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# President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

Dear PFC Leadership:

Some of you are receiving for the first time your personal copy of the PRESIDENT FORD '76 FACTBOOK. Others of you are receiving a new set of updates to your old FACTBOOK. In either case, this information should bring you up to date on the many creative programs and accomplishments of President Ford's Administration.

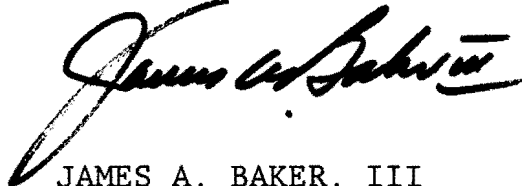
The '76 FACTBOOK was prepared by the Answer Desk, a service with which most of you are familiar. The Answer Desk will be sending out updates and other material from time to time to supplement the information you already have.

For that reason, they would appreciate receiving your comments and questions. The Answer Desk number is (202) 457-1945 or 1947.

The '76 FACTBOOK demonstrates that President Ford has an outstanding record, one well worth communicating to the persons who really count -- the American voter. We know you will be able to do that.

With warm regards,

Sincerely,



JAMES A. BAKER, III  
Chairman



9/8/76

INSTRUCTIONS

Enclosed you will find pages of new or revised text, and an updated table of contents for your PRESIDENT FORD '76 FACTBOOK.

If you follow the directions exactly, there should be no problems.

In the table below, you will find two columns. Pages listed on left, under "Take Out" should be removed from the '76 FACTBOOK and thrown away.

Pages listed on the right are enclosed with these instructions and should be inserted into your '76 FACTBOOK exactly as directed.

In the upper right hand corner of each page, you will find a SECTION and a PAGE NUMBER. That tells you exactly where to put the new pages.

Some pages may "skip" from one number and appear to be missing. Never fear! We will fill these in later!

Once you have taken out the pages on the left -- and ONLY THOSE PAGES -- then you can insert the new pages.

When you have finished check your new table of contents to see that everything is there -- then THROW AWAY THIS PAGE.

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Defense	2,3,4 (3/5)	2,3,4
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9/8/76

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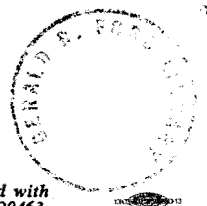


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BIOGRAPHY OF THE PRESIDENT

GERALD R. FORD, 38th President of the United States, was born in Omaha, Nebraska, July 14, 1913. He attended public schools in Grand Rapids, Michigan; received a Bachelor of Arts degree from the University of Michigan in 1935; and an LL.B. from Yale University Law School in 1941.

In 1942 he entered the U.S. Navy, serving almost four years during World War II and participated in 3rd and 5th carrier operations aboard the aircraft carrier U.S.S. Monterey for two years. He was discharged in 1946 as a Lt. Commander and resumed the practice of law.

President Ford was elected to the U.S. House of Representatives in 1948 and reelected every two years through 1972, serving 25 years in the House. He was elected Chairman of the Republican Conference in 1963, and chosen Minority Leader in 1965, a position he held in the 89th, 90th and 1st Session of the 93rd Congresses. He also was permanent chairman of the 1968 and 1972 Republican National Conventions.

In November 1963, he was made a member of the Presidential Commission investigating the assassination of President John F. Kennedy and authored (with the late John R. Stiles) the book, Portrait of the Assassin (1965).

President Ford was nominated Vice President on October 12, 1973, to succeed Spiro T. Agnew, who resigned, and was confirmed December 6. He succeeded to the Presidency August 9, 1974, following the resignation of Richard Nixon.

President Ford is the recipient of the following awards:

- American Political Science Association's Distinguished Congressional Service Award, 1961.
- American Good Government Society's George Washington Award, 1966.
- American Academy of Achievement's Golden Plate Award as "Giant of Accomplishment", 1971.
- AMVETS Silver Helmet Award, 1971.
- Boy Scouts of America "Silver Buffalo Award" for distinguished service to our country and its youth, 1975.

The President and Mrs. Ford are active members of the Episcopal church.



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He has received Honorary Doctor of Laws degrees from:

University of Pennsylvania  
Notre Dame University  
Ohio State University  
University of Michigan  
Michigan State University  
Western Michigan University  
The Citadel  
(and numerous colleges).

President Ford received all-city and all-state football honors in Grand Rapids during high school, and he was a member of the University of Michigan's national championship football teams in 1932 and 1933. In 1934 he was named the University of Michigan's most valuable player. He served as assistant varsity football coach at Yale while a law student there.

He married Elizabeth Bloomer on October 15, 1948, and they are the parents of four children:

Michael Gerald	Born March 14, 1950
John Gardner	Born March 16, 1952
Steven Meigs	Born May 19, 1956
Susan Elizabeth	Born July 6, 1957.



THE FIRST LADY

MRS. GERALD R. FORD (Elizabeth Anne Bloomer) was born in Chicago, Illinois, on April 8, 1918, the daughter of Hortense and William Stephenson Bloomer. She moved to Grand Rapids, Michigan, with her family, when she was three years old.

At the age of eight, Betty Bloomer began studying dance, which developed into a lifelong interest. After graduation from Central High School in Grand Rapids in 1936, she attended two summer sessions of the Bennington School of Dance in Vermont, where she first met Martha Graham. She continued her dance career with Miss Graham in New York City, eventually as a member of the Martha Graham Concert group. She also modeled part-time with the John Powers Agency.

Betty Bloomer returned to Grand Rapids in 1941 and became a fashion coordinator for a department store. She also formed her own dance group and taught dance to handicapped children.

On October 15, 1948, she married Gerald R. Ford, who was elected to the U.S. House of Representatives from Michigan's 5th District only weeks after their wedding.

The Fords lived in Alexandria, Virginia, and became the parents of four children. Mrs. Ford's activities during the 1950's and 1960's concentrated on her husband and family. Keeping up with three sons, Mike, Jack, Steve, and daughter, Susan, left time only for extensive involvement with the Republican Party and the Episcopal Church.

Her husband's confirmation as Vice President in 1973 brought new responsibilities, which increased when he became President in August, 1974.

As First Lady, Mrs. Ford has continued her interest in the arts and handcrafts and focused attention on handicapped children and women's issues.



THE FIRST FAMILY

President and Mrs. Gerald R. Ford are the parents of three sons and a daughter. The Fords share an enthusiasm for sports, the outdoors and each other. Separated by different pursuits and individual interests, the family gathers each Christmas for a skiing vacation in Colorado and maintains close touch through frequent calls and letters.

The oldest child, Michael Gerald (Mike), was born March 14, 1950. Mike and his wife, the former Gayle Brumbaugh, live in Essex, Massachusetts, where Mike is a student at Gordon-Cornwell Theological Seminary. Mike plans to work with young people after completing his theological studies. Gayle has a master's degree in social work and shares Mike's interest in youth, particularly in counseling young people and college students.

John Gardner (Jack) was born March 16, 1952. Jack recently was named Director of Youth Marketing and Special Projects for Worldmark Travel Inc. He will help develop programs for student travel and coordinate production of a student guide book to the United States. Jack was graduated from Utah State University at Logan, Utah, in 1975, with a major in forestry. A former member of the U.S. Forest Service fire fighting crew and a former park ranger with the National Park Service, Jack is the only Ford son living in the White House.

Steven Meigs (Steve), was born May 19, 1956. In January 1976, Steve enrolled at California Polytechnic University as an animal science major to pursue his interest in learning about raising horses. He will continue to work part-time at a nearby ranch. Steve's interest in the outdoors has meant three summers on a ranch in Alaska, the study of grizzly bears and work on a cattle ranch and dairy farm.

Susan Elizabeth (Susan), the youngest of the Ford children, was born July 6, 1957. She attends Mount Vernon College in the District of Columbia and works part-time as a photographer. Susan was graduated in 1975 from Holton Arms School in Washington, D.C. Like her brothers, Susan is a skiing enthusiast. Her particular interests are photography, needlepoint, and plants. She also oversees care of the family pets, Shan, the Siamese cat; Liberty, a Golden Retriever; and Misty, Liberty's pup.



Income and Tax Information for the President and Mrs. Ford - 1966/1974

<u>Year</u>	<u>Gross Income</u>	<u>Taxable Income</u>	<u>D e d u c t i o n s</u>				<u>Federal Income Tax</u>	<u>All Taxes As % of Gross Income</u>
			<u>Medical</u>	<u>Contributions</u>	<u>State, Local &amp; Other Taxes</u>	<u>Interest &amp; Other</u>		
1966	59,513.65	50,267.90	277.79	1335.00	1012.55	20.41	17,389.05	31%
1967	71,608.55	60,827.53	150.00	2960.00	1071.02		22,896.16	33 1/2%
1968	68,952.43	56,759.55	150.00	2353.20	3089.68		22,617.43	37%
1969	80,741.98	67,838.99	611.98	2125.50	3565.51		29,610.90	41%
1970	94,322.11	80,944.31	1001.18	1892.50	3348.91	385.21	35,121.09	41%
1971	71,114.58	55,308.68	1886.45	2187.00	4090.02	592.43	20,390.53	34 1/2 %
1972	67,927.41	53,723.20	150.00	2286.25	4036.85	221.00	20,296.75	36 %
1973	92,745.40	77,867.06	150.00	2760.20	4297.38	170.76	31,997.58	39 %
1974	147,683.10	128,472.96	150.00	5849.00	5984.71	2726.43	56,296.49	42 %

1975 - The President and Mrs. Ford's Tax Returns for 1975 have not yet been prepared. The following figures are available:

<u>Gross Income</u>	<u>Federal Income Tax Withheld</u>	<u>Payment of Michigan Income Tax (Estimated)</u>
250,000.00 +	106,200.00	9,123.00

The President Ford Committee, Howard H. Callaway, Chairman, Robert Mosbacher, National Finance Chairman, Robert C. Moor, Treasurer. A copy of our Report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463.



