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DEBATE BRIEFING BOOK -- DOMESTIC ISSUES

THE PRESIDENT HAS SEEN.....

ANTI-TRUST

ISSUE: ANTI-TRUST POLICY

The antitrust record of the Ford Administration shows clearly that we are committed to full and vigorous competition in the marketplace.

In fact, our accomplishments in the last two years in the area of antitrust enforcement are unmatched in any similar period in this century.



-- The resources of the Antitrust Division in Justice and the Bureau of Competition in the FTC have been increased by over 50 percent.

-- The Antitrust Division's crackdown on price fixing has resulted in the indictment of 183 individuals during this period, a figure equalled only once in the 86 years since the enactment of the Sherman Antitrust Act.

-- The fact that the Antitrust Division has pending more grand jury investigations than ever in history proves these efforts are not slackening.

-- In 1974, I called for the enactment of and signed into law a substantial increase in civil and criminal penalties to deter antitrust violations. This was the first major amendment to the Sherman Antitrust Act in a quarter of a century.

-- I have also supported and signed legislation repealing the Fair Trade laws, which had been on the books for 40 years; it will save

consumers up to \$2 billion annually.

Antitrust enforcement is not the only way to promote competition. The Ford Administration has been the first in 40 years to recognize that Federal regulation can and does restrict our competitive economy.



I have set in motion a far reaching regulatory reform program -- the first by any President -- which is already producing tangible benefits for the American consumer.

-- I proposed and signed into law this year railroad legislation which increased competition in that industry and reduced the power of the Interstate Commerce Commission for the first time since 1886.

-- I have signed a bill to promote competition in the stock market for the first time in almost 200 years.

-- I have sponsored unprecedented legislative initiatives to reduce regulation in other forms of transportation such as the airlines and trucking. By increasing competition, we can lower costs for consumers.

-- The Administration has also submitted to Congress the Financial Institutions Act to enable small savers to earn higher interest on savings accounts and provide more diversified financial services to all customers.

-- I have submitted the Agenda for Government Reform Act, which would require a four-year comprehensive review and reform of all regulations, and compel Congress to act on proposals to restore competition in the economy.

-- Finally, I have repeatedly expressed to the independent regulatory commissions that they must take all actions possible to rely on competition instead of regulations wherever possible. Many of them are responding positively.

I am proud of this record. I believe it is unparalleled. If Congress gets moving and enacts the proposals I have submitted, the American people will benefit even more in the next four years.



GROWTH IN BIG GOVERNMENT



Q. Both you and Mr. Carter have expressed some concern about the size and complexity of government, but yet its spending and red tape just seem to grow like Topsy. Can you give the American people any real assurance that you will be any better at bringing it under control than Mr. Carter?

A. I have grown increasingly concerned about the growth of governmental bureaucracy in the last 10-15 years, and I think you see that concern reflected in almost every one of my actions and speeches as President.

Government today dominates too much of American society. Its spending amounts to about a third of our total gross national product, and almost every American now seems to be caught up in a web of confusing, complex regulations -- whether you are filling out a tax return or seeking welfare benefits.

I am totally dedicated to reducing the burdens of Big Government and we have made encouraging progress toward that end:

-- Since coming into office, I have requested and signed into law a major tax reduction for the American people. I am now pressing for an additional tax cut of \$10 billion.

-- I have submitted to the Congress a budget which would cut the rate of growth in Federal spending by some 50%. So far, the Congress has not shown a



willingness to join me in spending restraint; they want a budget for the coming year that is about \$20 billion above my own.

-- I have made forceful use of the veto power -- a power mandated by the Constitution to allow a President to hold the Congress in check -- so that some \$9 billion in tax savings have been achieved.

-- In the past year, we have reduced the Federal paperwork and Federal forms by 12%.

-- We have cut the Federal bureaucracy by 11,000 employees, and we have made sizable reductions in the size of the White House staff.

-- We have launched a concerted attack on Federal regulations in areas OF railroads, air transportation, and trucking -- an attack that will eventually mean big savings for consumers.

