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September 19, 1976

9:20 A.M. EDT

TAKES pp. 1+2, 4+5, 10, 16+17, 21, 23+24

THE MODERATOR: Our first question will come from Mr. Lynn.

QUESTION: Mr. President, Mr. Carter has been stumping for some time on the record of the Nixon-Ford Administration, and I must say that I think I am somewhat confused and I think the American people are confused as to where you agree and where you disagreed with the domestic policies that were followed by Mr. Nixon.

I note that you are very strong against regulation, for example, and yet Mr. Nixon as we all know made the original proposals in water pollution, noise pollution, air pollution, had a strip mining bill that he put forward, toxic substances and the deficits, of course, were as large under Richard Nixon as we had in the history of the United States.

Would you care to tell us, please, sir, do you agree and how much do you disagree with the domestic policies followed by President Nixon?

THE PRESIDENT: I believe that it is important for a Presidential candidate to be judged on his own record as a President. [It is true, of course, that] during the six years of Mr. Nixon I was the minority leader in the House of Representatives and in that capacity had the responsibility to try to see that legislation recommended by him was considered and approved in the House of Representatives. But that was in a legislative capacity and it is a different responsibility than being a President and a Presidential candidate.

So I would simply say that in my case I am running on two and a half years of performance where we have ended a war in Vietnam and have the military capability to maintain the peace in the future and we are also in the process of a surging economic recovery that I believe is going along and will increase in its benefits to the people of this country. And, of course, it is my judgment that we have restored public trust in the White House. Those are the things that I want the American people to judge me on.

No.

No.

good

TAKES
Opening Statement
MUST BE VERY STRONG

What I did as a legislator my constituents in Michigan had that privilege to say yes or no on, but as a President I will take my record and run it against the promises of the Governor of Georgia.

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QUESTION: To follow up on that, Mr. President, I take it from your answer that you are trying to separate yourself pretty well from the domestic policies that were followed by Mr. Nixon. Perhaps I can ask my question a different way.

Is there any particular kind of proposals in the area of regulation or spending where had you been President of the United States at that time you would have had a different policy?

THE PRESIDENT: I mean just to be frank with you, I don't see the point you are getting at.

QUESTION: The point I am getting at, sir -- my question is that it was during the period of Richard Nixon that we got many of these programs that are now on the books by way of regulation, whether it is in the field of safety, in labor, or whether it is in the field of water pollution, bills with respect to spending for sewer treatment plans that you are now trying to change, wage and price controls during the period of time that he was President, strip mining bills that were stronger in the sense of the environmental side than yours. He put forward toxic substance legislation that was quite strong and so on.

And, off the record, what I am getting at is Carter continuously makes this linkage, talks about the huge deficits that were created during the Nixon years, and I just have a strong feeling that either by way of an answer by you or comment on a question to Carter or a direct question to you, you are going to get something that will probably be more detailed than this.

THE PRESIDENT: Well, I think we ought to have a reconciliation of those instances where we do have differences, and there are some, but --

QUESTION: Wage and price controls certainly stands out, but you can bridge that one, it seems to me, mainly by the ideas Herb Stein said the other day in a meeting, that whatever lessons there were to be learned were most surely learned and that should not be tried again.

THE PRESIDENT: I don't recollect that Nixon had any tax reductions.

QUESTION: Yes.

THE PRESIDENT: No personal income tax reductions.

QUESTION: In 1969 or 1970 was a quite sweeping change; in fact, in the 1972 election we made much of the point that during 1970 the taxes had been reduced substantially for the typical American family.

Now it was Congress really, to be frank about it, that did more about that than we did.

THE PRESIDENT: Okay.

QUESTION: Mr. Ford, the Governor has accused you repeatedly throughout the campaign of being a weak President and not providing the strong leadership America needs to deal with our serious economic and social problems. Do you think that is a fair charge for him to make?

THE PRESIDENT: Absolutely not, and the record is very clear that in this two-and-a-half-year period through the leadership that I have exerted we have turned this country around. Nobody who has any real appreciation of the circumstances would argue that we were in very, very difficult conditions in 1974 when I became President. We were on the brink of the worst recession in 40 years. We had just gone through horrendous increases in the cost of living caused by the oil embargo and caused by the increases in the price of food.

We were also at that time still deeply engaged in the military operations in Southeast Asia. Through the kind of very strong but I think very effective leadership we have been able to come out of this recession with very significant gains economically. We have added over 4 million employees in the labor market in the last 17 months, and 500,000 in the last 2 months.

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good

We have cut the rate of inflation by better than 50 percent from over 12 percent per annum down to under 6 percent. We have in a military way been able to end our military involvement in Southeast Asia. We have been able to keep the peace with our military strength and our diplomatic skill. We certainly have restored trust in the White House.

unnecessary

The net result is by my leadership these very difficult times have been overcome and we are now in the position where with the continued leadership that I have exerted we will be able to increase our economic prosperity, maintain the peace and hopefully continue to move for peace in new areas of the world, such as in Southern Africa. This is the kind of initiative, leadership in Southern Africa, which I believe will pay big dividends not only for those in Southern Africa but for the United States and our friends and allies around the world, and certainly whether it is in economics or in peaceful endeavors this Administration, under my leadership, has been able to turn this country around and give us hopes and aspirations for an even better four years ahead.

QUESTION: By way of a follow-up, sir, in the legislative field you stated in your acceptance speech in Kansas City repeatedly that you made proposals to the Congress, for example, in the area of crime, but "this Congress won't act" was a phrase repeated often in your speech. Isn't it a fact that although you have made many proposals for the Congress you have not been able to get most of them through? And isn't it also possible that the country would be better served over the next four years if Governor Carter was President so that Congress and the Executive Branch could work together to agree on solutions to the major problems facing the country?

TAKR

Very good

STRATEGY

THE PRESIDENT: I think it would be a disaster. If we had had Jimmy Carter as President for the last two and a half years, he undoubtedly would have signed most of those 56 bills that I vetoed, and if he had signed a substantial portion of those bills that I vetoed he would have been a partner in increasing Federal expenditures from anywhere around \$10 billion more to \$13 billion, and would have added to the tax burdens of the American people by somewheres between \$100 and \$200 per person.

That is what would have been the case, and that is what may well be the case if Governor Carter is elected in 1976. I think the American people have more good sense than that. I believe that they want, regardless of the complexion of the Congress, a President who will stand up to a Congress that is bordering on a billion-dollars-a-year Congress, and I think they need a good, hard, tough-fisted checkmate back here in the White House to keep them from going off the deep end.

THE MODERATOR: Next, Mr. Duval.

QUESTION: Mr. President, you claim to stand for less Government and less spending. Following up on Mr. Lynn's question the Federal Government has grown dramatically under the Nixon-Ford Administrations. You created and your predecessor three of the most intrusive bureaucracies in our Nation's history -- the EPA, The Energy Administration, and OSHA.

You also submitted to Congress a budget which has a \$50 billion deficit. Isn't your record one of more Government and more spending, not less?

THE PRESIDENT: Let's straighten out the record so that we start from the facts.

Number one, under my Administration there has not been an increase in Federal employment. The Ford Administration has held the line or absolutely reduced the total number of Federally employed. It is true that we have an EPA; it is true that we have the Federal Energy Commission (Administration); it is true that we have OSHA.

What we have tried to do through the Federal Energy Commission is to develop an energy independence program for this country. I think that is important. You can't do it with having 10 different agencies all running around doing 10 different things, so you have to pull together in the FEC or FEA the personnel and the program so that you have a coordinated program.

Now we have done, I think, a reasonably good job in this regard. We could have done a far better job if the Congress had been cooperative. Obviously, we need an Environmental Protection Agency. I don't think the public wants us to ignore the environmental problems and by having EPA we have been able to coordinate that activity.

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OSHA -- I think we ought to cut down, I think we ought to change its jurisdiction to a substantial degree, and I would hope we could do that in the next four years.

Talking about Federal spending, I tried to cut the proposed expenditures for fiscal year 1977 by 50 percent, going from 11 percent per year increase in growth in Federal spending to half of that. If the Congress had gone along with that proposal, we could have saved approximately \$14 billion in additional Federal spending that the Congress is going to add to my budget recommendation.

Yes, we are going to have a deficit, but it is going to be a bigger deficit because the Congress has added to the expenditures and therefore added to the deficit and thereby making our problems fighting the battle against inflation much more difficult.

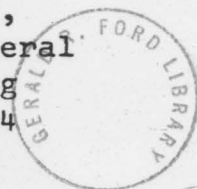
QUESTION: Mr. President, my follow-up question really has two parts because of your answer. I don't think you were responsive on the spending question.

If you are for less spending, why didn't you submit a balanced budget for the last fiscal year? In terms of the Federal arenas, isn't it true that what you are saying is that when it comes to agencies that help businesses like the FEA you will create them; when it comes to agencies that help people like the Consumer Protection Agency and OSHA you attack them?

THE PRESIDENT: I don't think that it is a fair argument to make that the budget I submitted is not balanced as a result of Presidential action. About 80 percent of the Federal budget is predicated on laws passed by the Congress where there is just an automatic increase unless Congress changes the law. The President can't change the law. In those areas where we have an opportunity to tighten the belt of an agency or a department, I recommended reductions which, if they had been applied, would have saved the taxpayers of this country approximately \$14 billion in the next 12 months.

If we got the right kind of a Congress, I think we could make substantial headway in reducing expenditures even further and in tightening the screws on some of these agencies that I think are out of hand.