THE HONORABLE GERALD R. AND ELIZABETH B. FORD  
STATEMENT OF NET WORTH  
DECEMBER 31, 1975

ASSETS

Cash in Banks		\$	1,239
Securities:			
Ford Paint and Varnish Co. - Debenture Bonds	\$		9,031
Central Telephone of Illinois - Stock			2,734
Stein Roe Farnum Balance Fund - Stock			<u>1,208</u>
			12,973
Cash Value - Life Insurance:			
Gerald R. Ford (Face Value \$ 25,000.00)	\$		8,267
Elizabeth B. Ford (Face Value \$ 5,000.00)			<u>1,634</u>
			9,901
U. S. Congressional Retirement Fund - Contributed Cost			53,701
Real Estate:			
Residence - Alexandria, Virginia	\$		90,000
Condominium - Vail, Colorado			90,000
Rental Dwelling - Grand Rapids, Michigan			30,000
Cabin - South Branch Township, Michigan (1/2 Interest)			<u>2,000</u>
			212,000
Furnishings and Personal Effects:			
Residence	\$		20,000
Condominium			6,000
Rental Dwelling			<u>2,000</u>
			28,000
Automobiles and Other Vehicles			<u>6,875</u>
			<u>\$ 324,689</u>

LIABILITIES

General Bills Outstanding		\$	<u>1,200</u>
			<u>\$ 323,489</u>

NET WORTH



THE HONORABLE GERALD R. AND ELIZABETH B. FORD  
NOTES TO STATEMENT OF NET WORTH  
DECEMBER 31, 1975

The Cash in Bank consists of accounts at the Central Bank N.A. Grand Rapids, a business account and a personal account at the First National Bank of Washington.

The Debenture Bonds are with the Ford Paint and Varnish Co.

The Stock consists of 135 Shares of Central Telephone of Illinois and 72.206 Shares of Stein Roe Farnum Balance Fund.

All securities were valued as of December 31, 1975.

The cash value Life Insurance was supplied by New England Mutual Life Insurance Company.

The U. S. Congressional Retirement Fund represents your contributed cost to December 31, 1975.

The value of the Real Estate, Furnishings and Personal Effects represent estimated market values determined by you and are in excess of the original cost.

The automobiles and other vehicles consist of a 1974 Jeep, 1972 Jeep and a 1971 Mustang. These vehicles were valued by Orson E. Coe owner of Coe Pontiac, Grand Rapids, Michigan.

The general bills outstanding are estimated miscellaneous items unpaid at December 31, 1975.





## EXHIBIT 3

GRAND RAPIDS, MICH., October 29, 1973.

Hon. HOWARD W. CANNON,  
Chairman, U.S. Senate Committee on Rules and Administration, the Capitol,  
Washington, D.C.

DEAR SIR: In accordance with Congressman Gerald R. Ford's request we have prepared and are submitting to you the enclosed statement of his and Mrs. Ford's net worth as of September 30, 1973. The statement of net worth should be considered in conjunction with the notes to the statement which are attached.

This firm has served as Congressman Ford's tax accountants since 1949 and we are generally familiar with all of his financial records and transactions.

For purposes of preparing this statement of net worth, we have relied on the complete financial information supplied by Congressman Ford each year, and stored in this office, consisting of check books, bank statements, cancelled checks and deposit slips. The market values of the Real Estate and furnishings were supplied by Congressman Ford and represent his estimate of current values.

Sincerely,

ROBERT J. MCBAIN,  
Certified Public Accountant.

Gerald R. and Elizabeth B. Ford, statement of net worth, Sept. 30, 1973

<b>Assets:</b>	
Cash in banks.....	\$1,001
Savings account—Grand Rapids Mutual Federal.....	281
<b>Securities:</b>	
Ford Paint and Varnish Co.—debenture bonds.....	9,031
Central Telephone of Illinois—stock.....	8,240
Stein Roe Farnum Balance Fund—stock.....	1,299
Subtotal .....	18,570
<b>Cash value—life insurance:</b>	
Gerald R. Ford (face value \$25,000).....	6,000
Elizabeth B. Ford (face value \$5,000).....	1,497
Subtotal .....	8,487
U.S. Congressional Retirement Fund—contributed cost.....	40,414
<b>Real Estate:</b>	
Residence—Alexandria, Va.....	70,000
Condominium—Vail, Colo.....	65,000
Rental dwelling—Grand Rapids, Mich.....	25,000
Cabin—South Branch Township, Mich. (1/4 interest).....	2,000
Subtotal .....	162,000
<b>Furnishings:</b>	
Residence.....	12,000
Condominium.....	5,000
Rental dwelling.....	2,000
Subtotal .....	19,000
Automobiles and other vehicles.....	6,725
<b>Total assets.....</b>	<b>261,078</b>

(366)

<b>Liabilities:</b>	
Notes payable—National Bank of Washington.....	\$3,200
General bills outstanding.....	1,500
<b>Total Liabilities.....</b>	<b>4,700</b>
<b>Net worth.....</b>	<b>250,378</b>

GERALD R. AND ELIZABETH B. FORD, NOTES TO STATEMENT OF NET WORTH,  
SEPTEMBER 30, 1973

The cash in banks consists of an account at Sergeant at Arms, Washington D.C., Central Bank, Grand Rapids, Michigan and Union Bank and Trust Co. Grand Rapids, Michigan.

The debenture bonds—Ford Paint and Varnish Co. are due on July 1, 1975. The stock securities consist of 135 shares of Central Telephone of Illinois and 60 shares of Stein Roe, Farnum Balance Fund valued at market value on September 30, 1973.

The cash value—life insurance was supplied by New England Mutual Life Insurance Co.

The U.S. Congressional retirement fund represents Congressman Ford's contributed cost to September 30, 1973.

The real estate and furnishings represent estimated market value supplied by Congressman Ford, which are in excess of original cost and values determined from property tax assessments.

The automobiles and other vehicles which consist of a 1968 Chrysler, 1972 Jeep, 1969 Mustang, 1971 Mustang and a 1972 Motorcycle, were valued by Berger Chevrolet Co. Grand Rapids, Michigan.

The notes payable—National Bank of Washington, are short-term notes maturing at 90-day intervals.

The general bills outstanding are estimated miscellaneous items unpaid at September 30, 1973.

PRESIDENT FORD'S LEADERSHIP

Decisive action--the hallmark of forceful leadership--has been taken by President Ford to deal with both foreign and domestic problems.

For example, during his first two years in the White House, the President:

- \* Did not hesitate to send the U.S. Air Force and the U.S. Marines to take back the American freighter Mayaguez, illegally seized by Cambodian Communists.
- \* Wielded the power of the Presidential veto 55 times as a major weapon to battle inflation--saving American taxpayers over \$9.2 billion in the process as Congress upheld 45 of the vetoes.

Betty Ford voiced the sentiments of most Americans in a Parade Magazine interview published on August 15, 1976, when she said she wants her husband:

" . . . to be our President for the next four years because he has leadership and honesty and courage. He's already proven himself . . . Why change our leadership when we have a President who's set the country on a good course, who's laid the groundwork for a healthy economy, who's maintaining the peace against formidable odds?"

President Ford's major accomplishments include:

1. Cutting inflation by more than half.
  - The inflation rate was going up at 12.2 percent a year when President Ford took office.
  - The inflation rate was down to 4.6 percent for the first half of 1976.
2. Nearly 4 million people have found jobs since the bottom of the recession.
  - At the recession low in March, 1975, a total of 84.1 million persons had jobs.



- In July, 1976, employment had risen to a historic high of 87.9 million, an increase of 3.8 million from the March 1975 low.
3. Unemployment has decreased.
    - Unemployment reached a high rate of 8.9 percent in May, 1975.
    - In July, 1976, the unemployment rate was down to 7.8 percent, and the President's economic advisors believe that it will fall below 7 percent before year's end.
  4. Key economic indicators are going up steadily.

During the past year:

    - Housing starts have risen by 38 percent.
    - The Gross National Product has gone up about 10 percent.
    - Real per capita disposable income has gone up by nearly 5 percent.
  5. Farmers are doing well.
    - Net farm income reached \$26 billion this year, a record high.
    - Farm exports also are at a record high of \$22 billion.
  6. Growth of crime has been cut by over 75 percent.
    - Crime was increasing at a rate of 18 percent a year when President Ford took office.
    - The rate of increase went down to 9 percent last year.
    - The growth rate was cut to 4 percent in the first quarter of this year.
  7. Dangerous downward trends in defense spending have been reversed.
    - Congress cut proposed defense budgets by almost \$50 billion in the 10 years before President Ford took office.
    - President Ford reversed that trend this year, persuading Congress to vote a major increase in defense spending.
  8. Alliances with the Atlantic Community and Japan have never been stronger.
    - When President Ford took office, there was great turmoil and uncertainty in the world over the constancy of American will and leadership.



--Now the industrialized democracies are carrying forward a program of cooperation in economics, energy, East-West diplomacy, anti-terrorism, arms control and in relations with developing nations.

9. For the first time in over a decade, the U.S. is at peace abroad.

--The Nation was still deeply embroiled in Southeast Asia and tensions were high in the Middle East when President Ford took office.

--Today, Mr. Ford is the first President since Dwight Eisenhower who can run for election to the Nation's highest office without a single American fighting overseas.

10. The Nation is at peace with itself.

--The U.S. was rocked by scandal and inner doubts about its leaders and institutions when President Ford took office.

--Today the strain of scandal has been erased from the White House, doubts have been replaced by growing trust and confidence, and the mood of the country has brightened perceptibly.



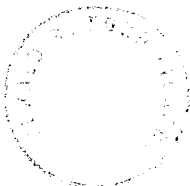
A CHRONOLOGY OF SIGNIFICANT EVENTS  
IN THE FIRST TWO YEARS

1974

- August 9            Gerald R. Ford becomes the 38th President of the United States
- August 12           President Ford appears before joint session of Congress. He urged Congress to cooperate in fighting inflation, and to use restraint in wage and price action. He admonished General Motors on price hike.
- August 12           President Ford exercised his veto power for the first time, vetoing a bill to upgrade deputy U.S. Marshals because it would create serious pay inequities with other Federal law enforcement personnel.
- August 17           President Ford signed his first legislation -- The Forest and Rangeland Renewable Resources Act.
- August 15-18        President Ford received his first visit by a foreign head of state -- King Hussein of Jordan.
- August 20           The President selects former Governor of New York, Nelson A. Rockefeller, to be his Vice-President.
- August 22           President Ford proclaimed August 26 as Women's Equality Day, declaring that "Americans must deal with those inequities that still linger as barriers to the full participation of women in the Nation's life."
- August 22           Signed "with great pleasure" a bill "of perhaps historic significance" substituting a single block grant for community development for seven categorical programs such as urban renewal and model cities.
- August 28           President Ford holds his first press conference as President.
- September 8        President Ford pardons former President Richard Nixon in the national interest.
- September 16       The President announced his program to give Viet Nam era draft evaders and military deserters a chance to earn return through performing alternative service. His programs included establishment of a Clemency Review Board to review cases of those already convicted by a military court.