-- And we are seeking through revenue sharing, the consolidation of programs and in many other ways to return power from Washington to local communities and States.

This is progress -- genuine progress -- and you'll see much more of it in the next four years.

As for my adversary, I would say that with all due respect for the rhetoric he has used on the campaign

trail, the record hardly suggests that he will lead this country toward smaller government. To the contrary:

-- When he was governor of Georgia, the number of State employees increased by almost 25 percent and the amount of State spending increased by almost 50 percent.

-- His own spending programs for the future will add anywhere from \$100 to \$200 billion to the Federal budget.

-- He said himself this past weekend that his Administration would mean higher taxes for half of America's families. Just to pay for his programs, according to my calculations, could cost every man, woman and child an additional \$500 to \$1,000 a year.

So there are very fundamental differences between us. One of us speaks out strongly against Big Government and is putting a program into place that will achieve that end. The other speaks out strongly too. I leave it to the American people to decide which one of us they can trust.



## ZERO BASED BUDGETING

Q. Should the Federal government adopt zero-based budgeting, as Mr. Carter recommends.

A. What is overlooked in many of the discussions of zero-based budgeting for the Federal budget is that in the last two years, I have personally undertaken the most intensive, most systematic review of Federal spending of any President since Harry Truman. Last Fall, I went over the budget line by line, spending hundreds upon hundreds of hours, and based upon that, I submitted to the Congress a budget that would reduce projected Federal spending by \$28 billion -- and would return those savings to the American taxpayer.

As for zero-based budgeting that was practiced in the State of Georgia, I am not extremely familiar with it but those who have examined it carefully say that it involves so much paperwork that it would bring Washington to a dead halt. Papers and charts would pour out of office buildings and be floating down the Potomac River within a matter of weeks. And, they add, zero-based budgeting did not exactly reduce spending in Georgia: from 1970 through 1974, it increased by over 50 percent.

So the short answer to your question is that I am very satisfied with the approach that we are already taking to the Federal budget. It is an approach designed to save money -- taxpayers' money -- and we're going to succeed at it.

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Q. Do you favor a Constitutional Amendment to require a balanced budget?

A. No. I believe it would be very difficult to design language of such an amendment that would still provide the appropriate authority if we were to have a sudden National emergency that required a deficit for a short period of time. In my judgment, the Constitution provides all the language we need to achieve a balanced budget. All we need to do is elect representatives and Senators who are as frugal with the taxpayers money as they are with their own money -- people who understand that ultimately the taxpayer pays through higher taxes or inflation or both for every spending vote they cast.

NOTE: There is some sentiment within the Cabinet, especially Secretary Simon, toward accepting a Constitutional amendment and many conservatives on the Hill are for it.

CRIME

CRIME

Question: When are you ever going to get crime under control?

FORD ANSWER:

Control of local crime -- the kind that is likely to affect most directly the life of the average family -- has always been primarily a state and local responsibility in the United States. We neither need nor want a national police force.

There are, however, several ways in which the Federal government can provide positive leadership in the war against crime. The most important of these are:

First, to develop a model system of laws dealing with Federal crimes, and we're doing that. In that last two years, I have:

-- Proposed enactment of a comprehensive Federal criminal code to replace the scattered set of overlapping and confusing laws now on the books.

-- Called for enactment of a much stiffer anti-drug law, which would put hundreds of drug pushers where they belong: in prison.

-- Proposed mandatory sentencing of criminals convicted of kidnapping, hijacking, or Federal

crimes involving the use of a handgun.

-- Pushed for enactment of a program to provide compensation to victims of Federal crimes who have suffered personal injuries.

Second

At the Federal level, we must also step up enforcement of Federal laws against crime, and we have done that by seeking:

-- More Federal judges;

-- An increase in the number of U.S. attorneys and U.S. Marshals;

-- Construction of four new Federal prisons to overcome the overcrowding and inadequacy of existing facilities.