THE MODERATOR: Mr. Lynn.



QUESTION: Mr. President, I have read a good deal in the paper and also some criticism from you and other members of your Administration about the flip-flop so-called of Mr. Carter and also the vagueness, the fuzziness of the positions he has taken.

It seems to me that the American people are entitled to ask that perhaps people in glass houses should not throw stones. Let me give you some examples of some things that I think would be applicable to the flip-flops and also maybe to the fuzziness.

On the flip-flops there is the celebrated WIN program back in 1974 where you were proposing tax increases and within 3 months thereafter you are proposing reductions with the recession--common situs picketing; New York City, where you said you would never give any money to New York City and then you ultimately did; parks, where we can document that, ----- being recommended to you and took their recommendations to be tough on the parks program.

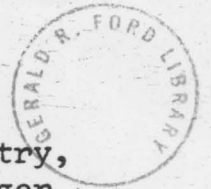
I suppose the tax bill before you, I understand that is not the dollar-for-dollar reduction in spending accompanied by taxes and if you signed that it would be another flip-flop.

Now, on vagueness, in the State of the Union you talked about welfare reform, that it was something that we could not afford now, that you thought you would like to do something in catastrophic protection for elderly citizens, but I have not seen anything new there since your State of the Union.

In your Ann Arbor speech, to be more recent, on jobs you talked about career training for people and skills and crafts of people that don't want to go to college. Would you care to comment on this, both as to flip-flops and to fuzzy promises?

THE PRESIDENT: I will be delighted to make some observations. I think most of the allegations are without foundation with all respect to your question. But let's take the first one.

When I became President in August of 1974, we were going through a tremendous increase in the cost of living and inflation was really getting out of hand. We held a series of economic meetings around the country where labor, business, economists, housewives came in and studied the problem and gave recommendations to us in Washington, and the net result of those



recommendations was that we should attack the problems of inflation. Few, if any, of the people throughout the country, including those in Washington, said we were facing the danger of an economic recession.

So, we took the problem of inflation and the way to fight inflation of that magnitude is to impose tax increases that made sense. Shortly thereafter, by the first of the year, three or four months later, it became perfectly obvious that we had an economic recession rather than the problem of inflation and, consequently, we decided -- I think wisely so -- that we had to stimulate the economy by tax reductions rather than to put a lid on the economy through tax increases -- a very logical approach to problems as they changed, as we go down the time span.

Common situs picketing -- I was assured when I first considered that that it would have the public support of both labor and management. Management subsequently did not support it and the net result was I didn't feel bound because the promises that had been made to me were not going to be forthcoming. Obviously, when you have disharmony and discord in an industry like that you should not push legislation of that kind.

New York City is a totally wrong observation on your part. I said we would not help New York City unless New York City pulled itself together, and for about a year they refused to face up to the cold, hard facts. Finally when they did, when they made very drastic reductions in future spending, tightened their belt, we then made an agreement to make a loan to New York City for a period of three years with their repayments with interest to the Federal Treasury being maintained. So, we got New York City out of their troubles, but we got them out by getting them to do something on their own behalf.

On the parks problem, the budget that I recommended in 1976 did increase by 400 the number of employees in the National Park Service, which, I think, is a good indication of my personal support -- not just in a campaign year but well before that.

Yes, we are going to have welfare reform, but it is going to come now that we are out of our economic problems and I think we can do something about it in 1977.



QUESTION: As a follow-up, Mr. President, you have mentioned that we can do something about welfare reform, and I would add the catastrophic protection beyond the elderly, I mean for Mr. and Mrs. Middle America, and I would assume so, too, from your Ann Arbor speech that you intended to do something about career training, getting skills and crafts for kids that don't want to go to college, but is there anything specific that you can tell us that you are for in those areas or do we have to wait -- as we have had to wait with Mr. Carter -- until after the election to know what those specifics are?

THE PRESIDENT: In the case of catastrophic health care, we have a very specific plan and program which has been submitted to the Congress since last January, so there is no problem there whatsoever. The Congress has just got to pass a good program that I recommended, and it will take care of the health needs of our older citizens.

Now if you take welfare, I think you can do it in one of two ways: You can either have a tightening up of the existing programs -- and we have made some recommendations to the Congress in that regard. That is one approach. The other is to do what was done several years ago by the Family Assistance Program. There are those who argue that there is much merit to that program. As a matter of fact, in 1971 and 1973 I voted for that program because I thought it had some merit. It was a better approach than just letting the current welfare program drift and get no place. So, either we can recommend a total tightening up of the existing programs or you can junk all the 40-some welfare programs that we have and start fresh with something like the Family Assistance Program.

Now I would expect that in 1977 as President I would recommend one or the other of those approaches because the current program of welfare with its hodge-podge development over a period of 40 years, its inequities and all of the other bad things about it ought to be eliminated from the statute books and I, as President, would certainly approach that in one of the two ways in 1977.

THE MODERATOR: Mr. Cheney.

QUESTION: Mr. Ford, in your mind, what are the fundamental issues in this campaign? What are the policy areas where you and Governor Carter disagree?

TAKE

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THE PRESIDENT: The principal difference between Governor Carter and myself is that he believes very strongly by his endorsement of the Democratic platform, by his endorsement of the record of the Democratic Congress, that the way to solve most of our problems in this country is to have the Federal Government be the principal proponent or manager. I totally disagree with that approach. But let's take in general the things that the Democratic platform, the Democratic Members of the Congress favor, and he has endorsed both.

He believes that you should have a comprehensive national health insurance program which most people who know anything about the subject say will cost an additional \$70 billion each year. There are four other programs in the Democratic platform that if you just total up will come to over \$100 billion in additional spending.

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So, if you take the Democratic platform, which he subscribes to, you inevitably come to the conclusion that he is a person that wants more taxes, more spending, resulting in more inflation and more Government control.

There is a very fundamental difference between that kind of approach and my approach, which is one of trying to get the Government out of the economy, trying to get a reduction in taxes, trying to put a lid on spending programs. So, there is a very fundamental difference on the economic side as far as the handling of our domestic problems are concerned.

Now, of course, Mr. Carter also, in foreign policy, feels that we should withdraw our troops from Korea and from other bases overseas. He believes we ought to make a reduction of \$5 billion to \$7 billion in our national defense expenditures. I think that is ridiculous.

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He also believes that in some of our allied governments, particularly in Western Europe, it would not be too bad if they had Communist parties as a participant in the government. We have some fundamental differences in foreign policy as well as in domestic policy, but the principal one domestically is that he wants to spend more, tax more, have higher inflation. And in foreign policy, I believe in strength, and he believes that you can maintain your national security by spending less money, and I just don't think that will work.

very good

QUESTION: Mr. President, by way of a follow-up question, can you specify a goal or an objective that you think you can achieve over the next four years that Governor Carter cannot achieve?

THE PRESIDENT: I think I can, because a person who has gone through the difficulties we have gone through in the two and a half years since I have been President has had enough experience under tough circumstances to know what we can do and what we can't do, and I would hope that as President in the next four years that we could get the Congress to do some of the things they have not done in the field of energy, in the field of -- I better get that list out.

QUESTION: Mr. President, you listed improving the quality of life as one of your campaign priorities. To many Americans this means a better environment. Yet, environmentalists have publicly rated you as having the worst environmental record of any President in history.

For example, they cite the veto of your strip mining bill; they cite your opposition to the land use bill; they cite your proposal to lower auto emission standards. Isn't it true that, taken as a whole, your record as opposed to your rhetoric is one of improved quality of life for corporations, not for the people?

THE PRESIDENT: I categorically deny their accusations and the way in which you have put the question, but let's leave that aside.

Yes, I vetoed twice a strip mining bill for a number of very, very good reasons. Number one, virtually every State in the Union that has coal mining today currently has good strip mining legislation so there is no reason whatsoever why the Federal Government should put another layer of legislation and regulation on the mining of coal.

Secondly, a Federal strip mining law would have undoubtedly restricted our capability to mine more coal, and if we are going to become less dependent on Arab oil from the Middle East, we have to mine and use more coal, and a strip mining bill as recommended by the Congress would have undoubtedly cut back our capability to increase by 100 percent our coal production in the next 10 years.



In the case of land use legislation, of course the Congress has not yet passed one. They do a lot of talking up there but they have not in all the years I was there ever passed one. But if it came down in the form that some people have recommended it, I would veto it, because I think land use planning can best be done at the State and local level.

I don't believe that some bureaucrat in Washington can decide how we ought to zone or regulate the use of land in Arizona or California or Michigan or New York. I certainly don't want some "Washington expert" telling me how to use my land in Grand Rapids, Michigan, and I don't think the American people do, either.

Now in the case of auto emissions, yes, the Congress about four years ago set certain standards. They didn't do it very scientifically. They just sort of grabbed a figure out of thin air and said the automobile industry had to meet those standards by a certain date. After a period of several years everybody recognizes that those auto emission standards were invalid, and so we had to change them, if we were going to keep the American automobile industry from stopping production, losing jobs. And, therefore, I think some sound recommendations were made by me on the recommendation of Mr. Russell Train, the head of EPA, and if Congress passes those new emission standards we will continue to improve the environment, we will improve the efficiency of the automobiles that are made in the future and we will, I think, have done service as far as jobs in this country are concerned.

QUESTION: Mr. President, with all due respect to your answer and to your office, sir, I listened carefully to your answer and you never spoke once about the need to clean up the environment, you never spoke once about what the environmentalists have been saying this country needs.