- September 18 The President addressed the 29th session of the United Nations General Assembly, declaring that "We are committed to pursuit of a more peaceful, stable and cooperative world."
- September 20 President Ford announced appointment of Ronald H. Nessen as his Press Secretary.
- September 28 The President announced formation of the Economic Policy Board to oversee formulation, coordination, and the implementation of all economic policy.
- October 9 President Ford sent Secretary of State Henry A. Kissinger on a peace-seeking mission to the Middle East.
- October 15 The President signed the Federal Elections Campaign Act Amendments of 1974.
- October 17 President Ford appeared before the House Judiciary Subcommittee on Criminal Justice to review the facts and circumstances that were the basis for his pardon of former President Richard Nixon.
- November 17 The President departs for visit to Japan -- the first visit to that country by an American President -- and to South Korea and the Soviet Union.
- November 23 President Ford and Leonid Brezhnev, General Secretary of the Communist Party of the U.S.S.R., meet in Vladivostok, U.S.S.R. Progress is made toward a comprehensive 10-year pact for curbing offensive nuclear weapons.
- November 24 Ford and Brezhnev reach a tentative agreement to limit the number of all offensive nuclear weapons.
- December 2 Ford announces details of an agreement reached between himself and Brezhnev which puts a "firm ceiling" on the arms race.
- December 10 The Senate confirmed the President's nomination of Nelson A. Rockefeller as Vice President.
- December 16 President Ford and French President Giscard d'Estaing announce their plan for the two countries to coordinate energy policies.



- December 17 Following the U.S. Steel Corporation decision to raise prices 10 percent, President Ford orders Wage and Price Control Council to investigate and obtain justification for such action.
- December 23 U.S. Steel says it will lower price increase after Ford Administration's challenge.
- December 27 The President signed a bill creating a temporary Commission to study the paperwork generated by the Federal Government.

1975

- January 1 President Ford signed the Privacy Act of 1974, representing an advance in protecting a right precious to every American -- the right of individual privacy.
- January 1 The President announced his intention to nominate James T. Lynn as Director of the Office of Management and Budget.
- January 3 President Ford signed the Trade Act of 1974, reaffirming the deep American commitment to an open world economic order and interdependence as essential conditions of mutual economic health.
- January 4 The President named a Blue Ribbon panel, chaired by Vice President Rockefeller, to review CIA activities.
- January 9 President Ford signed an executive order establishing a National Commission on the Observance of International Women's Year, 1975.
- January 13 The President proposed \$16 billion tax cut. He said the Nation must fight inflation, recession and energy dependence.
- January 14 The President announced his intention to nominate Edward H. Levi as Attorney General and William T. Coleman, Jr. to be Secretary of Transportation.
- January 15 President Ford delivered his State of the Union message before a joint session of Congress, describing the State of the Union as "not good!" He called for support of his programs for a tax cut and for energy independence, and asked Congress not to tie his hands in foreign policy.



- March 10 Carla A. Hills was sworn in as Secretary of Housing and Urban Development.
- March 20 Saigon forces withdrawing from the North in disorderly retreat.
- March 27 U.S. airlifts refugees from Vietnam.
- March 29 The President announced in an address to the Nation his decision to sign the Tax Reduction Act of 1975, providing for a \$23 billion tax cut.
- April 4 Unemployment at 8.7 percent. Eight million out of work. Highest point since 1941. President Ford will recommend extension of unemployment compensation benefits.
- April 15 Cambodia falls to Khymer Rouge.
- April 24 Vietnam war officially ends.
- April 25 President Ford urges Congress to extend the General Revenue Sharing program.
- May 12 Cambodia seizes U.S. merchant ship, Mayaguez. Military action ordered by the President successfully rescues ship and crew.
- May 28 President Ford departs on trip to Europe for NATP summit meeting and to visit Spain, Italy, and Austria to meet with President Sadat of Egypt.
- June 6 Unemployment peaks at 9.2 percent in May. Number employed increased for second month.
- June 19 President Ford authorized establishment of the President Ford Committee to promote his nomination for election in 1976.
- June 19 The President sent Congress a special message outlining a program to combat crime.
- July 15 President Ford sends a message to the Soviet Cosmonauts and the American Astronauts, hailing their joint space mission as "blazing a new trail of international space cooperation."





- July 19 President Ford formally announces his candidacy for election in 1976.
- July 26 The President departs on his second trip to Europe - "a mission of peace and progress" -- for visits to West Germany, Poland, Romania, and Yugoslavia, and to Helsinki to meet leaders of 34 other nations and sign the final act of the European Security Conference.
- August 8 David Mathews sworn in as Secretary of Health, Education and Welfare.
- September 4 Under the auspices of President Ford and Secretary of State Kissinger, Egypt and Israel sign second-stage Sinai withdrawal agreement in Geneva.
- September 27 Privacy Act takes effect.
- October 6 President Ford tied new tax cuts to spending cuts. In a television speech, he asked reduction of \$28 Billion in taxes and in spending.
- October 8 The President asks Congress to establish a National Commission on Regulatory Reform.
- October 20 GNP grew at an annual rate of 11.2 percent during the third quarter.
- October 29 President Ford urges financial restraint and review for New York City. Refuses to support Federal help for New York at this time. Proposes bankruptcy legislation.
- November 2 To increase efficiency and effectiveness of the Administration, President Ford rearranges the Cabinet. Kissinger gives up National Security Council post. Schlesinger and Colby resign.
- November 4 President names Rumsfeld to Defense, Richardson to Commerce, Bush to CIA, Scowcroft to NSC, Cheney as White House Chief of Staff. Rockefeller withdraws name for consideration for Vice President.
- November 15 President Ford to Paris for economic summit.
- November 20 President awaits New York City/State move before giving aid. Awaits "concrete action."



- November 26 New York Legislature votes tax increase. Banks and teachers union agree to joint plan to avert New York City default.
- November 27 Citing new spirit of cooperation by New York officials President Ford asks \$2.3 billion U.S. loans for New York City to help finance plan to avert default.
- Trade surplus for 9th consecutive month. Exports in October topped imports by \$1.08 billion. Productivity gaining.
- November 29 The President departs for visits to People's Republic of China, the Philippines, and Indonesia.
- December 7 President Ford announces in Honolulu a Pacific Doctrine of "peace with all and hostility toward none."
- December 17 President Ford opposes U.S. combat role in Angola War.
- December 19 Soviets to continue paying higher prices for U.S. grain.
- December 21 President Ford succeeds in fight over tax cut bill. Temporary tax cut enacted.
- December 22 President Ford signs Energy Policy Conservation Act.
- December 31 The President formally proclaimed 1976 as the Bicentennial Year.

### 1976

- January 3 President Ford vetoes common situs picketing bill.
- January 6 Administration announces the President will name Anne L. Armstrong as Ambassador to the Court of St. James.
- January 19 President Ford delivers State of the Union address to Joint Session of Congress -- proposes "new realism" -- broader role for State and local governments -- greater individual initiative -- a stronger defense budget.
- January 24 President Ford underwent his annual physical examination which he said he passed with "flying colors".



- February 7 Labor Department announces the unemployment rate substantially lower in January -- the biggest monthly decline since late 1959. Jobless rate declined to 7.8 percent from 8.3 in December.
- February 17 The President announced reorganization of the Government's intelligence community "with a comprehensive set of public guidelines" for all intelligence activities.
- February 18 President Ford sent to the Senate for ratification a treaty with Spain providing for continuation of U.S. use of military bases in Spain.
- February 19 The President limits U.S. surveillance of citizens' lives.
- February 25 President Ford sent to Congress a special message proposing legislation to consolidate Medicaid and 15 categorical Federal health programs into a \$10 billion block grant to the States.
- February 26 President Ford edges past Reagan by 1,250 votes in New Hampshire primary, taking 17 of 21 delegates. Begins a string of victories before a loss in North Carolina.
- March 17 President Ford proposes legislation to virtually end Federal electronic surveillance of American citizens.
- March 24 President Ford sends a message to the Congress requesting a special supplemental appropriation for the production of a vaccine to combat swing influenza.
- March 27 President Ford declared today he will not "play Russian roulette" with national security by allowing Congressional Democrats to cut his military spending.
- March 30 President Ford threatens to veto any defense spending bill that he deems inadequate.
- April 16 President Ford resolves inter-agency dispute in favor of a fast buildup of the country's first strategic oil reserve as a protection against another foreign embargo.
- April 20 GNP for first quarter of 1976 has 7.5 percent "real rise". First quarter figures show inflation rate at 3.7 percent.



- May 14 President Ford urges Congress to adopt timetable for fundamental and extensive reform of government's regulatory program and agencies.
- May 18 President Ford officially revises Federal Elections Commission clearing way for resumption of Federal campaign subsidies.
- May 28 President Ford signs treaty on underground nuclear explosives with Soviet Union, controlling and limiting number of nuclear test explosions.
- June 5 Joblessness cut to 17-month low. 7.3 percent out of work in May.
- June 24 President Ford sends sweeping busing legislation to Congress.
- June 27 President Ford hosts Economic Summit in Puerto Rico. Issues call for a worldwide economic effort.
- July 4 The President leads the Nation's Bicentennial celebration. Speaks at Valley Forge and Independence Hall; reviews the tall ships in New York.
- July 7 Queen Elizabeth visits the President.
- July 15 Visit by Chancellor Schmidt.
- July 17 Administration issues revised economic forecasts showing better prospects for inflation and unemployment.
- July 21 Viking I lands on Mars.
- July 21 During the first six months of 1976 inflation rate was cut to 4.6 percent from the 12.2 rate in the latter part of 1974.
- August 6 Labor Department announces that employment rose by more than 400,000 in July to a new record high of 87.9 million, up 3.8 million from March 1975 recession low.
- August 19 President Ford nominated by Republican National Convention for election November 2nd.





AGRICULTURE

--Overview--

AMERICA'S HERITAGE

One over-riding, non-political fact underlies American agriculture production. In one corn-belt and Great Plains area--starting from Ohio on the east to the Rocky Mountains on the west, from the Canadian border on the north to the high plains of Texas on the south--we have the world's largest contiguous land mass with fertile soil, a good growing climate, adequate rainfall, and topography that lends itself to a high mechanization.