Finally, the Federal government must provide ample assistance to state and local law enforcement authorities, and we're doing that, too. In the last two years, I have:

-- Recommended that Congress authorize almost \$7 billion over a five year period to aid state and local agencies.

-- Provided funds to major city law enforcement agencies for a "career criminal" program, through which habitual criminals charged with new crimes are identified and quickly prosecuted.



Beyond that, the most important step that a national administration or a President can take against crime is to set a moral tone that stresses sound values of honesty, integrity, hard work, and personal honor. Enactment of my entire "quality of life" program will also relieve some of the underlying causes of crime.

~~But~~ We must face that fact that we have not yet found a way to eliminate crime completely. But we are making definite progress. Two years ago when I came into office, crime was increasing at the rate of 18% a year. In 1975, the growth rate was cut to 10%. It's still going up, but we're definitely moving in the right direction.



## ELEMENTARY AND SECONDARY EDUCATION

Question: Can you tell us what your policy is on elementary and secondary education?

### FORD ANSWER

I want the education of American children to reflect the values and needs of the local community in which the children are growing up. I believe that some bureaucrat sitting behind a desk in Washington can't teach Johnny how to read or write any better.

This means that we need more local control of education and less bureaucratic interference with the role of the classroom teacher.

To achieve this goal, I have proposed a \$3.5 billion program to return authority over education to local schools while continuing federal aid to education.

Here are the highlights of my proposals:

-- We will consolidate 24 federal grant programs for elementary and high school education into a single grant program -- leaving most decisions to local officials, the local school boards, and to parents and taxpayers.

-- Three-fourths of federal funds in the program will be used to educate handicapped and disadvantaged children.

-- Vocational education will be targeted for special

federal support -- we still are not doing enough to provide vocational training that fits young people for jobs actually available in American industry.

Let me also underscore my support for non-public schools -- schools that make an essential contribution to our nation's total education effort. My Administration is now providing aid to students at non-public schools for such services as compensatory education in reading and mathematics, child nutrition programs, and training of children with learning disabilities -- all services that go directly to students rather than to institutions, as allowed by the Constitution.

We are also seeking ways through the tax system to ease the financial burden on families who choose to send their children to non-public schools.

To deal with the busing problem, which has caused unnecessary confusion and disruption in some school districts, I have called on Congress to enact legislation which will limit the courts to using busing only where racial segregation of school children is the result of unlawful discrimination. This legislation will also set up a multi-racial National Community and Education Committee to help any school community requesting assistance in solving its desegregation problem.

One of our basic needs in education at the present

time is to take a hard look at the techniques and methods being used in classrooms. We must find out why instruction in some of the fundamental subjects, such as reading and mathematics, is not producing the results we need. I have therefore asked Congress for a 28 percent increase in federal support for the National Institute of Education, to support intensified research on educational achievement and performance -- research that will be invaluable to local school systems in the future.

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#### Carter's Vulnerability on Education

Carter's proposal for a separate Department of Education seems to contradict his overall proposal for consolidation of government departments.

We are entitled to tie Carter to the NEA's demand that the federal government finance one-third the cost of education (in contrast with about one-tenth now), in light of NEA's endorsement of his candidacy. Does he agree with the NEA position, and if so where is the money coming from? It is suggested, however, that we not make NEA a target for our attack.

Carter has implied that his education proposals will add \$10 billion or more to spending but he refuses to be pinned down.

ENERGY

## ENERGY

Question: Mr. Carter has charged that two years after you have taken office, the nation is still lacking in an energy policy. Can you respond to that?

### FORD ANSWER:

How we deal with our energy position says a lot about our national character now -- and will determine what kind of country we will become. We must face up to this tough complex of problems so that our children will have the basic tools that we have so long taken for granted.

The energy policy of my Administration is based on three principles:

First, we must recognize that the problem is as real today as it was during the oil embargo. To run our businesses, cool, heat and light our homes, and move our cars, takes energy. But today, most of that energy comes from non-renewable natural resources -- coal, oil and natural gas. In addition, more and more of energy comes from overseas. The trends toward energy dependance are intolerable; we continue ~~at~~<sup>them</sup> at our peril.