Isn't that, your answer right here on the show, the best example of one of the defects in your leadership? You have ignored a major national constituency, the environmentalists.

THE PRESIDENT: I think that accusation and, again, the tone in which you ask the question shows a built-in bias, but aside from that, let's talk about the things we have done.



I think you will find that in the recommendations that I have made, we have, as I said earlier, expanded the number of employees in the National Park Service; we have recommended a substantial increase in our wild river program; in our wildlife sanctuaries; we have fully funded the land and water use program; we have signed legislation that was controversial providing for the Alpines Lake Wild River program; we have approved the Eagle's Nest program in Colorado. I think we have a good program, but we have to balance it so that you don't just be an environmentalist because, if you are totally an environmentalist, you are not going to get any production and have any growth in this country.

And I happen to believe very strongly that if we are going to have jobs, if we are going to have increased industrial capability, keep our economy strong, you have to have a balance between the environment and our economy, and I strongly feel that we have got that kind of a program.

THE MODERATOR: Mr. Lynn.

QUESTION: Mr. President, we have heard particularly in recent days a good deal about taxes and tax rates. I know you have made proposals whereby you would reduce the tax load on individuals, I am aware of that, but what I really want to do is ask you your philosophy with respect to taxes generally along these lines.

Assuming that taxes were to be reduced -- let's assume that, for most people in America -- do you really believe that the progressive rate structure that we have today is the perfect one? In other words, when you look at the burden that is borne by middle-American taxpayers, even taking into account this tax bill which you may or may not sign, do you believe that the rich should not be paying any more taxes than they are paying now or do you really believe that we should have increases even beyond what we have now and the minimum rates that were provided in the bill that is before you or perhaps by steeper rates for the rich?

The second part of that question is on business there are some tax breaks given to business in the law now -- some of those were removed, some were added in the tax bill that is before you -- do you think business should have more tax breaks than where the law will be if you sign this bill, or less tax breaks when you sign this bill?

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THE PRESIDENT: First, I fully agree with the proposition that the middle income taxpayer has been short-changed in the last 10 years and that is precisely why I recommended that we should increase the personal exemption from \$750 per person to \$1,000. That makes a substantial benefit for the middle income taxpayer who is around \$14,500 per year. It just means that with a family of four he gets roughly \$1,000 more in a personal exemption in his income tax payment, so his rate or his taxes go down [reasonably] substantially.

*Mention
Carter's
tax
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proposal.*

Now that is not enough, in my judgment. I think we have to take a look to see whether our upper income taxpayers are paying a fair share. In the last two tax bills there has been a modification in the loopholes by which they could escape paying any income taxes. I think there ought to be further study to see whether, despite these two tax bills, there is not further opportunity to reduce inequities.

Now in the case of industry, it seems to me that the best way to structure our tax schedules for business is to do away with all these industry loopholes and actually make a rate reduction for business so that all businesses are treated equitably. There are some industries today that get a special tax break. I think we would be better advised if we were to have an elimination of those and an overall tax rate reduction. Then business is treated fairly across the board and, with that kind of an approach, I believe our tax rates, our tax program would have equity for all parties.

QUESTION: Well, Mr. President, you have just stated that you believe that you should get rid of the loopholes and, therefore, move to lower rates that would be uniformly applicable. How does that square with your energy position? Does that mean that you would be for the total abolishment of the deduction of intangible drilling expenses and that you would be for the total elimination also of depletion allowances? That would be one part.

The other thing is, how soon will we know what your plans are to make the rates higher for the rich? Will that come in your State of the Union, or when?

THE PRESIDENT: That is the regular time that I have in the past made tax recommendations. I would make such specific recommendations in January of this coming year.



You raised the question about taxes to make an energy program more effective. Yes, I would in the case of individuals give a tax break so that they could expedite the insulation of their homes. I would do anything in a reasonable and responsible way to increase the conservation of energy by the tax incentive method, and we have made several recommendations.

In the case of an industry during an emergency where we are trying to solve a limited problem in time, I think you can have a tax differentiation that will help us overcome the immediate problem but overall I think we are much better off if we have a uniform tax rate.

THE MODERATOR: Mr. Cheney.

QUESTION: Mr. President, today in spite of the economic recovery that the Nation has undergone we still have very severe unemployment problems, especially among minorities and especially among black teenagers where sometimes the rate of unemployment is as high as 40 percent. There is a widespread feeling in the black community that you and your Administration are continuing Richard Nixon's policy of benign neglect. Do you think that is a fair perception?

THE PRESIDENT: I certainly do not. I strongly feel that the best way to provide jobs for minorities as well as all others is to have a healthy economy so that more jobs exist across the board, but that does not take care of the immediate problem under unusual circumstances.

Summer unemployment for youth is a serious reoccurring difficulty and more serious in recent years. In order to meet that problem, I recommended last year and the previous year, as well, the full funding of what we call the Summer Youth Program. I think the figure is about \$450 million a year for a three- to four-month program to help in the employment of youth mainly in our major metropolitan areas, and it has worked well. I think it has been very constructive.

In addition, I recently recommended that we could be particularly helpful to the minority youth by a program that I think coincides to a substantial degree with the kinds of loans and grants that we give to young people who want to go to college, and we spend about \$4 billion a year subsidizing young people who want to go to college and whose parents or themselves don't have the money to send them to college.

So, if we are going to spend that kind of money for that group -- and I fully subscribe to it -- I think we ought to take a somewhat similar approach for the young people who are unemployed who want to get a training, a craft or a skill, and the program that I have proposed would give them part-time work and part-time schooling and this program I think will meet the problems of our minorities, our blacks as well as our Chicanos. It is a good, sound approach to meet their current unemployment difficulties.

QUESTION: Mr. President, just to follow-up on that, you have recently taken a major initiative in foreign policy by sending Dr. Kissinger to Africa to solve or help solve the black-white problem in Africa. Why isn't there a comparable initiative to help cope with our black-white ratio problems in this country in your Administration?

THE PRESIDENT: I think we have made substantial headway in meeting the problems of black-white in the United States. I don't read or hear about the kinds of riots like we had in Washington, D. C., under President Johnson or riots and the burnings in Detroit as we had about nine years ago. Those confrontations have not taken place under my Administration primarily because of the leadership that I have shown in getting people to understand one another and to heal the ruptures that took place during the previous Administration.

We are actually working together better now than at any time in the history of this country in the black-white area. We have not solved all the problems, but we have made considerable headway and I am very proud of it.

QUESTION: Mr. Ford, you said in your Michigan speech that trust is not shaping words to mean all things to all people yet your position on abortion and the gun control sections, those two in particular, the Republican platform, clearly were intended to indicate a more conservative position at that time when you were in the race against Ronald Reagan than your position indicates now that you are running against Mr. Carter.

Are you really being honest in your words with the American people?



THE PRESIDENT: I think my views on both of those issues and the Republican platform are very identical. Let's take gun control.

I don't believe in the registration of guns or gun owners. I don't believe that you have to take guns away from people in order to eliminate the use of guns by criminals. In my judgment, the best way to approach the problem of illegal use of guns is to make the penalties for the use of a gun in the commission of a crime a tough, firm, certain penalty. You punish the illegal user of a gun, not the legitimate gun owner.

In the case of abortion, my views are such that they fit precisely within the pattern of the Republican platform. I am against abortion, I am against the kind of a Constitutional amendment that has been recommended by some. I favor the people's amendment with the Constitution in the case of abortion. I feel that our views are not in disparity.

QUESTION: Well, sir, that was not my question, really. My question was your position tends to change by very subtle changes depending on the situation you find yourself in.

Let me try to rephrase it. You also said in that speech, I believe, that Presidents must say what they mean and mean what they say, but you also said in August of 1974 that "I will not run for a full term in 1976." You said then "I will not pardon Richard Nixon."

The question is, how are we to take seriously what you say because of these shades?

THE PRESIDENT: I don't think you have quoted accurately certainly in the last two, but let's assume that you are reasonably accurate. In the case of the testimony in the Senate Committee on the Administration, I said I didn't think the American people would stand for a pardon of Richard Nixon -- I didn't say I would not pardon him. The circumstances when I became President were such that I felt it was in the national interest that he should be pardoned and if circumstances were identical today I would do precisely the same thing.

In the case of whether I would become a candidate or not, yes, I did at the time I became Vice President indicate that I would not be a candidate again, but when I became President and, seeing the problems that I had and that this country had, it was absolutely essential that the then President indicate he would be a candidate again so that people would feel there was a continuity flowing from the things that we have done successfully in the first two and a half years and would lead to a better situation in the next four years.

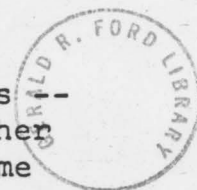
Those circumstances didn't necessitate that I announce I was a candidate, and I am, and I think we are going to win on November 2.

QUESTION: Mr. President, I think one of the most devastating statistics that you are faced with in trying to be elected is the fact that the average American family is no better off today than they were in 1972; that if you look at the statistic with respect to real incomes, what those people have, even though they may have managed to get some wage increases that their real incomes, what they have to spend as against what they can buy, is not any better, notwithstanding the lapsing of four years than it was before.

I know you have said you want to get a handle on inflation and I know you have said you wanted to cut taxes, but frankly taking a look at what the response has been in the Congress this does not look very likely. What do you foresee by way of those people out there, all of them, that are trying to get ahead?