In our vast irrigated valleys of the west we have intensive farm production unrivaled anywhere.

From our rich pastures and croplands of the southeast come further essential agriculture diversification. And the farms and dairies of the northeastern region provide a wealth of farm production close to our heaviest population areas.

Truly, America has been blessed with farm lands unequaled any place on earth. This magnificent natural resource is managed by skilled farmers operating highly capitalized farms under a free market incentive system.

The American farmer, by far the most productive in the world, continues to grow more food for an expanding U. S. population and for fast increasing export markets.

Uncertainties abound in agriculture and always will. Weather is the major variable, but such other factors as inflation, changing consumer demand, inflation, strikes, currency revaluations, and international sales all make farming a high risk vocation.

THE FORD FARM POLICY

The basic tenet embodied in President Ford's farm policy is to keep government out of the business of farming to the extent possible. The American farmer has come a long way from the past when his planting acreage was prescribed by the government, the prices for his crops largely determined by the government, and large surpluses were held at great expense in government storage.



Since passage of the Agriculture and Consumer Protection Act of 1973, the government has, in fact, largely moved out of the farming business, and the United States, under President Ford, has had three years of the highest net farm income in history. Net farm income in the past three years has averaged \$28.5 billion, compared with \$12.9 billion average during the last three years under a Democratic President.

"We must sell grain, not pile it up in storage," President Ford told farmers in Springfield, Illinois, last March, "That is the program of my Administration."

The President went on to specify some of his other views:

"I am firmly opposed to the government holding your reserves in a government bin or warehouse. I'm against policies that would have farmers producing again for a government storage bin and a government check.

"I am firmly opposed to any international reserve that would put your farm products under control of an international body where this country could be outvoted fifty to one-- or even by one hundred to one.

"I am firmly opposed to subsidized imports. I don't want American farmers competing against the treasuries of foreign governments."

#### FARM EXPORT POLICY

One result of the reduction of government involvement in agriculture has been vastly increased production, with surpluses being sold to alleviate hunger abroad. The value of agricultural products shipped to foreign countries in the farm year 1975-76 will reach \$22.1 billion more than triple what they were in 1970.

To a large extent, it is the American farmer who has enabled this country to withstand the economic shock of quadrupled oil prices for imported oil, for which we paid \$27 billion in 1975.

Over one-half the grain moving across international boundaries today is grown by the American farmer. President Ford believes that if the United States is to maintain dependable export markets for its food products, then it must be a reliable supplier.



To maintain this reliability, the United States has concluded long-term purchase agreements with the major countries around the world, from Western European nations to Japan. But in recent years, the Soviet Union, with which we had no such long-term contract, has entered the market with great unpredictability because of its inability to provide adequately for its own needs.

In Knoxville, Tennessee, President Ford spoke to this problem and its effect on the economy:

"We have had some very wide fluctuations in the purchase of grain, corn, wheat and soybeans from the Soviet Union. One year . . . it was around 55 million bushels, the next year it went up to 599 million bushels, and the next year it dropped down to 75 million bushels. The peaks and valleys have caused serious disruptions in our markets in the United States."

President Ford worked out a comprehensive five-year agreement with the Russians that benefits all Americans -- grain farming communities, workers, farmers and consumers. Under this agreement the Soviet Union committed itself to purchase a minimum of six million metric tons of grain per year -- representing \$1 billion in annual export earnings.

This agreement will:

- \* Give us a more stable, long-term foreign market
- \* Assure a more consistent flow of payments from abroad
- \* Insure the American farmer that the Soviet Union will be a regular buyer for grain at market prices
- \* Facilitate the hiring of labor, the purchase of new farming machinery, and the general stimulation of agriculture and business
- \* Provide jobs for American transportation workers and seamen.

\* \* \*

"We have transformed occasional and erratic customers into regular customers. We have averted an outcry every year that the Russians are coming to make secret purchases in our markets. The private marketing system has been preserved. Record exports are moving right now."





AGRICULTURE AND POLITICS

President Ford has refused to play politics with the food produced by the American farmer. When pressed to cut off exports to Russia because of its involvement in Angola, the President said:

"The linkage of grain diplomacy would mean disruption and hardship for you, the farmer, a serious increase in tensions between the world's two superpowers, and no effect whatsoever in Angola."

By contrast, Jimmy Carter has stated that he would consider using agricultural produce as a weapon to accomplish foreign policy objectives in both the Soviet Union and Middle East.

Carter was asked, "In the case of the Soviet Union doing things like intervening in Angola, would you favor using our economic leverage to get the Russians to cease and desist?" He replied, "Yes I would."

Washington Post  
August 8, 1976

Carter says a new cut off of oil shipments to the United States would be "an economic declaration of war" and that he would "Instantly and without further debate" suspend U.S. exports of food, weapons, spare parts, oil drilling rigs and oil pipes to the offenders.

Associated Press, 7/8/76

SCALING DOWN GOVERNMENT INVOLVEMENT

The policy of the Ford Administration is to scale down in an orderly fashion the costs to the government formerly devoted to managing the individual farmer. Outlays for farm income stabilization (price supports, direct payments) will decline by \$630 million in 1977. Legislation is being proposed to eliminate conservation practices. The program in 1977 will be cut by nearly half. As President Ford said to the farmers of Wisconsin last April:

"Farming is too important to be left to the politicians in or out of Washington."

President Ford expressed his commitment to the American farmer in a speech last spring in St. Louis:

"We start this Bicentennial year with justifiable pride in our agricultural strength and progress. The last three years have been the highest on record in the terms of net farm income . . . .  
I pledge to do everything in my power of the Presidency to keep farm income high and it will be."

Secretary of Agriculture Earl Butz, speaking for the President last year, told of his and President Ford's pride in the American farmer's use of the free market:

"Agriculture is doing fine on its own; fields are filled with growing crops, and the flight of rural people to the cities has ended. At the same time, American taxpayers also no longer have to pay up to \$1 million a day to store inefficiently produced, government-owned grain. We still have the reserves, but now individual farmers and grain dealers hold the grain until they choose to sell it on the free market . . . ."

#### ENDING GOVERNMENT REGULATION

The President has repeatedly said that he believes that a necessary condition of a healthy economy is freedom from the petty tyranny of massive government regulation:

"We are wasting literally millions of working hours costing billions of consumers' dollars because of bureaucratic red tape. The American farmer, who not only feeds 215 million Americans but also millions worldwide, has shown how much more he can produce without the shackles of government control."

President Ford believes that America's farmers must profit if America is to profit. There must be enough income for farmers to replace machinery, conserve and enrich the soil and adopt new techniques and buy essential supplies.

Above all, President Ford is ending government regulation of the American farm -- to make the American farmer truly independent, able to take the greatest advantage of the



free enterprise system. In a speech before the farmers of America at the convention of the American Farm Bureau, President Ford said:

"You believe in a farm policy that builds strong markets at home and abroad, and so do I. Some nations with other political philosophies have virtually the same tractors and the same combines that you use in your fields, but their farmers do not have the same incentives. They don't have the greatest piece of farm machinery ever built -- free enterprise. . . ."

"The American farmer died for freedom on the bridge at Concord 200 years ago. The least that America can do today is to let the farmer live in freedom from the stifling interference and control of big government."

#### AGRICULTURAL POLICY COMMITTEE

The President announced on March 5, 1975 a reorganization of the Administration's agricultural policy-making machinery -- a new Agricultural Policy Committee has been formed with Secretary of Agriculture Earl Butz as Chairman.

In making this announcement, the President said:

". . . I am today asking . . . Secretary (Butz) to assume a new and vital role in strengthening America's agricultural policy making within the Executive Branch.

"The Secretary will be the Chairman of a new Cabinet-level Agricultural Policy Committee that I have created. This committee will consolidate all agricultural policy-making functions of existing Executive Branch committees. . . . This new Committee -- and its leadership -- reasserts the importance I attach to Secretary Butz as my chief agricultural policy advisor and spokesman."

President Gerald R. Ford  
Springfield, Illinois  
March 5, 1976



This new Committee consolidates agricultural policy-making into one group which reports directly to the President and will advise him on the formulation, coordination and implementation of all agricultural policy. The scope of the Committee will include both domestic and international issues.

The new Committee replaces the International Food Review Group, chaired by the Department of State, and the EPB/NSC Food Committee, co-chaired by the Department of State and the Treasury.

### TAX PROPOSALS TO PRESERVE THE FAMILY FARM

". . . For the sake of future generations we must preserve the family farm . . . I will propose estate tax changes so that . . . family farms can be handed down from generation to generation without having to be sold to pay taxes."

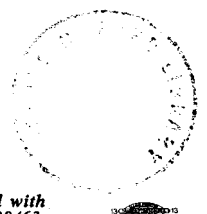
President Ford  
State-of-Union Message  
January, 1976

### BACKGROUND

The death of an owner of a farm can create major financial problems for the heirs, particularly if they wish the business to remain in the family. Unless sufficient liquid assets are available (or become available upon the death of the owner) to pay the estate tax liability, heirs may be compelled to sell the farm.

President Ford has called upon the Congress to pass legislation permitting heirs of owners of small farms to defer the first payment of estate taxes for five years and amortize the balance over 20 years at 4 percent simple interest. This will ease significantly the current problem faced by heirs of being forced to sell farms that have been in a family for years in order to pay estate taxes.

And, President Ford recently called upon the Congress to increase the estate tax exemption from \$60,000 to \$150,000:



"To further encourage the revitalization of rural America, I have proposed an increase in estate tax exemption from \$60,000 to \$150,000 . . . ."

President Ford  
Rockford, Illinois  
March 11, 1976

### THE PRESIDENT'S PROPOSAL

The President has proposed a number of changes in the Federal estate tax laws to make it easier to continue the family ownership of a small farm or business. The proposed changes would stretch out the estate tax payment period so that Federal estate taxes can be paid out of the income of the farm or business. No payment will be required for five years and 20 years will be allowed for full payment of estate taxes at a 4 percent interest rate. This reform will help ensure the survival of smaller farms and businesses for future generations and allow them to expand their current operations.

These changes would liberalize the present rules under section 6166 of the Internal Revenue Code which permit the payment in 10 annual installments of estate taxes attributable to a family farm or other closely-held business constituting a substantial part of an estate (35 percent of the total estate or 50 percent of the taxable estate). Currently, interest on deferred estate tax payments is charged at the normal rate of overdue tax payments (currently 9 percent, but 7 percent effective February 1, 1976).