Second, therefore, we must move aggressively forward to increase our domestic supplies and to be more efficient in our use of energy. I want to

end our energy dependence and vulnerability no later than 1985, and I have developed a comprehensive national plan to achieve that goal. Since there is no substitute in the next four years to using our natural resources, I have pressed for greater mining of our most abundant domestic resource -- coal. I have ordered accelerated development of the vast oil and gas reserves that lie off our shores. And I have proposed fair market pricing for new natural gas and oil to provide the incentives needed for all-out development by our private sector. We now have about one-half of the national program I proposed in January of 1975.

Third, we must plan and begin to implement now our reliance on new energy sources for years ahead -- sources that are renewable and non-polluting. We must have more nuclear power, solar energy, perhaps even wind and ocean tides. To bring these dreams to reality, I have increased our federal research and development budget 30% and proposed a federal financing authority to bring these new technologies to the marketplace.



That's my plan and my promise:

-- Recognize our problems;

-- Increase production and improve conservation in the near term;

-- Full commitment of our technology to new sources of energy for the future.

With the cooperation of the Congress and the commitment of our people, we will turn these problems into an opportunity for America to point the way for mankind into the next century.

## Carter's Vulnerability on Energy

Carter's opposition to deregulation of oil prices in effect prolongs the danger of shortages.

Carter has been all over the block on oil company divestiture -- his position is considerably more moderate than that of the other liberal Democratic candidates, but he still seems to favor divestiture of the retail portion of the industry -- politically, the part most vulnerable for a breakup.

## ENERGY

Question: It seems to me your Administration has been defending big oil companies and higher prices. Why?

### FORD ANSWER:

That is not correct. There are those who would demagogue the issue of petroleum industry organization without in any way examining the real causes or needed solutions to our energy difficulties. Those same people would try to convince the American people that there is a cheap and easy way out of our energy difficulties.

My Administration has simply attempted to lay the hard, cold facts on the table so that we could get on with a realistic solution.

We have not only dealt with all of the issues related to the conservation and production of American energy -- we have spend a considerable amount of time working internationally so as to create a climate in the Mideast which has reduced the possibility of a political embargo and encouraged responsible attitudes on the part of those in oil producing countries which have resisted price increases by OPEC in the last year.

ENVIRONMENT

ENVIRONMENT



Question: According to environmental groups, you have one of the worst records on supporting environmental causes of any President of modern times. What have you done to protect our environment?

FORD ANSWER:

I don't for a minute accept the premise of your question. I am proud of the record of my Administration in improving the quality of our environment.

Measured in terms of the Federal effort alone over the past two years, our record is impressive. For example, look at some of the statistics:

-- I proposed a 60% increase in what we spend for waste water treatment facilities in order to clean up our Nation's riverways.

-- I put 38% more money in my budget to implement the Safe Drinking Water Act.

-- All in all, we have spent \$\_\_\_ billion over the last two years to clean up the Nation's water and air. This comes out to \$\_\_\_ per taxpaying family per year.

More important than the numbers and statistics is the fact that we are making progress. For example, the fish and the fishermen are coming back to Lake Erie. The air

in our Nation's big cities is a little bit cleaner to breathe because of progress we're making on auto pollution.

As President, I have had to make the hard choices and strike a balance between what we want to do as a Nation and can reasonably afford to do. After dealing with these environmental programs over the last decade, I know that they involve enormous costs and high-risk technology. I have put as many resources into the environment as I thought was necessary and appropriate, and while it was not always as much as some would like, it was enough to make good headway.

To illustrate some of the funding problems, I even had to delay until just a few weeks ago my own pet project, which is to make a major investment in our parks. My proposal -- to double the size of the park system and upgrade the maintenance of the parks over the next 10 years -- reflects my deep national love for this country's environment. I fully understand my obligation, not only to protect and enhance the environment that each one of us can enjoy, but to preserve that environment, the land, the water, the air, for the benefit of those who will follow us in our Third Century and beyond.