THE PRESIDENT: I believe in the next four years since we have turned the economy around we will offer great hopes for our people to have a better life. Let's take taxes. The Congress, although it has not approved the added tax reductions that I have recommended, I believe in the next session of the Congress -- and hopefully a better Congress -- we will be able to convince the Congress that we can further reduce Federal income taxes which would mean more take home pay for the working people of this country. It is my judgment that we will have a far better handle on inflation in the next four years than we have had in the last two and a half years.

Even though we have cut inflation from 12 to 6 percent or less, we have got to get it down to 3 percent or less certainly during the time that I am President in the next four years. If we do, that also makes it possible for people to have more take home pay so they can do those things that they want to to enjoy life, to improve the quality of their life, which means benefiting from our recreation program where they can travel to our national parks. It means that they will have the opportunity, for example, to buy a new home, to buy a better home if they already have one. It gives them an opportunity to send their children without the kind of hardship to colleges and universities that they might not be able to do under present circumstances. So with a successful program in the field of economics, and I think we will do it, then in my judgment we can have a better life, a better quality of life for our people.



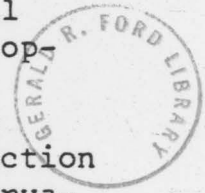
QUESTION: Well, Mr. President, a two part follow up to that statement. You mentioned the things that will help -- doing things by way of making higher education easier to middle America. I believe in your Ann Arbor speech you talked about better housing for them.

The first part of my follow up question would be, isn't it true there is no free lunch for the middle American family? Most of the taxes, no matter how progressive they are, come from middle American families and whenever you make a promise with regard to tax reductions for a specific purpose, whether it is for colleges or whatever it may be, or make a promise with respect to giving somebody something that is in middle income, all you are doing is taking it out of one pocket in the form of taxes or inflation and giving it to them in a different form.

My second question is, I don't see how I can square your statement that life is going to be rosy with your energy policies. For example, you did put forward an energy program in January of 1975. You are saying take the lid off of gas prices which means that everybody is going to have to pay more for gas in the United States than they did before. That is going to mean more of their earnings going for that purpose. You want to let the oil price go sky high. That is bound to affect everything they buy, including their fuel oil, particularly in the Northeast. How can you make those statements that things are going to be better?

THE PRESIDENT: I thoroughly subscribe to the view that nobody gets anything for nothing in this society. If we are going to have programs, somebody has to pay for them. Frankly, this is one of the serious disagreements I have with my Democratic friends, Governor Carter included. They want to add to the Federal bureaucracy and the Federal payroll a substantial number of new programs -- I think over 100 if you take their platform they approved in New York City. Now for all of those programs you have to have some additional cost. The best estimate we have been able to make is that the annual additional cost of the Democratic platform would be around \$200 million. Somebody has to pay for it. They either have to increase taxes or they have to increase the deficit which means more inflation or they have to do what they promised to do in their platform.

As far as the energy program, yes, there is an absolute need and necessity for this country to get moving in the field of energy. You do it by several ways. One, to increase the availability of energy whether it is oil or gas or nuclear or coal or through research and development in solar, and the more exotic fuels are you can convince people that they ought to use less or conserve more. Now our program would have stimulated more production and my program would in effect have brought about conservation in the utilization of energy. So if you are going to do one of those programs, you have to do it the way I recommended to get any results.



TAKE

QUESTION: Mr. President, what are the major traits and characteristics you think a man needs to be President?

THE PRESIDENT: It is my judgment that a person be a leader, and a successful President, a person has to be strong in character. He has to have experience and knowledge about the problems that he faces either domestically or internationally. I believe a President ought to be compassionate and generous in handling the problems of those who are less fortunate than himself or the American people as a whole. A President has to be strong and healthy mentally as well as physically because the stresses and strains are very serious under the schedule and the problems that a President must meet.

I believe that a President has to have a religious and spiritual conviction such as I have, a dedication to the Christian faith and a belief through my church, the followings of Jesus Christ. I think a person who is President can give better leadership if he does turn to the bible and to prayer under the tough circumstances that a President has to follow.

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If a person has all of those qualities, I think the chances are he will be a pretty good President.

QUESTION: Have you ever made a mistake as President, done anything you wished you had done differently?

THE PRESIDENT: I suppose I could sit down and say that to a minor degree we have made an error here but nothing of major consequences. I think we have made good judgments overall and I doubt very much that I would significantly change any decision of the past under the same circumstances if they came before me in 1977.

QUESTION: Mr. Ford, speaking of mistakes, you asked the farmers to produce at full capacity and then you slapped a grain embargo on sales to Russia which hurt the farmers. At the time, as I recall, you justified your actions both in terms of domestic and foreign policy considerations. However, when you were faced with the storm of political opposition from the farmers you said that you would not use the embargo again in a political speech.

Sir, if in the future you were to be faced with exactly the same circumstances that existed when you used the embargo in 1974, what would you do?

THE PRESIDENT: The same circumstances I don't think would come to be. We had a number of variables. You had a very short crop in the Soviet Union. You had shipping problems in the Gulf coast ports. You had a relatively short crop in the United States. Now those circumstances I don't believe would come together but let me tell you what I have said which I think is a responsible and responsive statement.

I have said we will not use farm exports as a pawn in international diplomacy. That I think is a stronger statement than has been made by my Democratic opponent. He has said, for example, that we sold too much wheat to Russia in 1973. He has said that he would use food as well as other American exports as a total embargo against Arab nations. He has endorsed the Humphrey-Hawkins bill which says that for all agricultural exports you have to have an export license and thereby could and would undoubtedly control the exports of American agriculture. I have said, and I repeat, that there are no embargoes and I see no circumstances in 1976 and none that I can foresee in 1977 that would bring one about.



QUESTION: President Ford, the American farmer wants a direct answer to a very simple question. Did you make a mistake with the embargo in 1974?

THE PRESIDENT: I don't think so because I was able to get for the American farmer a five and three-quarters year guaranteed six million metric ton grain sale to the Soviet Union and that agreement which has been lived up to now is a very sound investment for the American farmer. A two and a half month embargo in order to get a five and three-quarters year guarantee foreign agricultural sale to the Soviet Union I think was a good deal and I will stand by it.

THE MODERATOR: Mr. Lynn.

QUESTION: Mr. President, the purpose of these debates is to allow the American people to make up their mind as to who they want to vote for on November 2. Can you give me the four or five most important reasons why they should vote for you in your judgment?

THE PRESIDENT: Probably the most important one is that the voters know what I have done and they have the opportunity to compare a specific record with promises that have been made by my opponent. The American people are practical individuals, they are pragmatists, and when they see something that has been done and done well and compare it with fuzzy or uncertain or contradictory promises by somebody else, I think the American people will vote for certainty rather than the other.

Number two, I have been President for two and a half years. I had the opportunity in addition of serving in the Congress for twenty-five and a half years and as Vice President for almost a year. I know the problems that a President faces first hand, I know them from watching in the Congress, and experience is a factor that a voter must take into consideration. I am not passing judgment on the record of Governor Carter as Governor of Georgia but I will lay two and a half years of down to earth practical experience in the White House against any person who has not had that experience.

Take

No very good

Number three, it seems to me that continuity is vitally important; in fact, Senator Barry Goldwater was talking to me about that a month or so ago. He thinks that is the most important issue that we face today. I have had two and a half years, four more years if there is no break in the term of office. Programs and actions will continue but if you bring in somebody from the outside that continuity is lost and there is an inevitable rupture in the kind of control in programs that are underway.

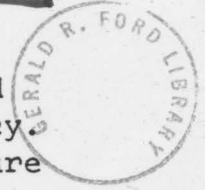
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Furthermore, I would say that speaking only for myself and not passing judgment on Mr. Carter that I think I and my family have demonstrated a great deal of forthrightness and candor and calmness under fire and those are characteristics that I think the American people want in this very difficult time.

QUESTION: You mentioned earlier, Mr. President, which is appropos of this general issue, that character and compassion are key ingredients you believe in the presidency. I would like to ask your views for a moment on how you square your rather tough position with respect to people that ran away from serving during the Vietnam war and the people that went AWOL during that period from the war with your position in pardoning President Nixon.

THE PRESIDENT: First, in September of 1974 I recommended what I thought was a fair and constructive solution to those who had either been deserters or draft dodgers. Out of about 120,000 who fell in both categories, approximately 18,000 applied and virtually all of them were given some relief from what they had done in either deserting or avoiding the draft. You would be amazed how many wonderful letters we have gotten from many of those who took advantage of my program and more or less cleared their record. Tragically, more didn't do it and I wish more had because those that did earned the right to clear their record.

Now in the case of Mr. Nixon, he did resign. He was the only President in the history of the United States at that time who has resigned under those circumstances. That is a rather substantial blot on his record and that is in effect a form of punishment that he has suffered, and so I think what he did in resigning plus the fact that it was necessary for me to get on with the business of the government that gave me the opportunity, the right, and I think properly so, to pardon him under those circumstances.



THE PRESIDENT: Well, if the present tax system is bad, it has been principally written by the Democratic-controlled Congress that has controlled the Congress for the last 22 years. Now I think there are some areas where we can reform and improve our Federal tax system.

The one that I believe is of maximum importance is a reduction of Federal taxes which I recommended of an additional \$10 billion. My proposed reduction of Federal taxes for individual taxpayers would increase the personal exemption from \$750 per person to \$1,000 per person.

Now in a family of four that means that that taxpayer would have \$1,000 more personal exemption for him and his dependents. That is the kind of reform I want. That is the kind of reform that makes a difference to the middle income taxpayer.