This first proposal has the following features:

1. At the estate's option, a five-year moratorium will apply to payment of that portion of the tax liability attributable to an ownership interest in a family farm or other closely-held business qualifying for ten-year installment payments under present section 6166 of the Internal Revenue Code. No interest will accrue during the five-year moratorium period and no principal or interest payments will be required during that period.
2. At the end of the five-year period, the deferred tax will, at the estate's option, be payable in equal annual installments over the next 20 years.



3. Interest on the installments will be reduced to 4 percent per annum from the 7 percent rate generally applicable to deferred tax payments.
4. The five-year moratorium and twenty-year extended payment provisions will apply only to the estate tax liability attributable to the first \$300,000 in value of the family farm or business. Between \$300,000 and \$600,000 there will be a dollar-for-dollar reduction in the value of the farm or business qualifying for the moratorium and extended payment provisions. That portion of the tax not qualifying will continue to be subject to ten-year installment payments with the 7 percent interest rate.

In addition to these changes, the estate tax exemption would be increased from the current \$60,000 to \$150,000. This would partially offset the effects of inflation on the exemption originally set in 1942.





BLACK AMERICANSOverview

" The United States Government, under the Constitution and the law, is committed to the guarantee of the fundamental rights of every American. My Administration will preserve these rights and work toward the elimination of all forms of discrimination against individuals on the basis of their race, color, religion, national origin, or sex."

Thus did President Ford tell of his commitment to the preservation of the fundamental rights of all Americans. President Ford has a twenty-five year record of achievement in ending racial discrimination, beginning with his earliest service in the House of Representatives to the present.

The President's efforts to end racial discrimination are well-known. Throughout his years in Congress, then-Congressman Ford was active in formulating, and voted for every major piece of legislation aimed at ending discrimination based on race, from the Civil Rights Bills of the 1950's; to the Civil Rights Act of 1964 and the Voting Rights Act of 1965; and extensions and strengthening of these and other Acts through the 1970's. In August, 1974, President Ford signed legislation amending the Voting Rights Act of 1965, extending the temporary provisions of the Act for seven years and expanding coverage of the Act to language-minority citizens.

And President Ford has carried out his beliefs in the American system of equal opportunity for all in his actions as well as in his words. Notables such as Secretary of Transportation William T. Coleman, John Calhoun, Special Assistant to the President; Arthur Fletcher, Deputy Assistant to the President for Urban Affairs; and Constance Newman, Assistant Secretary for Consumer Affairs, in the Department of Housing and Urban Development, lead the list of Black Americans appointed to positions of leadership and responsibility in President Ford's Administration. In another recent action to fight more subtle discrimination against Americans, President Ford:

\* Supported legislation to amend the Equal Credit Opportunity Act, which presently covers sex and marital status to include prohibition against any creditor discriminating on the basis of race, color, religion, or national origin against any credit applicant in any aspect of a credit transaction.





The Ford Administration has shown real commitment to the concerns of Black Americans in the critical areas of Civil Rights, Equal Opportunity, Employment, Business opportunities, and Education, and Housing Activities in these areas are summarized below:

### Civil Rights

- \* Total outlays for civil rights activities will increase from \$2.9 billion in 1975 to \$3.9 billion in 1977.
- \* Outlays for civil rights enforcement will grow to \$430 million in 1977, an increase of 24% over 1975.
- \* In 1977, outlays for equal-opportunity in the military services, including the U.S. Coast Guard, will total more than \$40 million. An additional \$19 million will be expended for contract compliance, fair housing and title VI activities.

### Equal Employment Opportunity

- \* As of November 30, 1975, over one fifth (21%) of Federal employees were from minority groups. Recent surveys have reflected a continuing trend of more minorities in the middle and upper grade and pay levels.
- \* Outlays for Federal civil service equal employment opportunity programs (including upward mobility) will increase by 29% in the years, 1975 to 1977, to \$188 million.
- \* The budget of the Equal Employment Opportunity Commission will increase from \$56 million in 1975 to \$68 million in 1977.
- \* Executive Order 11246, as amended, prohibits the practice of discrimination in Federal contracts, sub-contracts, and on federally assisted construction projects. In 1977, Federal agencies responsible for implementing this order will spend \$40 million compared to \$18.1 million in 1972. Approximately 570,000 new hires and promotions will be effected by such affirmative action goals.
- \* The President directed Secretaries Coleman, Uesery and Mathews and Attorney General Levi to review existing Federal Affirmative Action Programs to make recommendations as to how the programs can be made to work more effectively without placing unreasonable burdens on Federal contractors.



### Minority Enterprise

- \* Small Business Administration's (SBA) direct and guaranteed loans to minority enterprises have increased from \$41.3 million in 1968 to \$226 million in 1975. As a part of the Administration's continuing strong support of efforts to expand minority participation in private enterprise, SBA expects to provide over \$465 million in loan and loan guarantees to about 8,600 minority enterprises in 1977.
- \* The Office of Minority Business Enterprise (OMBE) will continue to provide financial assistance at a level of \$50 million to support efforts to create and expand business ownership opportunities for minorities and stimulate private, State and local initiatives in this area.
- \* SBA will expand its management assistance program for minority firms by \$3 million in 1977. SBA will also increase procurement subsidies by \$3 million for minority contractors to facilitate participation in the 8(a) program.
- \* Under SBA's 8(a) procurement program, sole source contracts with minority firms are expected to increase from \$322 million in 1975 to \$350 million in 1977.
- \* 74 Minority Enterprise Small Business Investment Companies (MESBICs) are currently in operation with Federal matching funds of \$43 million and private capital investment of \$40 million.
- \* A combined private sector/Government program has resulted in a substantial increase in the deposits of the Nation's 71 minority-owned banks. These deposits totalled \$1.3 billion as of June 30, 1975, compared with \$396 million in 31 minority-owned banks at the start of the program, September 30, 1970.



### Educational Opportunities

- \* Under the emergency school aid program, Federal aid will be continued to help overcome the effects of minority group isolation in school systems. In 1977, this program is proposed for operation at a requested level of nearly \$250 million, including some \$35 million for civil rights advisory services.
- \* In 1977, \$110 million will be obligated in order to support the improvement of developing institutions, including Black colleges.
- \* In 1977, \$1.9 billion will be provided for disadvantaged students at the elementary and secondary levels.
- \* Office of Child Development activities -- primarily in the Head Start Program -- will receive \$434 million in 1977 and serve more than 430,000 children.

### Housing

- \* Expenditures for the enforcement of laws against discrimination in housing will increase to more than \$18 million in 1977.
- \* An experimental program will carry on its test of the effectiveness of direct cash assistance programs as a means of dealing with the fundamental problem -- inadequate income -- in achieving the goal of a decent home for all Americans.
- \* The lower income housing assistance program will continue to provide a more flexible form of housing assistance. In 1977, support will be provided for 400,000 units.



Anti-Poverty and Social Programs

- \* In 1977, a \$2 billion Child Nutrition Reform program will go into effect, eliminating complex and overlapping bureaucracy, and giving states more responsibility in meeting the needs of feeding poor children.
- \* The Comprehensive Employment and Training Act of 1977 will provide some 515,000 training and employment opportunities for the unemployed and disadvantaged, while the Work Incentive (WIN) program will place 175,000 welfare recipients in unsubsidized jobs.





CONSUMER AFFAIRS--Overview--

Since President Ford took office in 1974, many of his legislation proposals and administrative actions have been directed at reducing the problems consumers face in today's marketplace.

Federal Deposit Insurance Increase

In October 1974, the President signed Public Law 93-495, doubling the ceiling on Federal insurance provided to bank, credit union, and savings and loan company depositors--from \$20,000 to \$40,000. The law protects charge customers from the effects of billing errors, and prohibits discrimination based on sex or marital status in granting and denying credit.

Repeal of Fair Trade Laws

Last December the President was especially pleased to sign H. L. 6971, repealing the "fair trade" laws. At that time the President said:

"The best way to ensure that consumers are paying the most reasonable price for consumer products is to restore competition in the marketplace. This legislation will do that."

Consumer Product Safety Commission

The Consumer Product Safety Commission was established in 1974 to protect Americans from unreasonable risk of injury from the use of hazardous products. In May 1976, the President Ford signed a bill which:

- \* Authorizes the Commission to obtain preliminary injunctions prohibiting distribution of products that present substantial hazard.
- \* Establishes new procedures and timetables within which safety standards must be promulgated.



- \* Authorizes, in specific circumstances, Federal preemption of state laws on product safety, to free industry from having to comply with a bewildering patchwork of state and local standards.

"If consumer product regulation is to have real meaning, adequate tools must be provided the Commission responsible for protecting the American consumer. The Act I have signed provides such tools."

President Ford  
May 1976

### Other Presidential Initiatives

The President has instituted other measures to protect consumers from unfair business practices and from over-regulation by government. In other major actions to protect and aid consumers, President Ford:

- \* Signed the Truth in Leasing Act and the Equal Credit Opportunity Act, as well as amendments to the Securities Act of 1975 which abolished fixed commissions for stockbrokers.
- \* Ordered an Office of Management and Budget study to assess Postal Service operations and possible improvements.
- \* Directed a drive for reductions in paperwork and reporting requirements from government regulations that raise the cost of doing business and thus raise prices.
- \* Eliminated outdated railroad regulations that discouraged competition.
- \* Opened the Federal rule-making process to greater consumer representation.
- \* Ordered a series of conferences--held in nine cities in January 1976--to collect suggestions from the public on making Federal agencies more responsive to consumer interests.
- \* Established the requirement for major Federal agencies to develop "inflation impact statements" similar to environmental statements for major programs and rules.

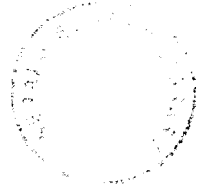
- \* Signed P.L. 94-239, which expands the Equal Credit Opportunity Act so that beginning next year, it will be illegal for creditors to discriminate against consumers on the basis of race, color, religion, sex, marital status, age, national origin or receipt of public assistance. The creditor is also required to notify consumers as to exactly why they were denied credit.
- \* Refused import relief for the footwear industry and workers, stating that such a move would not be in the interest of the American consumer and retailer since import restraints would increase shoe prices for consumers.
- \* Signed into law the Medical Device Amendments of 1976 which gives the FDA new authority to assure the safety and effectiveness of medical tools before they are used by consumers. The law also requires manufacturers to repair or replace defective devices or give consumers a refund, and quickly ban a device which is deceptive or presents an unreasonable risk of illness or injury.