It's also important for us to recognize that pollution

does not recognize political and geographic boundaries. Just as we cannot pollute half a lake, nor can we just clean up half the world. That is why we have moved aggressively in the international arena on environmental matters.

In addition to environmental agreements with Japan, the Federal Republic of Germany, Poland and Russia, the United States has cooperative bilateral programs with more than fifty nations. Recently, the United States has joined with other nations in adopting a Convention on the Prevention of Marine Pollution by the Dumping of Waste. We also called for a ten-year moratorium on all whaling to permit depleted stocks to recover.

These and other endeavors are intended to help all citizens of the world -- not just Americans.





ISSUE: FARM POLICY

This Administration's national farm policy is and will continue to be one of full production. It is a policy of fair prices for consumers and good income for farmers.

For nearly 40 years American agriculture has been dominated by government production controls -- cutbacks and curtailment of growth in the agricultural plant -- all in the name of stability. The farmer was "stabilized" with an income only about two-thirds of the income level of his urban neighbors. And most of the help from government price-support and acreage diversion went to those whose incomes were already above the average, rather than to the smaller farmer.

But now we have a policy that offers maximum incentive to those who produce food. The American farmer has <sup>now</sup> ~~not~~ been freed from dependence on Federal Treasury payments not to produce.

And in the past few years, the American farmer has shown what he can do without government controls. He produces enough to feed more than 215 million Americans, plus millions more overseas. Sixty million acres, previously held idle, have been

released, and 38 million acres have been brought back into production. Total acreage for major crops has climbed from about 291 million acres in 1969 to 335 million acres planned by farmers for 1976 -- indicating an additional increase of 6 million acres going into production this year. And farm exports are three times what they were in 1970 -- rising to \$22 billion a year.

What we are really talking about is food security, both here and abroad. The best food security arises from a policy which encourages profits in agriculture; a policy that gives farmers the economic incentive to maintain and increase production at a lower unit cost; and a policy that permits farmers and the trade -- instead of government -- to carry food reserves.

Another trend that has been virtually halted is the decline in U.S. farm population. The mass exodus of nearly 30 million people from farms has been called the greatest migration of its kind in history. It seems to be nearly over. The business of farming has again become economically attractive.

I want to remind those who would minimize our national strength that over one-half of the grain moving across international boundaries throughout the world is grown by the American farmer, and we are proud of ~~your~~<sup>their</sup> efforts and ~~your~~<sup>their</sup> results . . . and to find customers wherever ~~you~~<sup>they</sup> can. Strong agricultural exports are basic to America's farm policy and the freedom of every farmer to manage his own farm.

In short, farmers must export to keep farming profitable in America. Farmers must export if we are to keep a favorable balance of United States international trade. Farmers must export if they are to prosper and the world is to eat. This is the farm policy that is bringing new life to our rural countryside.



ISSUE: GOVERNMENT REORGANIZATION



(The suggested response assumes that Governor Carter essentially restates his proposals to consolidate some "1900 Federal agencies" into 200 agencies" and establish a zero-base budgeting program.)

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Let me say first, that I have no quarrel with Governor Carter on the need for greater government efficiency. And certainly there are government agencies which should be eliminated or consolidated and program budgets which should be justified, on a selective basis, from top to bottom.

Indeed, I have made many specific proposals in this regard. I have asked Congress time and again to consolidate 59 categorical programs in the areas of health, education, child nutrition and social services. I urged Congress to consolidate human services grant programs.

Governor Carter's proposal fall into the same pattern followed by the Democratic Congress over the years. Congress is fascinated with "moving the boxes" on the government organization chart, or other procedural approaches to tough, substantive problems. The time has come for an end to these shopworn, band-aid solutions of the past.

I say the American people are entitled to more from their leaders. They are fed up with overlapping, duplicative, and contradicting government regulations they cannot understand.

