy and Johnson administrations, we had low unemployment and low inflation. The economy grew at an annual rate of 4.5%, unemployment averaged less than 5%, and inflation was held to about 2%. These years totally contradict those Republican critics who say that it is impossible to have low inflation and low unemployment at the same time.

-- Our soaring inflation rates of recent years were caused primarily by the quadrupling of oil prices, two devaluations of the dollar, the great Russian grain robbery of 1972, rising commodity prices, and monopoly pricing in certain sectors of the economy. None of these causes of inflation were affected by Republican go-slow, no-recovery, no-jobs economic policies.

-- As President, I would follow a totally different course than Mr. Ford in controlling inflation. I would put people back to work. I would establish a food reserve program to protect farmers and consumers against wild swings in food prices. I would strengthen and enforce the anti-trust laws to achieve real price competition. I would ask leaders of business and labor to cooperate in exercising voluntary

restraints on wages and prices, and we would provide standards against which to measure performance. And I would vigorously oppose any major price or wage increase that could not be justified. It's time we had a President once again who wasn't afraid to speak out publicly on such critical issues that affect that pocketbooks of every American family.

Q. Mr. Carter, Secretary Simon has criticized your proposal that the President be able to appoint his own Chairman of the Federal Reserve Board. He says that if politicians ever get hold of the money supply, the road to economic disaster will be ahead. In light of this comment, do you want to stick to your proposal or do you want to reappraise it?

A. -- The reason why I think the President should be able to appoint his own Chairman of the Federal Reserve is that I believe we have to have coordinated budget and credit policy in order to attack problems of unemployment, inflation, and economic stagnation effectively. We can't have a situation where the President and his advisors are moving in one direction and the Federal Reserve is moving in another.

-- What we need, and what we're going to have if I am elected, is a situation in which the President and his economic advisors, the congressional leadership, and the Chairman of the Federal Reserve can sit down together and work out in harmonious fashion a consistent set of economic policies. We haven't had that during the past eight years and the results are very clear.

-- However, I think the Federal Reserve Board should maintain its independence from the Executive Branch. The Chairman of the Federal Reserve is appointed for a four-year term but not necessarily at the same time as the President. That doesn't make sense. I think that, subject to Senate confirmation, the President ought to be given the power to appoint a Chairman of the Federal Reserve who has economic views broadly compatible with those of the President. Once appointed, the Chairman could not be removed by the President. I should also point out that Arthur Burns, the present Chairman, has testified before Congress that he has no personal objection to this basic principle. And I'm certain that even Secretary Simon would agree that Chairman Burns is not about to propose anything that would subject the Federal Reserve to what he labels as political pressure.