#### Anti-Trust Laws

President Ford has also given renewed emphasis to the nation's historic consumer protection method, anti-trust laws. His proposed budget for Fiscal Year 1977 contains funding for additional personnel in this specific area.

"And I might add that last year I recommended that the penalties for violation of the anti-trust laws be increased... They were ridiculously low. They have been substantially increased so now those who perpetrate monopolistic practices will really be penalized in dollars as well as ... any criminal penalties..."

President Ford  
Fort Myers, Florida  
February 14, 1976





Proposals to Congress

Although President Ford's accomplishments in consumer affairs are themselves impressive, he has also proposed to the Congress other legislation in this area:

- \* Financial Institutions Act, to remove Federal restrictions on interest rates on savings accounts.
- \* Motor Carrier Reform Act, to remove excessive regulation of truck and bus companies that leads to empty backhauls, underloading, and circuitous routing.
- \* Aviation Act, to remove artificial regulatory constraints, to foster more price competition, and to ensure that regulations protect consumer interests rather than special industry interests.
- \* Agenda for Government Reform Act, authorizing a comprehensive review of Federal regulatory activities over the next four years.

President Ford's support in other areas of national interest have also furthered the consumer interest:

- \* Health care--The President supports HEW programs that encourage more health-maintenance organizations and promote "prospective rate reimbursement."
- \* Transportation--promoting car-pooling programs, and signing into law the national 55-m.p.h. speed limit.

"Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services."

President Ford  
April, 1975



### Departmental Consumer Representation Plan

In recognition of the need for greater consumer protection, as well as consumer input into the decision-making processes of agencies, President Ford, after a meeting of his Cabinet in April of 1975, directed all Federal departments and agencies to develop Consumer Representation Plans. The President believes that this approach represents a more effective alternative than the creation of a wholly new agency for consumer advocacy.

"I am convinced we can resolve by better administration what Congress is attempting to resolve by new laws and a costly new Government agency. The steps we have taken will prove to be responsive to the needs of the American consumer and the concerns of the American public."

To involve the consumers themselves, President Ford then approved a series of White House Conferences on Consumer Representation Plans, which were held in cities across the country during January 1976.

All eleven departments and six agencies have responded with proposals for handling consumer affairs within their own existing structures and for allowing consumer input into their decision-making processes at the very outset, before decisions are made and policies are formed. Each of these proposals was printed in the Federal Register for November 26, 1975, and because of those comments, and further agency introspection, as well as conferences with many consumer organizations, the initial plans have been finalized and will be published within the next few weeks.

Contained in those proposals are many common recommendations and goals which reflected considerable sensitivity and responsiveness to the problems of the consumer. Among them are:

- \* The establishment or upgrading of consumer offices in each agency.
- \* Improved communication techniques such as direct and active solicitation of consumer views for the purpose of providing a more efficient exchange of information and feedback.



- \* Greater involvement of line management and field offices in opening up the decision-making process to consumer input.
- \* More and better coordination with national, state and local consumer groups and public interest concerns.
- \* Simplified rule-making procedures and clearly understood proposals in the Federal Register.

### Opposition to a Consumer Protection Agency

President Ford believes that if consumerism is really to save American money, it cannot rely perpetually on adversary procedures, confrontation, and increasingly legalistic measures. Furthermore, if the currently perceived problem is "unresponsive bureaucracy" what is the advantage of creating simply another government agency to add its own lawsuits to the dockets of our overloaded courts, its own costs to the tax burden of the consumer?

"I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and cost of Government, it would be unsound to add another layer of bureaucracy instead of improving on the underlying structure."



CRIME-- Overview --

The rate of serious crime -- murder, forcible rape, robbery aggravated assault, burglary, larceny and auto theft -- was 18 per cent higher in 1974 than in 1973.

That was the sharpest increase in the forty-four years that the F. B. I. has collected and reported crime statistics. Since 1960, the crime rate has more than doubled, despite the billions of dollars which have been spent on law enforcement programs. More significantly, the number of crimes involving the threat of violence or actual violence has also increased.

The personal and social toll that crime exacts from our citizens is enormous. Yet, the law continues to center its attention more on the rights of the criminal defendant than on the victims of crime.

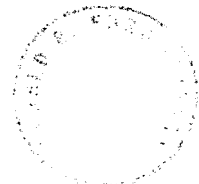
President Ford believes that it is time for law to concern itself more with the rights of the people it exists to protect. The victims of crime are his primary concern.

The President believes that the Federal government can and must play an important role in combatting crime by:

- \* Providing leadership to State and local governments enacting a model criminal code and improving the quality of the Federal criminal justice system;
- \* Enacting and vigorously enforcing laws covering criminal conduct within the Federal jurisdiction that cannot be adequately regulated at the State or local level; and
- \* Providing financial and technical assistance to State and local governments and law enforcement agencies, thereby enhancing their ability to enforce the law.

To accomplish these objectives, President Ford has:

- \* Addressed to the Congress a comprehensive special message on crime, calling for the enactment of laws (1) establishing mandatory minimum sentences for most persons committing violent Federal crimes, particularly crimes involving the use of a dangerous weapon,



(2) prohibiting the domestic manufacture or sale of so-called "Saturday Night Specials" that have no apparent use other than against human beings, (3) extending for an additional five years the Law Enforcement Assistance Administration and authorizing up to \$6.8 billion of Federal assistance to State and local governments to fight crime; and (4) providing for economic compensation to the victims of Federal crimes.

- \* Initiated at the national level a policy review committee on drug abuse to develop a better program for dealing with the national abuse problem and the costs, criminal and social, it exacts from our society.
- \* Directed the Department of Justice to develop enforcement priorities in the area of white collar crime -- which in 1974 cost the public more than \$40 billion.
- \* Endorsed the recommendation of the Judicial Conference of the United States for the creation of fifty-one additional Federal District Court judgeships throughout the country. This, coupled with the enactment of legislation expanding the criminal jurisdiction of U. S. magistrates, will enable the relatively small number of Federal District Court Judges to focus their attention on the most significant criminal cases.

In his 1976 State of the Union message to the Nation, President Ford repeated his call for the enactment of this strong crime-control program. In addition, he asked Congress to:

- \* Increase the number of U. S. Marshals and U. S. Attorneys prosecuting Federal crimes.
- \* Add 500 Federal agents in the 11 largest metropolitan high-crime areas.
- \* And, in order to curb the illicit traffic in hard drugs, establish mandatory fixed sentences for all drug dealers violating Federal law.

CAPITAL PUNISHMENT

President Ford has said that he "...favors the use of the death penalty in the Federal criminal system in accordance with proper Constitutional standards". He believes that the death penalty, in appropriate instances, should be imposed upon the conviction of sabotage, murder, espionage and treason.

The President recognizes, however, that there might be circumstances in which flexibility is necessary.

"Of course, the maximum penalty should not be applied if there is duress or impaired mental capacity or similar extenuating circumstances.

"But in murders involving substantial danger to the national security, or when the defendant is a cold blooded hired killer, the use of capital punishment is fully justified."



DRUG ABUSE CONTROL

The President's program to curb drug abuse was spelled out in more detail in a special message to Congress in April. He asked for specific legislation to:

- \* Enable judges to deny bail in the absence of compelling circumstances of a defendant arrested for dealing in heroin or dangerous drugs if found (1) to have previously been convicted of a drug felony; (2) to be presently free on parole; (3) to be a non-resident alien; (4) to have been arrested in possession of a false passport; or (5) to be a fugitive or previously convicted of being a fugitive.
- \* Require masters of ships-- including pleasure vessels--arriving in a U.S. port to report immediately to Customs rather than within 24 hours as now required.
- \* Enlarge the authority of Customs officers to search for cash or other monetary instruments being smuggled out of the U.S.
- \* Set stiff, mandatory prison sentences for sellers of heroin and other hard drugs.







## GUN CONTROL

In a special message to the Congress on June 19, 1975, the President said that he was "unalterably opposed" to Federal Registration of guns or gun owners.

President Ford believes that the way to handle this problem is not by registering guns and gun owners, but by making the use of a gun in the commission of a crime a mandatory penalty.

Responding to a question at the University of New Hampshire on February 8, 1976, the President stated:

My basic philosophy is that we should make it as difficult as possible for the person with a criminal intent to have possession so he can use a handgun.

Number one, I think we should stiffen the penalty for those individuals who commit a crime while in the possession of a handgun. This included for those types of crimes mandatory criminal prison sentences.

In addition, I think we should extend restrictions on the availability of the so-called Saturday night specials.

In addition, in the budget for fiscal 1977, I recommended an additional 500 employees for the Alcohol, Tobacco and Firearms Division of the Department of the Treasury, so that they can move into major metropolitan areas of high crime and incidents and really go after the trading of handguns in those areas where the danger is the greatest.





DEFENSE-- Overview --

". . . It is . . . my duty to do all that I can to reduce the level of danger by diplomatic means, so my policy for national security can be summed up in three words--peace through strength. I believe it is far better to seek negotiations with the Soviet Union based on strength than to permit a runaway nuclear arms race and risk a nuclear holocaust."

President Ford  
The White House  
February, 1976

President Ford believes that a strong defense posture gives weight to our values and our views in international negotiations; assures the vigor of our alliances; and sustains our efforts to promote settlements of international conflicts. Only from a position of strength can the United States negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement can serve our interest and minimize the threat of nuclear confrontation. President Ford has said that he is:

"determined to resist unilateral disarmament."  
"committed to keeping America's defenses second to none."

Fourteen years on the Defense Appropriation Subcommittee while a Congressman, gave President Ford an in depth understanding of the elements required for a truly comprehensive national defense policy. Since taking office, President Ford's Administration has:

- \* Continued development of the modern B-1 international bomber and Trident strategic submarine;
- \* Streamlined our conventional combat strength by shifting support personnel to combat functions; and
- \* Continued the technical modernization of our land and Naval forces and increased new ship construction.



Today, for the first time in a decade and a half, America is at peace. But preservation of both world peace, and our freedom, rests on the maintenance of a balance of power between the U.S. and the U.S.S.R. Hence, our position relative to the Soviet Union stands at the forefront of our foreign policy, our security arrangements, and our military planning and posture around the world.