Every President since Harry Truman has recognized the need for real government reform -- but very little real change had occurred until my Administration. We have been the first in the history of this country to take action on a tough, hard-hitting government reform program that makes sense.

Last May, I sent to the Congress the Agenda for Government Reform Act which authorizes the most comprehensive, fundamental reform of government regulation ever attempted. Let there be no doubt we will make government more responsive to the needs of our citizens -- make it more understandable -- make it better able to assist those in need.

The legislation sets up a four-year time table for action. Congress will be required to get its act together. Congress must subject the proposals I will submit each year to an up or down vote on the floor of each House under the scrutiny of the American people. They will no longer be bottled up.

In addition to my program for the next four years,

my Administration is pushing forward on a variety of fronts to make government more responsive. The record is there for all to see. In the past two years, we have achieved the most significant progress in the last three decades:

- We have cut red tape, reducing the amount of Federal paperwork and forms by 12%. Next year, the citizens' burden of completing forms will be reduced by 7,000,000 hours annually.
- We have repealed the trade laws that were costing consumers up to \$2 billion each year.
- We have reduced railroad regulation for the first time in 90 years.
- We have substantially increased civil and criminal penalties for antitrust violations.
- We have proposed major legislative reforms for the airline, motor carrier, banking, and natural gas industries.
- I have established short term task forces to rewrite and streamline OSHA and FEA regulations so that consumers and businessmen will find it easier to deal with government requirements.

This is a record of achievement. The American people have every right to greater progress toward better government. I intend to see that they get it.

#### 1. Carter Vulnerabilities

-- Carter prides himself on his reorganization of the Georgia government. He did consolidate many departments and agencies, but during his four-year term as governor, the number of state employees increased by 24%

and state spending increased by <sup>more than</sup> ~~almost~~ 50%. His successor, Governor Busbee, publicly called one of Carter's most controversial creations, the Department of Human Resources, a "nightmare."

-- Carter has almost mistakenly said that the Federal government has "1900 agencies." In fact, there are 11 Cabinet departments, 60 major agencies, boards and commissions, and 41 government-sponsored corporations. The balance of Carter's figure apparently is made up of 1200 part-time special advisory committees, groups of consultants and the like that are really not a part of the problem. Thus, Carter is grossly exaggerating.





QUALITY HEALTH CARE

Question: Do you believe every American has the right to health care regardless of income?

FORD ANSWER:

I think we crossed that bridge ten years ago. The answer is yes. The real question now is how we achieve our goal.

Ten years ago we enacted the Medicare program to help the aged and disabled and the Medicaid program to help low income people get health care.

Overall, I believe Medicare -- for the aged and disabled -- has been a real success. But as I have visited with people who rely on the program -- and with their families -- some of them have told me about the big bills they have had to pay. And others have told me of the fear they have that their savings could be wiped out by a prolonged illness.

Last January I proposed a change in the law to solve those problems. Under my proposal, no aged or disabled person would ever have to pay more than \$500 in a year for hospital care or more than \$240 for physicians' services.

Medicaid is a different story. The program

has helped low income people but it has also been riddled with fraud. Last January I proposed that we solve the problems of Medicaid through legislative action that would combine the money from Medicaid with the money from 15 other categorical health programs.

Under my proposal the money would go where the low income people are and the responsibility for protecting against fraud would be squarely fixed on the people in each State who would be expected to design and monitor the program.

With the enactment of the reforms I have proposed we will be well on our way to achieving our objective. These are the things we should do.

# # #

1. Other Ford Initiatives:

- Swine flu program
  - Proposed 7% ceiling on increase in Federal reimbursements for medicine;
  - Strengthening of nursing home program;
  - Proposed expansion of National Health Services Corps.
-

### Carter's Vulnerability on Health

Carter can be nailed with the Democratic platform's apparent endorsement of Kennedy-Corman national health insurance -- emphasizing the cost of at least \$70 billion in the first year. Carter tries to suggest that this is not quite what he has in mind, but his broad description sounds like Kennedy-Corman. If he favors something else, what is it? The argument that Kennedy-Corman would cost very little, because we are now paying almost that much in the private sector is of course patently false -- unless Carter is prepared to raise taxes by \$70 billion to soak up the funds that are now being used for doctors' bills.