There are some other areas where I think we could improve and simplify our Federal tax system, and we have made recommendations, this Administration. Some were approved by the Congress; some were not. But I think it is interesting to compare the specifics that I have recommended, the \$10 billion tax reduction, with greater equity to the middle income taxpayers, with the recommendations for general tax reform that Mr. Carter proposes.

He has not identified any single tax reform, to my knowledge. He says that within a year after further studying it he will propose to the Congress tax reform. It is too long to wait. The Congress ought to approve the \$750 to \$1,000 increase in the personal exemption I recommended.

Now it seems to me that tax reform that I have proposed, that I have supported by increasing personal exemption and reducing the corporate income tax by two percentage points, is moving in the right direction.

QUESTION: By way of a follow-up, Mr. President, your running mate, Senator Dole, said last week that he felt Governor Carter had made a major blunder when he recommended raising taxes for those families in America who have an income above the median level of \$12,000 or \$14,000 a year. Do you agree with that?



THE PRESIDENT: I categorically disagree with it. I can see the bind that Mr. Carter got himself into. He has recommended all of these spending programs or endorsed them that would cost anywhere from \$100 billion more a year to \$200 billion more a year, and he had to find a way to pay for them, unless he was going to have bigger deficits, unless he was going to have more inflation, and so he stepped forward and said he would increase taxes on the American people.

Unfortunately, he picked on the middle income taxpayers who, in my judgment, have been given short shrift and have been short-changed in the last 10 years. I think they need tax relief, not a tax increase.



THE MODERATOR: Miss Waldron.

QUESTION: Mr. President, there is a widespread feeling in the black community that you and your Administration are continuing the policy of benign neglect. Do you think this is a fair perception?

THE PRESIDENT: Not at all because I have more high ranking black officials in this Administration than in any other previous Administration. I have an outstanding Cabinet officer in Secretary William Coleman, the Secretary of Transportation. We have other outstanding blacks in positions of responsibility. We have two in the White House, Mr. Arthur Fletcher and Mr. John Calhoun, both top ranking officials in my Administration right here in the White House family.

We have proposed programs that I think will be helpful and beneficial to the young blacks. I made a recommendation in Ann Arbor last week that would give to young unemployed blacks, as well as other youth, an opportunity to learn a trade or develop a skill without having to go to college. We use our Federal grants today to send young people to college. It seems to me that we ought to treat young people, whether they are blacks or otherwise, who don't want to go to college the same way, providing they want to develop a skill or a trade or to improve themselves so they can have full employment. So I don't think it is an accurate description of this Administration that we have not shown deep concern for minorities, especially the blacks.

QUESTION: Why then, Mr. President, do you think they vote almost monolithically Democratic?

THE PRESIDENT: They have done that since about 1932. I believe they are making some headway as we are improving educational opportunities for blacks and other minorities. I am convinced that those blacks who sit down and think about the opportunities we have presented in this Administration will support the Ford Administration on November 2.



THE MODERATOR: Mr. Duval.

QUESTION: Mr. President, if I could follow up to my last follow up question, I still don't think I have got exactly what I was looking for in terms of an answer.

You have indicated that many of your programs that you have tried to accomplish in the last two years are not the policy of the United States because of Congress. I don't think most of the people, for example, here in Philadelphia -- not on Society Hill but in the inner city of Philadelphia -- understand the distinction between the Congress and the Executive Branch. They are looking for results. Now if you were to walk down to the city center of Philadelphia after this debate and walk up to just some normal person on the street, how could you convince that person that that person's life would be better under your leadership over the next four years?

THE PRESIDENT: First I disagree with you very strongly. I think the average American voter does understand the difference between voting for a President and voting for a Member of the House of Representatives or the Senate. I think our voters are intelligent, they are well educated, and I believe you will see some changes in this election. I believe they will support President Ford and they will make some changes in the Democratic controlled Congress.

Now when I go down the street in Philadelphia after this debate and talk to any one of a number of people, I can say honestly and straightforwardly that we have done a good job in the last two and a half years. We have turned the economy around. More people are working today than ever in the history of the United States -- 4 million more gainfully employed in the last 17 months, 500,000 more in the last two months and greater job opportunities in the private sector because we have an expanding economy, because in this country under my leadership we are on a real upswing in our economy.

Sales are up. Industrial production is up. Capital expansion is up. We are really moving forward very, very successfully in our economic recovery and that man on the street or that woman on the street knows if she has a job she is not going to lose that job and those people know that the opportunities to get a job are far greater today than they were when I was first sworn in as President of the United States.

THE MODERATOR: Mr. President, so far in your campaign you have taken one trip to Michigan which was predictable and I might add safe. I understand that this weekend you will be making appearances in Mississippi, Louisiana, Alabama and Florida which experts acknowledge may very well be won by Mr. Carter. Aside from the line we are not writing off the South, what new information have you received that dictates that your first major campaign trip take place in your opponent's backyard?

THE PRESIDENT: I want the voters in the Southern States to know that I am not a regional candidate. I want their votes, and their votes are important to my re-election. We believe that there is a large, large block of voters in those States and in the other Southern States who believe in my philosophy and who disagree with Mr. Carter's philosophy.

Mr. Carter has embraced as his running mate Senator Mondale who has a very, very liberal voting record. This is indicative that Mr. Carter has liberal leanings himself; he certainly has shown it by his endorsement of the Democratic platform, his endorsement of the record of the Democratic Congress. The South is not liberal and yet Mr. Carter embraces these big spending programs which mean more taxes, more inflation, more spending.

The net result is I want to go down to those States and point out that Senator Dole and myself represent a moderate policy that we are not a big spender, that we believe in a free enterprise system and less government control, less taxes, less spending. By my personal appearance in those States and the comments that I make, we will convince those people. I think we have a chance to win some of those States and I think Mr. Carter ought to be a little scared of this trip.

THE MODERATOR: Having seen the schedule, Mr. President, it is somewhat remindful of your earlier campaign style which admittedly caused you problems in the national polls. Does this trip and your California trip mean that you are about to revert back to your primary campaign schedule?



THE PRESIDENT: We expect to make a number of trips. We will campaign. I think that is a responsibility of a Presidential candidate. Mainly those trips will come after the Congress has adjourned. It is the responsibility of the President basically to stay in Washington as long as Congress is in session and I primarily will, but once Congress has adjourned -- and the sooner the better -- then I think we ought to go out to California and to other parts of the country so that I can firsthand talk to the people and indicate to them the economic and military and foreign policy views that I have.

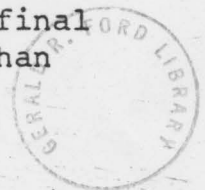
THE MODERATOR: I am sorry, sir, but I beg another follow up. How do you differentiate between the concerns that your staff and your experts had over the polling results after your primary campaign and your attitude, demeanor and style during that campaign and what do you expect to do in the upcoming trips around the country after Congress adjourns?

THE PRESIDENT: I believe that most Americans recognize that the head-to-head confrontation in the November election is a different kind of a campaign than going to 31 States where we had primaries prior to the convention. The American people understand on a national basis that the final election in November is a different kind of a campaign than one that involves primaries in 31 States.

THE MODERATOR: Thank you.

Mr. Cheney.

QUESTION: Mr. President, let's assume for a moment that on November 2 you were a voter instead of a candidate. What is the most important factor you think the voters ought to consider when they make a decision on November 2 as to why you are better qualified than Governor Carter to be President for the next four years?



THE PRESIDENT: The principal difference is that I have a proven record and the American people know where I stand and Mr. Carter has only made commitments or promises as to what he will do. I think you can look at my record, as I would if I were a voter, and say, what has President Ford done for the country? That is the real critical question that must be asked and what has he done that proves to me that he can do the job in the next four years.

I restored trust in the White House, I have been able to achieve and maintain the peace, and we have recovered from the worst economic recession in the last 40 years. Now that is a proven record. I have not gone out and promised a lot of spending programs like my opponent has. He has made very serious commitments to spend a substantial amount of taxpayers' money, some \$100 billion more a year on 50 some new programs.

I have said we will make headway with an economy that will give us jobs, that will permit us to have better education, better health, better control of crime and more recreation and more jobs. So when the voter looks himself in the eye and says, why should I vote for President Ford over Mr. Carter, he can look at a record on the one hand and promises on the other.

QUESTION: Mr. President, what do you think is the single most important trait that a President has to have, the single personal characteristic, in order to do the job?

THE PRESIDENT: I think the person must have, above all else, complete and total integrity and I believe that I have it.

QUESTION: Thank you.

QUESTION: Mr. President, one of the traditional claims that the Republicans have made in the past is that they are better managers and yet in the last few years we have seen scandals in the CIA, the FBI and the Medicaid program and the housing program. What are you doing to tighten up the management of this Federal Government?

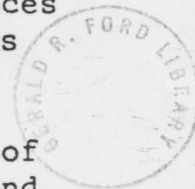
THE PRESIDENT: I certainly deplore the scandals that have taken place in the Executive Branch but I think it is fair to point out that the Democratic controlled Congress has had its fair share of scandals during the last several years. Now the best way for a President to eliminate corruption and scandals in the Federal Government is to set examples, and the standards that he sets must be followed by all others.

Number two, we must be ever alert for any criminal or unethical action by anybody in the Federal Government and when it is found those individuals must be dismissed, and if there are criminal charges they should be leveled against them.