Defense spending--measured in terms of what a defense dollar can buy--has steadily declined over the last seven years. Federal spending for services and support for individuals--health, social security, and other benefits--and the amount of money sent to the states in the form of grants, often to supplement many of these services--has nearly doubled over that time. While states, counties, cities, individuals, and the Federal Government contribute at each level to these health, income maintenance, and social improvement programs, only the Federal Government can constitutionally maintain the national defense. Thus, only the Federal budget reflects its cost. And the percentage of this budget devoted to defense is now the lowest (24.4%) since Pearl Harbor.

Over the years United States policy has been to seek a reduction of international tensions and a corresponding decrease in military expenditures, through negotiations and discussions. President Ford believes, however, that the incentive to achieve effective agreements will exist only if the United States and its allies remain at least as strong as those of potential adversaries. It has been clearly established that the U.S.S.R. has steadily increased its army, navy, and air force in recent years. Consequently, President Ford has decided that it is time to halt the downward trend in defense spending.

To maintain the military balance, the President has submitted a defense budget for 1977 which provides a real increase of \$7.4 billion in total obligational authority in defense spending to buy new weapons systems; to improve readiness of existing forces; and to increase selected combat forces. In supporting his FY 77 defense request for \$114.6 billion in total obligational authority, President Ford said:

"In my Presidency, I have proposed the two largest peacetime defense budgets in American history as the best assurance of deterring aggression and maintaining our own national security."



The President's budget increases are designed, above all, to maintain and improve U.S. military capabilities:

\* The new main battle tank for the Army will move from the development to the production phase. President Ford told the Armed Forces Committee last May, "As we saw, vividly saw in the 1973 Middle East war, tanks played a central role in ground combat. And as part of our budget for FY 77, which I submitted to Congress in January of this year, we are going to make sure that American soldiers have nothing but the best in this very crucial area."

\* New helicopters and anti-tank missile systems will reinforce the Army's arsenal.

\* Production will begin on the Trident submarine missile fleet, with the keel of the first vessel already laid.

\* Tactical air forces will be strengthened with additions of the F-15, F-16, and F-18 high performance aircraft.

\* Launching the procurement phase of over 200 B-1 bombers to replace aging B-52's.

\* Continued development of the cruise missile and an improved intercontinental ballistic missile.

\* Improvements in the combat power, equipment and readiness of the National Guard and the Reserve components.

To his initial budget request for 16 new Navy ships -- a 25% increase over the average ship-building in the previous nine years -- the President later asked for additional money for five more ships plus advance funding for a new Nimitz-class aircraft carrier. Among the new ships will be three more nuclear powered attack submarines, and eight guided missile frigates.

And, to moderate the increase in resources that are required to maintain U.S. military strength, President Ford has proposed the following measures to increase the efficiency of the defense establishment:

\* Restrain the growth in compensation levels;

\* Reduce civilian personnel positions by consolidating headquarters and other base facilities;

\* Eliminate dual compensation for Federal employees on active duty for training with the National Guard or Reserves;

- \* Reduce temporary duty and permanent change-of-station travel;
- \* Reduce petroleum consumption for proficiency flying programs through greater use of small aircraft and ground training aids; and
- \* Hold new construction below 1976 levels.

\* \* \* \*

Speaking on March 29, in support of the Defense budget, President Ford stated:

"I want to serve notice today that if the Congress sends me a defense budget that shortchanges the future safety of the American people, I will veto that defense bill, unprecedented though that might be, and go directly to our fellow citizens, 215 million strong, on this life and death issue. Nothing is more vital than our national security."

President Ford emphasized his commitment to a strong, vital national defense this way:

"I am convinced that adequate spending for national defense is an insurance policy for peace we cannot afford to be without."

Before the Armed Force Committee in Louisville, Kentucky, President Ford set forth these principles:

"We owe our soldiers, sailors, airmen and marines the finest tools, the finest equipment, the finest leadership that this country can provide. And we are going to provide it. . . . We are strong today. We are well-prepared to deter war, as we have. But if deterrence . . . should fail, we are well-prepared to control the conflict and to avoid nuclear confrontation. Our job is to make sure America remains strong, and I promise you as Commander in Chief and as President that we will remain strong in the future, as we have in the past."





ECONOMY--Overview--

President Ford, in his 1976 State of the Union Message-- in the same forthright manner in which he first addressed the American people as President--talked about the difficulties that confronted the nation's economy in 1975:

" . . . 1975 was a year of hard decision, difficult compromises, and a new realism that taught us something important about America . . ."

President Ford's realistic policies in 1975 were the right prescription for the nation's economic ills:

- \* The worst recession since World War II turned around last April.
- \* Double digit inflation of greater than 12% was cut by more than half to 4.6% for the first half of 1976.
- \* In July, 3.8 million more Americans were at work than in March, 1975, at the recession low.

Last year's progress is continuing in 1976. Reduction in the rate of inflation is expected to coincide with a healthy recovery in the standard of living. Real gross national product is expected to grow by over 6 percent in 1976 and by another 6 percent in 1977.

Real GNP for the first quarter of 1976 grew at an annual rate of 9.2%, with a growth rate of 4.3% in the second quarter.

Some of the more important economic indicators are shown on page 6.

\* \* \*

THE PRESIDENT'S ECONOMIC PROGRAM

President Ford's economic policies, outlined in his State of the Union Message, are designed to keep the economy on an upward path toward two central long-term objectives:

- \* Sustained economic growth without inflation
- \* Productive jobs for all who seek work.



SPENDING RESTRAINTS: TOWARD A BALANCED FEDERAL BUDGET BY 1979

"We all know from recent experience what runaway inflation does to ruin every other worthy purpose. We are slowing it; we must stop it cold . . .

"The way to a healthy non-inflationary economy has become increasingly apparent; the government must stop spending so much and borrowing so much of our money; more money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of government."

The President's budget recommended \$394.2 billion in Federal outlays for FY 1977, a reduction of nearly \$29 billion in the projected growth of Federal Government spending. As a result of this spending restraint, the Federal deficit would be reduced from an estimated \$76 billion in FY 1976 to \$43 billion in FY 1977.

Under President Ford's budget, the growth of Federal Spending would be cut in half, down to 5.5%. By further cutting this growth, the President will achieve a balanced budget by 1979. (See "Federal Spending")

The Congress has ignored the President's call for budgetary restraint, passing instead budgetary resolutions that are \$15-20 billion over the President's target.

TAX CUTS

President Ford's budget reductions for FY 1977 allow him to seek further permanent tax cuts for the American people. The President has called for a total of \$28 billion in permanent tax reductions. The President's proposed permanent tax reduction is \$10 billion more than the temporary tax reduction (annualized) enacted in December. These tax reductions are firmly tied to budget reductions:

". . . My recommendations for a firm restraint on the growth of Federal spending and for greater tax reduction are simple and straightforward: For every dollar saved in cutting the growth of the Federal budget we can have an added dollar of Federal tax reduction . . ."



The President's permanent program has the following major features:

- \* an increase in the personal exemption from \$750 to \$1,000.
- \* substitution of a single standard deduction--\$2,500 for married couples filing jointly and \$1,800 for single taxpayers--for existing low income allowance and percentage standard deduction.
- \* a reduction in individual income tax rates,
- \* a permanent 10 percent investment tax credit,
- \* a reduction in the maximum corporate income tax rate from 48 percent to 46 percent and making permanent the current temporary tax cuts on the first \$50,000 of corporate income,
- \* a program to stimulate construction of new electric utility facilities to insure that long-run economic growth is not limited by capacity shortages in the production of electricity.

Again, the Congress has neglected to act on the President's recommendation for deeper tax cuts, tied to spending cuts.

#### JOB CREATION AND EMPLOYMENT

"One test of a healthy economy is a job for every American who wants to work.

Government--our kind of government--cannot create that many jobs. But the Federal Government can create conditions and incentives for private business and industry to make more and more jobs."

President Gerald R. Ford  
State of the Union Message  
1976



President Ford has undertaken a program which will put the unemployed back to work--not by creating "make-work" jobs the American taxpayer has to pay for--but by creating conditions and incentives for private business and industry to make more and better jobs. The President's approach to the unemployment problem has embraced three main concepts:

- \* Alleviating the economic hardship for those who are unemployed through extending unemployment insurance coverage to 12 million additional workers and temporarily extending the period of time individuals may receive unemployment insurance benefits from 39 to 65 weeks.
- \* Providing increased funds for established and proven Federal programs including Comprehensive Employment Training Act (CETA), summer youth employment and public service employment.
- \* Stimulating economic activity in the private sector --to create new, permanent jobs--through a reduction in individual and corporate income taxes and encouraging increased investment in America's economic future through a series of tax incentives.

President Ford has proposed four new programs to promote additional investment and create real, permanent new jobs in the private sector:

- \* Tax cuts.
- \* Accelerated depreciation for construction of plants and equipment in high unemployment areas.
- \* Broadening stock ownership potential among low and middle income working Americans through tax incentives.
- \* Estate tax proposals which would
  - stretch out the payment period for federal estate taxes
  - increase the estate tax exemption from the current \$60,000 to \$150,000.



OTHER AREAS: ENERGY

Taking a longer look at America's future, President Ford knows that there can be neither sustained growth nor more jobs unless we continue to have an assured supply of energy to run our economy. In his recent State of the Union Message, President Ford made this point:

"...Domestic production of oil and gas is still declining. Our dependence on foreign oil at high prices is still too great, draining jobs and dollars away from our economy at the rate of \$125 per year for every American.

He again urged the Congress to move ahead immediately on the remainder of comprehensive energy proposals to make America invulnerable to the foreign oil cartel.

SUMMARY

In summary, President Ford's economic plan has been comprehensive and compassionate. It has brought us out of the worst recession since World War II. More than two million more Americans are at work than at the bottom of the recession. Inflation has been slashed in half, to 6.9% for 1975. The cost of food is holding steady for the first time in years...the dollar is holding its value.

The President's policies have been aimed at accomplishing two primary goals:

- \* Sustained economic growth without inflation.
- \* Productive jobs for all who seek work.

His program of economic growth focuses on spending restraint in the Federal government--The President's budget for FY 77 is \$29 billion less than projected. And the growth of Federal spending has been cut in half, to 5.5%. A balanced budget can be reached by 1979.