On Medicaid reform -- Carter's record of administration of Medicaid in Georgia was abominable. Democrats in Congress are holding up the President's proposal that state Medicaid programs be subjected to regular independent audit. Medicaid was passed in a Democratic administration, in a form that fosters corruption, which Democrats in Congress now refuse to change. Carter's recent emphasis on preventive health care is right. We can get out in front on this.

HOUSING

## EXPANDED HOUSING OPPORTUNITIES

Question: What can be done about the problems encountered by the average family which would like to own a home?

FORD ANSWER:

From my own experience and from talking to people around the country as I have over the last few years, I think there are a number of problems that we need to be concerned about -- that we need to work on.

-- First, there is a concern that is shared by families that already own homes and those who would like to buy a home. That is the concern of inflation. Families who already own a home are concerned about inflation because when prices go up, it makes it harder to have enough money left each month to pay the monthly payments; to fix the water heater when it goes out or to buy the things they want to have in their home. And, of course, when inflation goes up, property taxes tend to go up, and that gets added to the monthly payments. Inflation is a concern for families who are thinking about buying a home too, because they worry about being able to meet the monthly

payments if the prices they pay for other things are going to keep going up. My economic policies have had a major impact on inflation, and I intend to persist until inflation is wiped out. There are two other problems facing families who would like to buy their first home, especially young families who are just starting out. I know from my own experience saving money for a down payment is hard to do. There always seems to be some unexpected expense. The other problem is finding a house you like with a monthly payment you can afford right now. You know your income is going to go up as you get more experience in your job, but that doesn't help right now.

I believe we can help to solve the down payment problem by reducing the size of the required down payment for families who have proved they can hold a job and pay their bills on time. Last week I proposed such a program to the Congress. For those who have enough of a down payment, we can help with the monthly payment problem by reducing the payments in the early years when a family is just getting started. I am also taking action to achieve this goal.

My goal -- a goal we can achieve -- is to ensure that every American who wants decent housing and is willing to work for it can find good housing that he or she can afford.

### Carter's Vulnerability on Housing

Carter appears to favor a form of credit allocation for housing -- one of the devices that allegedly has helped beat Italy to its economic knees. (The Vice President also favors a form of credit allocation in this area.)

Carter has also totally failed to say how much his housing proposals will cost.

One of Carter's most tender areas is his home mortgage plan. He got into deep trouble in the Massachusetts primary by suggesting that he would do away with the home owner's tax deduction, and he has yet to explain how his home owners program will work.



TAX POLICY

## FORD TAX CHANGES

Q. You say you are for further tax reduction, but at the same time you have advocated higher social security and unemployment insurance taxes. Wouldn't the effect of your recommendations be to place a heavier tax burden on low and middle income people while making the load lighter for higher income people?

A. No. I have advocated a further cut in taxes of \$10 billion because many people have been hit twice by inflation -- first, by having to pay higher prices and second, by having to pay higher taxes. This has happened because as people have gotten some wage increases to try to keep pace with inflation, they have been pushed into higher tax brackets and therefore have to pay more taxes. This is why I have advocated a further tax cut of \$10 billion -- to be matched by major cuts in spending.

At the same time I have proposed that we restore the integrity of the Social Security fund by raising contribution rates somewhat. The maximum increase for anyone, and that means someone making \$16,500 a year or more, would be less than \$1 per week. I believe most people understand that we have to pay for what we want and I believe most people include in that a strong Social Security system. My proposal is intended to protect the financial integrity of the Social Security trust fund so that people can plan securely and safely for the future.



## URBAN PROBLEMS

Question: The Democrats say you don't care about the cities. What is your urban program?

FORD ANSWER:

The first and most important way for the federal government to help the cities is to assure the growth of a strong national economy, which benefits cities and suburbs as well as rural areas. This has been the first objective of my administration.