Better management involves the day-to-day management by the Cabinet officer or by the agency official and leadership in the first place by the President on the affirmative side and corrective action by the proper authorities where there is any scandal that has developed.

QUESTION: Governor Carter, Mr. President, has suggested that the FBI Director Mr. Kelley should have been fired because of the recent reports of his window valances and because of his inability to manage the FBI. What is your answer to Governor's claim?

THE PRESIDENT: Here is another illustration of where Governor Carter said one thing in one community and the same day said another thing later in the day. He said that he would fire Mr. Kelley if he were President at the present time and then he said he would not fire him when he became President on January 20, so it seems to me that Governor Carter was quite inconsistent in this case. So all I can say is that on the recommendation of the Attorney General who thoroughly investigated the case, I decided that Mr. Kelley should not be dismissed as the FBI Director and after thoroughly investigating the charges which I could explain in detail, the decision I made I am convinced was the right one.



QUESTION: Mr. President, we have spoken about your past programs and policies of the last two years. If you are elected and have to sit down in January to write your State of the Union address, I assume that you would write up a list of the problems facing the nation or that you expected to be facing the nation in the coming year. Can you tell us how you would envision that list at this point and in what priority order?

THE PRESIDENT: First and foremost, domestically we would recommend to the Congress actions that would make certain and positive that our economic recovery would continue. I am sure that we would propose or repropose the tax reductions that I made to give tax relief to the middle income taxpayer such as the increase in the personal exemption from \$750 to \$1,000. I think we would make tax reduction proposals such as I made before so that business would get another shot in the arm so they would be better prepared to provide more jobs, the two and a half million jobs that we have to make available for the youth coming into the work force.

I would certainly try to keep a lid on Federal spending on the domestic side. As I recommended a year ago, we must cut the growth in Federal spending. I tried to do it by reducing that rate of growth by 50 percent. The Congress did not agree with me on that, they have added about \$15 billion and more spending in this coming budget cycle.

I would request the additional energy programs that Congress has not enacted that must be enacted if we are to have adequate energy conservation and if we are to expand our production.

I would propose that we continue our program of increasing and updating and modernizing our military forces. We turned this situation around in the last 12 months. It is my opinion that we have got to move forward with some of our newer weapon systems. We have to add to our research and development in the Department of Defense.

I would, of course, recommend the support of the kind of foreign policy that has brought us peace.

It will be a good State of the Union message in January of 1977.



QUESTION: Mr. President, could I follow up on that and just talk now on the domestic and economic area. Frankly as I listed the programs you mentioned they were all contained in your State of the Union message this year. I suspect that if we asked Governor Carter that question he might have a slightly different emphasis on the foreign area and perhaps in the environmental area. What you are saying basically is if you are elected we can expect more of the same.

THE PRESIDENT: I think they are good programs and they ought to be enacted into law. Just because a bad Congress did not enact them does not mean they should not have become law. We will have some other things that I have mentioned such as the expanded recreation program, the new programs so that we can reduce down payments on private home ownership and that we can do other things to expand the home building industry. The things that I recommended, just because a bad Congress didn't enact them does not mean they should not become law. They should even though this Congress was not wise enough to do what I thought they should.

I think this is enough.

THE MODERATOR: All right.

END

6:50 P.M. EDT



September 19, 1976



9:20 A.M. EDT

THE MODERATOR: Our first question will come from Mr. Lynn.

QUESTION: Mr. President, Mr. Carter has been stumping for some time on the record of the Nixon-Ford Administration, and I must say that I think I am somewhat confused and I think the American people are confused as to where you agree and where you disagreed with the domestic policies that were followed by Mr. Nixon.

I note that you are very strong against regulation, for example, and yet Mr. Nixon as we all know made the original proposals in water pollution, noise pollution, air pollution, had a strip mining bill that he put forward, toxic substances and the deficits, of course, were as large under Richard Nixon as we had in the history of the United States.

Would you care to tell us, please, sir, do you agree and how much do you disagree with the domestic policies followed by President Nixon?

THE PRESIDENT: I believe that it is important for a Presidential candidate to be judged on his own record as a President. It is true, of course, that during the six years of Mr. Nixon I was the minority leader in the House of Representatives and in that capacity had the responsibility to try to see that legislation recommended by him was considered and approved in the House of Representatives. But that was in a legislative capacity and it is a different responsibility than being a President and a Presidential candidate.

So I would simply say that in my case I am running on two and a half years of performance where we have ended a war in Vietnam and have the military capability to maintain the peace in the future and we are also in the process of a surging economic recovery that I believe is going along and will increase in its benefits to the people of this country. And, of course, it is my judgment that we have restored public trust in the White House. Those are the things that I want the American people to judge me on.

What I did as a legislator my constituents in Michigan had that privilege to say yes or no on, but as a President I will take my record and run it against the promises of the Governor of Georgia.

QUESTION: To follow up on that, Mr. President, I take it from your answer that you are trying to separate yourself pretty well from the domestic policies that were followed by Mr. Nixon. Perhaps I can ask my question a different way.

Is there any particular kind of proposals in the area of regulation or spending where had you been President of the United States at that time you would have had a different policy?

THE PRESIDENT: I mean just to be frank with you, I don't see the point you are getting at.

QUESTION: The point I am getting at, sir -- my question is that it was during the period of Richard Nixon that we got many of these programs that are now on the books by way of regulation, whether it is in the field of safety, in labor, or whether it is in the field of water pollution, bills with respect to spending for sewer treatment plans that you are now trying to change, wage and price controls during the period of time that he was President, strip mining bills that were stronger in the sense of the environmental side than yours. He put forward toxic substance legislation that was quite strong and so on.

And, off the record, what I am getting at is Carter continuously makes this linkage, talks about the huge deficits that were created during the Nixon years, and I just have a strong feeling that either by way of an answer by you or comment on a question to Carter or a direct question to you, you are going to get something that will probably be more detailed than this.

THE PRESIDENT: Well, I think we ought to have a reconciliation of those instances where we do have differences, and there are some, but --



QUESTION: Wage and price controls certainly stands out, but you can bridge that one, it seems to me, mainly by the ideas Herb Stein said the other day in a meeting, that whatever lessons there were to be learned were most surely learned and that should not be tried again.

THE PRESIDENT: I don't recollect that Nixon had any tax reductions.

QUESTION: Yes.

THE PRESIDENT: No personal income tax reductions.

QUESTION: In 1969 or 1970 was a quite sweeping change; in fact, in the 1972 election we made much of the point that during 1970 the taxes had been reduced substantially for the typical American family.

Now it was Congress really, to be frank about it, that did more about that than we did.

THE PRESIDENT: Okay.

QUESTION: Mr. Ford, the Governor has accused you repeatedly throughout the campaign of being a weak President and not providing the strong leadership America needs to deal with our serious economic and social problems. Do you think that is a fair charge for him to make?

THE PRESIDENT: Absolutely not, and the record is very clear that in this two-and-a-half-year period through the leadership that I have exerted we have turned this country around. Nobody who has any real appreciation of the circumstances would argue that ~~we were~~ in very, very difficult conditions in 1974 when I became President. We were on the brink of the worst recession in 40 years. We had just gone through horrendous increases in the cost of living caused by the oil embargo and caused by the increases in the price of food.

We were also at that time still deeply engaged in the military operations in Southeast Asia. ~~Through the kind of~~ very strong but I think very effective leadership we have been able to come out of this recession with very significant gains economically. We have added over 4 million employees in the labor market in the last 17 months, and 500,000 in the last 2 months.



We have cut the rate of inflation by better than 50 percent from over 12 percent per annum down to under 6 percent. We have in a military way been able to end our military involvement in Southeast Asia. We have been able to keep the peace with our military strength and our diplomatic skill. We certainly have restored trust in the White House.

The net result is by my leadership these very difficult times have been overcome and we are now in the position where with the continued leadership that I have exerted we will be able to increase our economic prosperity, maintain the peace and hopefully continue to move for peace in new areas of the world, such as in Southern Africa. This is the kind of initiative, leadership in Southern Africa, which I believe will pay big dividends not only for those in Southern Africa but for the United States and our friends and allies around the world, and certainly whether it is in economics or in peaceful endeavors this Administration, under my leadership, has been able to turn this country around and give us hopes and aspirations for an even better four years ahead.

QUESTION: By way of a follow-up, sir, in the legislative field you stated in your acceptance speech in Kansas City repeatedly that you made proposals to the Congress, for example, in the area of crime, but "this Congress won't act" was a phrase repeated often in your speech. Isn't it a fact that although you have made many proposals for the Congress you have not been able to get most of them through? And isn't it also possible that the country would be better served over the next four years if Governor Carter was President so that Congress and the Executive Branch could work together to agree on solutions to the major problems facing the country?

THE PRESIDENT: I think it would be a disaster. If we had had Jimmy Carter as President for the last two and a half years, he undoubtedly would have signed most of those 56 bills that I vetoed, and if he had signed a substantial portion of those bills that I vetoed he would have been a partner in increasing Federal expenditures from anywhere around \$10 billion more to \$13 billion, and would have added to the tax burdens of the American people by somewhere between \$100 and \$200 per person.

That is what would have been the case, and that is what may well be the case if Governor Carter is elected in 1976. I think the American people have more good sense than that. I believe that they want, regardless of the complexion of the Congress, a President who will stand up to a Congress that is bordering on a billion-dollars-a-year Congress, and I think they need a good, hard, tough-fisted checkmate back here in the White House to keep them from going off the deep end.

THE MODERATOR: Next, Mr. Duval.