- \* Tax cuts matching Federal spending cuts of \$28 billion.



In creating jobs for those who seek work, President Ford has taken measures to:

- \* Stimulate creation of new, permanent jobs in the private sector through reductions in individual and corporate taxes;
- \* Alleviate economic hardship of those temporarily unemployed by temporarily extending and broadening unemployment coverage; and
- \* Provide temporarily increased funds for proven Federal job-training programs.

And, the President has taken action to ensure the future health of the economy by:

- \* Undertaking major regulatory reforms.
- \* Developing and implementing a major, comprehensive national energy policy to create energy independence by 1985.



JOB CREATION AND UNEMPLOYMENT

"One test of a healthy economy is a job for every American who wants to work.

Government--our kind of government--cannot create that many jobs. But the Federal Government can create conditions and incentives for private business and industry to make more and more jobs.

Five out of six jobs in this country are in private business and industry. Common sense tells us this is the place to look for more jobs and to find them faster.

I mean real, rewarding, permanent jobs..."

(President Gerald R. Ford  
1976 State of the Union Message)

Last year, unemployment or the prospect of being unemployed, coupled with rising prices for food, fuel, energy, clothing, and goods and services in general brought hardship for many Americans. Recession and inflation in 1975 were associated with a number of unique circumstances, including

- Continued excessive Federal spending over the past 15 years, and the deficits incurred by such spending, set in motion a wave of inflation and other severe adjustments that are still being felt.
- Deficit financing throughout the 60's contributed to an accelerating inflation rate.

In September, 1974, the President convened an Economic Summit Conference to solicit the ideas of economists, businessmen and labor leaders on the state of the economy and the direction government policy should take. Few persons at that time foresaw the magnitude of the downturn; but as unemployment rose from 5.3 percent to 6.6 percent and the real Gross National Product fell at a \$23.4 billion rate in the fourth quarter of 1974 the President took action.



- \* In January, 1975 the President called for immediate reductions in both personal and business taxes. In March, the Congress passed and the President signed the Tax Reduction Act of 1975.
- \* Beginning in December 1974, the Administration, in cooperation with the Congress, also took a series of actions to reduce the hardships of unemployment.

By acting as promptly as information warranted, the government was able to contribute importantly to stemming the downturn and starting the economy steadily upward. Spurred by a strong increase in the production of goods and services and a marked improvement in the inventory positions of business, real GNP increased at an annual rate of growth of 8.6 percent during the third and fourth quarters of 1975. The number of jobs increased by over 2.6 million from the March low, and the unemployment rate fell from 8.9 percent in May, 1975 to 7.5 percent in March 1976. The employment gains coupled with a significant moderation in the rate of inflation produced significant gains in real disposable income over the last three quarters of the year.

Despite this progress in increasing the number of jobs, the task ahead is great.

President Ford has undertaken a program which will put the unemployed back to work--not be creating "make-work" jobs the American taxpayer has to pay for--but by creating conditions and incentives for private business and industry to make more and better jobs. The President's approach to the unemployment problem has embraced three main concepts:

- \* Alleviating the economic hardship for those who are unemployed through extending unemployment insurance coverage to 12 million additional workers and temporarily extending the period of time individuals may receive unemployment insurance benefits from 39 to 65 weeks.
- \* Providing increased funds for established and proven Federal programs including Comprehensive Employment Training Act (CETA), summer youth employment and public service employment.
- \* Stimulating economic activity in the private sector --to create new, permanent jobs--through a reduc-



tion in individual and corporate income taxes and encouraging increased investment in America's economic future through a series of tax incentives.

### Proven Job Programs

The 1977 budget includes funding for a number of proven, job-related community programs:

- \* Block grants to communities for construction of such things as sewerage, municipal parks, and urban renewal will be increased from \$2.75 billion for FY 1976 to \$3.2 billion for FY 1977.
- \* The 1977 Budget includes \$249 million for EDA public works and business development projects focused on developing permanent employment opportunities for residents of economically depressed areas of the country.
- \* The 1977 Budget also includes \$42 million for the Regional Action Planning Commissions (RAPC) of the Department of Commerce.

And, in proven job-training programs including:

- \* \$400 million for the CETA public service employment program which will fund (50,000 jobs).
- \* \$1.6 billion for state and local CETA programs which will provide 466,000 training and employment opportunities for 1.3 million enrollees.
- \* \$414 million for national CETA programs.
- \* The CETA Summer Youth Employment Program which will fund 672,000 jobs.

### Promoting Investment to Create New Jobs

President Ford has proposed four new programs to promote additional investment and create new jobs:

#### 1. Tax Cuts

The President proposed permanent reductions in individual and corporate income taxes and a permanent increase in the investment tax credit. Details of these proposals are outlined above.





2. Accelerated Depreciation for Construction of Plants and Equipment in High Unemployment Areas

To speed up plant expansion and the purchase of new equipment in high unemployment areas, the President proposed permitting very rapid depreciation for business constructing new plants, purchasing equipment, or expanding existing facilities in areas experiencing unemployment in excess of 7 percent.

The program would accelerate the construction of new industrial and commercial facilities in areas of high unemployment where new jobs are most needed. It would immediately benefit the construction industry--one of the most depressed industries in the economy--and would create productive, permanent, well-paying jobs in the private sector.

3. Broadening Stock Ownership

The President proposed tax incentives to encourage broadened stock ownership by low and middle income working Americans by allowing deferral of taxes on certain funds invested in common stocks. Widespread stock ownership will promote more stable financial markets; strengthen economic, social and political support for the free market system; and help employees build a reasonable estate.

4. Estate Tax Proposal for Family Farms and Businesses

The President proposed a change in the Federal estate tax laws to make it easier to continue the family ownership of a small farm or business. The proposed changes would stretch out the estate tax payment period so that Federal estate taxes can be paid out of the income of the farm or business. No payment will be required for five years and 20 years will be allowed for full payment of estate taxes at a 4 percent interest rate. This reform will help ensure the survival of smaller farms and businesses for future generations and allow them to expand their current operations.

And recently, President Ford called for an increase in the inheritance tax exemption, for all taxpayers, from \$60,000 to \$150,000.



TAX CUTS FOR INDIVIDUALS

"My recommendations for a firm restraint on the growth of Federal spending and for greater tax reduction are simple and straight forward. For every dollar saved in cutting the growth in the Federal budget we can have an added dollar of Federal tax reduction."

President Gerald R. Ford  
State of the Union Message, 1976

President Ford believes that by holding down the growth in Federal spending we can afford additional tax cuts and return to the people who pay taxes more decision-making power over their own lives. In December, 1975, the President signed legislation to extend the 1975 tax reductions for the first six months of 1976 -- and in his State of the Union message, he proposed that, effective in July 1, 1976, the American taxpayer receive an additional tax cut of \$10 billion -- for a total of \$28 billion in tax cuts for the individual tax payer and for businesses.

Calendar Year 1977 and Beyond

The President's permanent program has the following major features:

- \* an increase in the personal exemption from \$750 to \$1000.
- \* substitution of a single standard deduction -- \$2,500 for married couples filing jointly and \$1,800 for single taxpayers -- for the existing low income allowance and percentage standard deduction.
- \* a reduction in individual income tax rates

Calendar Year 1976

Since taxpayers compute their taxes on a calendar year basis, the President is proposing tax liability changes for calendar year 1976 that mesh his permanent proposal with the Revenue Adjustment Act of 1975 and approximate the effect of applying in 1976 the current temporary tax cuts for six months and the President's permanent tax cuts for six months. The President's full proposed tax liability changes will apply for 1977 and subsequent years.



The President's proposals would result in lower withholding tax rates -- and higher take-home pay -- effective July 1, 1976. The lower withholding tax rates would reflect the full impact of the tax cuts proposed by the President last October and would remain constant in 1977.

President Ford's tax reduction proposals mean that, for a family of four making \$15,000 a year, there will be \$227 more in take home pay annually -- extra cash that can really be used. Coupled with anti-inflationary measures that President Ford has taken over the last 18 months, which have cut inflation in half, the American taxpayer is finally getting something for his money.



Figure 1: KEY ECONOMIC STATISTICS1. EMPLOYMENT

3.8 million more people were at work in June 1976 than at the March 1975 recession low.

Employment was at a historical high of 87.9 million persons in July.

Unemployment steadily dropped, from 8.9% in May, 1975 to 7.8% in January, to 7.5% through March and April. A sharp expansion of nearly 700,000 in the labor force caused the unemployment rate to increase to 7.8% in July from 7.5% in June and 7.3% in May, but the downward trend is clear.

2. INFLATION

The inflation rate for 1975 was 6.9%, half of its 1974 12.2% high.

The 12.2% inflation rate in the latter part of 1974 was cut by over half to 4.6% during the first six months of 1976. In July, the Consumer Price Index was up only 5.4% from July 1975.

3. WHOLESALE PRICE INDEX

The Wholesale Price Index (WPI) dropped .5% in February--the fourth straight month in which this key indicator either dropped or held steady. The WPI rose only .2% in March, and .8% in April for a total of only a .1% increase over the six months ending in April. In May the WPI rose .3%; in June .4% and in July only .3% again.

4. HOUSING

In July 1976, housing starts were at a seasonally adjusted annual rate of 1,387,000, up 14.9% from July, 1975.

5. TOTAL INDUSTRIAL PRODUCTION

In seasonally adjusted real terms, total industrial production in June 1976, was up .3% from the previous month, and up 11.6% from the same month in 1975.



6. RETAIL SALES

Retail sales, in current dollars, seasonally adjusted, were at \$53.21 billion in July, 1976, up 8% from the same month a year ago.

7. GROSS NATIONAL PRODUCT

The Gross National Product (GNP), in constant 1972 dollars, increased at a 4.3% annual rate in the second quarter of 1976, after increasing at a 9.2% annual rate in the first quarter of the year.

8. PERSONAL INCOME

Personal income, in current dollars was at a seasonally adjusted rate of \$13.9 billion in July 1976, up 1% from the previous month. It was the biggest monthly rise since August last year.

9. COMPOSITE INDEX OF LEADING INDICATORS

The Composite Index of Leading Indicators showed a gain of .3% for June, 1976 over the previous month, and has increased in 14 of the past 15 months.

10. NEW DOMESTIC CAR SALES

New domestic car sales through mid-August were up 19.1% over last year, with employment in that industry sharply up from last year.