In addition, the federal government can provide three kinds of help to the cities:

-- Leadership in solution of national problems that particularly affect the cities.

-- Sharing federal revenues with city and state governments.

-- Helping state and local governments deal with urban problems in education, housing, transportation, health, and other problem areas.

My administration has been active in all these areas:

-- Under this Administration we have also established the Housing and Community Development Program, which gives aid for housing and community projects directly to cities and suburban communities.

-- We have set up an administration task force to find the most effective ways for the federal government, working with local government and the private sector, to promote neighborhood revitalization.

-- I have called for a \$3.8 billion education program, which would give cities as well as other school districts freedom to put funds to the uses where they are most needed.

-- And I have asked Congress for a five-year extension of federal aid to state and local law enforcement agencies, and for enactment of an

-- I have been in the forefront of the fight to re-enact General Revenue Sharing so that our cities and States will have some \$30 billion of additional funds to spend in a way that best suits their own needs over the next five years. Revenue sharing has been one of the most important innovations for cities in this century. It provides more money for police, fireman, and many other essential services. I was proud to be one of the leaders in the Congress in getting revenue sharing passed, and now I am very anxious that it be extended.

anti-drug program that would provide tough new legal weapons against drug pushers.

These are only a few of the ways in which my administration is moving to help our cities help themselves.

Carter's Vulnerability on Cities:

Carter would direct revenue sharing only to cities, not to states -- undermining states' role in coordinating action between cities and suburbs on regional problems. This is a reverse of the argument, incidentally, that Carter used last fall when urging that Federal aid for New York City go to the state, not directly to the city.

Carter favors "counter-cyclical" aid to cities -- viewed by many economists as an inflationary bog.

Carter would relieve the cities -- but not the states -- of paying part of the cost of welfare. In only seven states, including New York, do the cities now pay part of the cost of welfare. In these states, the remainder of the state's aid program to the cities has been premised on the fact that the cities pay for welfare. For the federal government to upset this arrangement now would distort the financial relationship between state and city governments in these states.

Carter also has a flip-flop problem with revenue sharing. On January 12, 1973, as governor, he was quoted by the Atlanta Constitution as saying, "I think revenue sharing is a big hoax and mistake." He has since reversed himself.



## WELFARE REFORM

Q. Mr. President, you have been in office for two years. Why haven't you cleaned up the welfare system?

A. The answer to that question is that Congress has blocked every major reform that my Administration has attempted by legislation and by executive action.

My policy follows exactly what I believe: We should, within the limits of our resources, help those who are truly in need.

But we should not use \$1 of the taxpayers money to support those who are not in need.

For example, a few months after I came into office, I directed the Secretary of Agriculture to make certain administrative reforms in the food stamp program. Those reforms would mean more benefits for the truly needy; they would mean an end to food stamps for the greedy; and they would mean a savings of some one billion dollars for the taxpayer. But both houses of the Congress passed a law blocking that action. Last October I submitted to the Congress formal legislation to reform this program. But Congress has not yet taken action.

Last February I again directed the Secretary of Agriculture to make reforms. This time the courts have blocked action.



In my last State of the Union address, I asked Congress to work with me to clean up the nation's welfare programs. But Congress has refused and refused to reform welfare programs that are outdated and inadequate, programs which are unfair and invite abuse.

The problems with welfare today rest in the halls of the United States Congress. If I have a strong mandate from the American people, I believe we can break the logjam and move more successfully and aggressively in helping those who need help while also putting an end to welfare waste and abuse.

#### Carter's Vulnerability on Welfare

Carter simply has not addressed the complexities of the problem of welfare. The things he has said on the issue -- work requirement, etc. -- are popular, but he has not explained how the system he has in mind would work. More importantly, he has not said how much his welfare plan and guaranteed annual income plan will cost. Unfortunately, the subject is so complex that it can probably not be developed effectively within the confines of a TV debate. We should of course be against chisellers and for help to the genuinely needy -- but so will Carter.