QUESTION: Mr. President, you claim to stand for less Government and less spending. Following up on Mr. Lynn's question the Federal Government has grown dramatically under the Nixon-Ford Administrations. You created and your predecessor three of the most intrusive bureaucracies in our Nation's history -- the EPA, The Energy Administration, and OSHA.

You also submitted to Congress a budget which has a \$50 billion deficit. Isn't your record one of more Government and more spending, not less?

THE PRESIDENT: Let's straighten out the record so that we start from the facts.

Number one, under my Administration there has not been an increase in Federal employment. The Ford Administration has held the line or absolutely reduced the total number of Federally employed. It is true that we have an EPA; it is true that we have the Federal Energy Commission (Administration); it is true that we have OSHA.

What we have tried to do through the Federal Energy Commission is to develop an energy independence program for this country. I think that is important. You can't do it with having 10 different agencies all running around doing 10 different things, so you have to pull together in the FEC or FEA the personnel and the program so that you have a coordinated program.

Now we have done, I think, a reasonably good job in this regard. We could have done a far better job if the Congress had been cooperative. Obviously, we need an Environmental Protection Agency. I don't think the public wants us to ignore the environmental problems and by having EPA we have been able to coordinate that activity.

OSHA -- I think we ought to cut down, I think we ought to change its jurisdiction to a substantial degree, and I would hope we could do that in the next four years.

Talking about Federal spending, I tried to cut the proposed expenditures for fiscal year 1977 by 50 percent, going from 11 percent per year increase in growth in Federal spending to half of that. If the Congress had gone along with that proposal, we could have saved approximately \$14 billion in additional Federal spending that the Congress is going to add to my budget recommendation.

Yes, we are going to have a deficit, but it is going to be a bigger deficit because the Congress has ~~had~~ added to the expenditures and therefore added to the deficit and thereby making our problems ~~fighting~~ the battle against inflation much more difficult.

QUESTION: Mr. President, my follow-up question really has two parts because of your answer. I don't think you were responsive on the spending question.

~~I don't think you~~
If you are for less spending, why didn't you submit a balanced budget for the last fiscal year? In terms of the Federal arenas, isn't it true that what you are saying is that when it comes to agencies that help businesses like the FEA you will create them; when it comes to agencies that help people like the Consumer Protection Agency and OSHA you attack them?

THE PRESIDENT: I don't think that it is a fair argument to make that the budget I submitted is not balanced as a result of Presidential action. About 80 percent of the Federal budget is predicated on laws passed by the Congress where there is just an automatic increase unless Congress changes the law. The President can't change the law. In those areas where we have an opportunity to tighten the belt of an agency or a department, I recommended reductions which, if they had been applied, would have saved the taxpayers of this country approximately \$14 billion in the next 12 months.

If we got the right kind of a Congress, I think we could make substantial headway in reducing expenditures even further and in tightening the screws on some of these agencies that I think are out of hand.

THE MODERATOR: Mr. Lynn.



QUESTION: Mr. President, I have read a good deal in the paper and also some criticism from you and other members of your Administration about the flip-flop so-called of Mr. Carter and also the vagueness, the fuzziness of the positions he has taken.

It seems to me that the American people are entitled to ask that perhaps people in glass houses should not throw stones. Let me give you some examples of some things that I think would be applicable to the flip-flops and also maybe to the fuzziness.

On the flip-flops there is the celebrated WIN program back in 1974 where you were proposing tax increases and within 3 months thereafter you are proposing reductions with the recession--common situs picketing; New York City, where you said you would never give any money to New York City and then you ultimately did; parks, where we can document that, ----- being recommended to you and took their recommendations to be tough on the parks program.

I suppose the tax bill before you, I understand that is not the dollar-for-dollar reduction in spending accompanied by taxes and if you signed that it would be another flip-flop.

Now, on vagueness, in the State of the Union you talked about welfare reform, that it was something that we could not afford now, that you thought you would like to do something in catastrophic protection for elderly citizens, but I have not seen anything new there since your State of the Union.

In your Ann Arbor speech, to be more recent, on jobs you talked about career training for people and skills and crafts of people that don't want to go to college. Would you care to comment on this, both as to flip-flops and to fuzzy promises?

THE PRESIDENT: I will be delighted to make some observations. I think most of the allegations are without foundation with all respect to your question. But let's take the first one.

When I became President in August of 1974, we were going through a tremendous increase in the cost of living and inflation was really getting out of hand. We held a series of economic meetings around the country where labor, business, economists, housewives came in and studied the problem and gave recommendations to us in Washington, and the net result of those

recommendations was that we should

recommendations was that we should attack the problems of inflation. Few, if any, of the people throughout the country, including those in Washington, said we were facing the danger of an economic recession.

So, we took the problem of inflation and the way to fight inflation of that magnitude is to impose tax increases that made sense. Shortly thereafter, by the first of the year, three or four months later, it became perfectly obvious that we had an economic recession rather than the problem of inflation and, consequently, we decided -- I think wisely so -- that we had to stimulate the economy by tax reductions rather than to put a lid on the economy through tax increases -- a very logical approach to problems as they changed, as we go down the time span.

Common situs picketing -- I was assured when I first considered that that it would have the public support of both labor and management. Management subsequently did not support it and the net result was I didn't feel bound because the promises that had been made to me were not going to be forthcoming. Obviously, when you have disharmony and discord in an industry like that you should not push legislation of that kind.

New York City is a totally wrong observation on your part. I said we would not help New York City unless New York City pulled itself together, and for about a year they refused to face up to the cold, hard facts. Finally when they did, when they made very drastic reductions in future spending, tightened their belt, we then made an agreement to make a loan to New York City for a period of three years with their repayments with interest to the Federal Treasury being maintained. So, we got New York City out of their troubles, but we got them out by getting them to do something on their own behalf.

On the parks problem, the budget that I recommended in 1976 did increase by 400 the number of employees in the National Park Service, which, I think, is a good indication of my personal support -- not just in a campaign year but well before that.

Yes, we are going to have welfare reform, but it is going to come now that we are out of our economic problems and I think we can do something about it in 1977.

QUESTION: As a follow-up, Mr. President, you have mentioned that we can do something about welfare reform, and I would add the catastrophic protection beyond the elderly, I mean for Mr. and Mrs. Middle America, and I would assume so, too, from your Ann Arbor speech that you intended to do something about career training, getting skills and crafts for kids that don't want to go to college, but is there anything specific that you can tell us that you are for in those areas or do we have to wait -- as we have had to wait with Mr. Carter -- until after the election to know what those specifics are?

THE PRESIDENT: In the case of catastrophic health care, we have a very specific plan and program which has been submitted to the Congress since last January, so there is no problem there whatsoever. The Congress has just got to pass a good program that I recommended, and it will take care of the health needs of our older citizens.

Now if you take welfare, I think you can do it in one of two ways: You can either have a tightening up of the existing programs -- and we have made some recommendations to the Congress in that regard. That is one approach. The other is to do what was done several years ago by the Family Assistance Program. There are those who argue that there is much merit to that program. As a matter of fact, in 1971¹⁹⁷¹ and 1973 I voted for that program because I thought it had some merit. It was a better approach than just letting the current welfare program drift and get no place. So, either we can recommend a total tightening up of the existing programs or you can junk all the 40-some welfare programs that we have and start fresh with something like the Family Assistance Program.

Now I would expect that in 1977 as President I would recommend one or the other of those approaches because the current program of welfare with its hodge-podge development over a period of 40 years, its inequities and all of the other bad things about it ought to be eliminated from the statute books and I, as President, would certainly approach that in one of the two ways in 1977.

THE MODERATOR: Mr. Cheney.

QUESTION: Mr. Ford, in your mind, what are the fundamental issues in this campaign? What are the policy areas where you and Governor Carter disagree?

THE PRESIDENT: The principal difference between Governor Carter and myself is that he believes very strongly by his endorsement of the Democratic platform, by his endorsement of the record of the Democratic Congress, that the way to solve most of our problems in this country is to have the Federal Government be the principal proponent or manager. I totally disagree with that approach. But let's take in general the things that the Democratic platform, the Democratic Members of the Congress favor, and he has endorsed both.

He believes that you should have a comprehensive national health insurance program which most people who know anything about the subject say will cost an additional \$70 billion each year. There are four other programs in the Democratic platform that if you just total up will come to over \$100 billion in additional spending.

So, if you take the Democratic platform, which he subscribes to, you inevitably come to the conclusion that he is a person that wants more taxes, more spending, resulting in more inflation and more Government control.

There is a very fundamental difference between that kind of approach and my approach, which is one of trying to get the Government out of the economy, trying to get a reduction in taxes, trying to put a lid on spending programs. So, there is a very fundamental difference on the economic side as far as the handling of our domestic problems are concerned.

Now, of course, Mr. Carter also, in foreign policy, feels that we should withdraw our troops from Korea and from other bases overseas. He believes we ought to make a reduction of \$5 billion to \$7 billion in our national defense expenditures. I think that is ridiculous.

He also believes that in some of our allied governments, particularly in Western Europe, it would not be too bad if they had Communist parties as a participant in the government. We have some fundamental differences in foreign policy as well as in domestic policy, but the principal one domestically is that he wants to spend more, tax more, have higher inflation. And in foreign policy, I believe in strength, and he believes that you can maintain your national security by spending less money, and I just don't think that will work.



QUESTION: Mr. President, by way of a follow-up question, can you specify a goal or an objective that you think you can achieve over the next four years that Governor Carter cannot achieve?

THE PRESIDENT: I think I can, because a person who has gone through the difficulties we have gone through in the two and a half years since I have been President has had enough experience under tough circumstances to know what we can do and what we can't do, and I would hope that as President in the next four years that we could get the Congress to do some of the things they have not done in the field of energy, in the field of -- I better get that list out.

QUESTION: Mr. President, you listed improving the quality of life as one of your campaign priorities. To many Americans this means a better environment. Yet, environmentalists have publicly rated you as having the worst environmental record of any President in history.

For example, they cite the veto of your strip mining bill; they cite your opposition to the land use bill; they cite your proposal to lower auto emission standards. Isn't it true that, taken as a whole, your record as opposed to your rhetoric is one of improved quality of life for corporations, not for the people?

THE PRESIDENT: I categorically deny their accusations and the way in which you have put the question, but let's leave that aside.

Yes, I vetoed twice a strip mining bill for a number of very, very good reasons. Number one, virtually every State in the Union that has coal mining today currently has good strip mining legislation so there is no reason whatsoever why the Federal Government should put another layer of legislation and regulation on the mining of coal.

Secondly, a Federal strip mining law would have undoubtedly restricted our capability to mine more coal, and if we are going to become less dependent on Arab oil from the Middle East, we have to mine and use more coal, and a strip mining bill as recommended by the Congress would have undoubtedly cut back our capability to increase by 100 percent our coal production in the next 10 years.

In the case of land use legislation, of course the Congress has not yet passed one. They do a lot of talking up there but they have not in all the years I was there ever passed one. But if it came down in the form that some people have recommended it, I would veto it, because I think land use planning can best be done at the State and local level.

I don't believe that some bureaucrat in Washington can decide how we ought to zone or regulate the use of land in Arizona or California or Michigan or New York. I certainly don't want some "Washington expert" telling me how to use my land in Grand Rapids, Michigan, and I don't think the American people do, either.

Now in the case of auto emissions, yes, the Congress about four years ago set certain standards. They didn't do it very scientifically. They just sort of grabbed a figure out of thin air and said the automobile industry had to meet those standards by a certain date. After a period of several years everybody recognizes that those auto emission standards were invalid, and so we had to change them, if we were going to keep the American automobile industry from stopping production, losing jobs. And, therefore, I think some sound recommendations were made by me on the recommendation of Mr. Russell Train, the head of EPA, and if Congress passes those new emission standards we will continue to improve the environment, we will improve the efficiency of the automobiles that are made in the future and we will, I think, have done service as far as jobs in this country are concerned.

QUESTION: Mr. President, with all due respect to your answer and to your office, sir, I listened carefully to your answer and you never spoke once about the need to clean up the environment, you never spoke once about what the environmentalists have been saying this country needs.

Isn't that, your answer right here on the show, the best example of one of the defects in your leadership? You have ignored a major national constituency, the environmentalists.

THE PRESIDENT: I think that accusation and, again, the tone in which you ask the question shows a built-in bias, but aside from that, let's talk about the things we have done.

I think you will find that in the recommendations that I have made, we have, as I said earlier, expanded the number of employees in the National Park Service; we have recommended a substantial increase in our wild river program; in our wildlife sanctuaries; we have fully funded the land and water use program; we have signed legislation that was controversial providing for the Alpines Lake Wild River program; we have approved the Eagle's Nest program in Colorado. I think we have a good program, but we have to balance it so that you don't just be an environmentalist because, if you are totally an environmentalist, you are not going to get any production and have any growth in this country.

And I happen to believe very strongly that if we are going to have jobs, if we are going to have increased industrial capability, keep our economy strong, you have to have a balance between the environment and our economy, and I strongly feel that we have got that kind of a program.

THE MODERATOR: Mr. Lynn.

QUESTION: Mr. President, we have heard particularly in recent days a good deal about taxes and tax rates. I know you have made proposals whereby you would reduce the tax load on individuals, I am aware of that, but what I really want to do is ask you your philosophy with respect to taxes generally along these lines.

Assuming that taxes were to be reduced -- let's assume that, for most people in America -- do you really believe that the progressive rate structure that we have today is the perfect one? In other words, when you look at the burden that is borne by middle-American taxpayers, even taking into account this tax bill which you may or may not sign, do you believe that the rich should not be paying any more taxes than they are paying now or do you really believe that we should have increases even beyond what we have now and the minimum rates that were provided in the bill that is before you or perhaps by steeper rates for the rich?

The second part of that question is on business there are some tax breaks given to business in the law now -- some of those were removed, some were added in the tax bill that is before you -- do you think business should have more tax breaks than where the law will be if you sign this bill, or less tax breaks when you sign this bill?

THE PRESIDENT: First, I fully agree with the proposition that the middle income taxpayer has been short-changed in the last 10 years and that is precisely why I recommended that we should increase the personal exemption from \$750 per person to \$1,000. That makes a substantial benefit for the middle income taxpayer who is around \$14,500 per year. It just means that with a family of four he gets roughly \$1,000 more in a personal exemption in his income tax payment, so his rate or his taxes go down reasonably substantially.

Now that is not enough, in my judgment. I think we have to take a look to see whether our upper income taxpayers are paying a fair share. In the last two tax bills there has been a modification in the loopholes by which they could escape paying any income taxes. I think there ought to be further study to see whether, despite these two tax bills, there is not further opportunity to reduce inequities.

Now in the case of industry, it seems to me that the best way to structure our tax schedules for business is to do away with all these industry loopholes and actually make a rate reduction for business so that all businesses are treated equitably. There are some industries today that get a special tax break. I think we would be better advised if we were to have an elimination of those and an overall tax rate reduction. Then business is treated fairly across the board and, with that kind of an approach, I believe our tax rates, our tax program would have equity for all parties.

QUESTION: Well, Mr. President, you have just stated that you believe that you should get rid of the loopholes and, therefore, move to lower rates that would be uniformly applicable. How does that square with your energy position? Does that mean that you would be for the total abolishment of the deduction of intangible drilling expenses and that you would be for the total elimination also of depletion allowances? That would be one part.

The other thing is, how soon will we know what your plans are to make the rates higher for the rich? Will that come in your State of the Union, or when?

THE PRESIDENT: That is the regular time that I have in the past made tax recommendations. I would make such specific recommendations in January of this coming year.



You raised the question about taxes to make an energy program more effective. Yes, I would in the case of individuals give a tax break so that they could expedite the insulation of their homes. I would do anything in a reasonable and responsible way to increase the conservation of energy by the tax incentive method, and we have made several recommendations.

In the case of an industry during an emergency where we are trying to solve a limited problem in time, I think you can have a tax differentiation that will help us overcome the immediate problem but overall I think we are much better off if we have a uniform tax rate.

THE MODERATOR: Mr. Cheney.

QUESTION: Mr. President, today in spite of the economic recovery that the Nation has undergone we still have very severe unemployment problems, especially among minorities and especially among black teenagers where sometimes the rate of unemployment is as high as 40 percent. There is a widespread feeling in the black community that you and your Administration are continuing Richard Nixon's policy of benign neglect. Do you think that is a fair perception?

THE PRESIDENT: I certainly do not. I strongly feel that the best way to provide jobs for minorities as well as all others is to have a healthy economy so that more jobs exist across the board, but that does not take care of the immediate problem under unusual circumstances.

Summer unemployment for youth is a serious reoccurring difficulty and more serious in recent years. In order to meet that problem, I recommended last year and the previous year, as well, the full funding of what we call the Summer Youth Program. I think the figure is about \$450 million a year for a three- to four-month program to help in the employment of youth mainly in our major metropolitan areas, and it has worked well. I think it has been very constructive.

In addition, I recently recommended that we could be particularly helpful to the minority youth by a program that I think coincides to a substantial degree with the kinds of loans and grants that we give to young people who want to go to college, and we spend about \$4 billion a year subsidizing young people who want to go to college and whose parents or themselves don't have the money to send them to college.

So, if we are going to spend that kind of money for that group -- and I fully subscribe to it -- I think we ought to take a somewhat similar approach for the young people who are unemployed who want to get a training, a craft or a skill, and the program that I have proposed would give them part-time work and part-time schooling and this program I think will meet the problems of our minorities, our blacks as well as our Chicanos. It is a good, sound approach to meet their current unemployment difficulties.

QUESTION: Mr. President, just to follow-up on that, you have recently taken a major initiative in foreign policy by sending Dr. Kissinger to Africa to solve or help solve the black-white problem in Africa. Why isn't there a comparable initiative to help cope with our black-white ratio problems in this country in your Administration?

THE PRESIDENT: I think we have made substantial headway in meeting the problems of black-white in the United States. I don't read or hear about the kinds of riots like we had in Washington, D. C., under President Johnson or riots and the burnings in Detroit as we had about nine years ago. Those confrontations have not taken place under my Administration primarily because of the leadership that I have shown in getting people to understand one another and to heal the ruptures that took place during the previous Administration.

We are actually working together better now than at any time in the history of this country in the black-white area. We have not solved all the problems, but we have made considerable headway and I am very proud of it.

QUESTION: Mr. Ford, you said in your Michigan speech that trust is not shaping words to mean all things to all people, yet your position on abortion and the gun control sections, those two in particular, the Republican platform, clearly were intended to indicate a more conservative position at that time when you were in the race against Ronald Reagan than your position indicates now that you are running against Mr. Carter.

Are you really being honest in your words with the American people?

THE PRESIDENT: I think my views on both of those issues and the Republican platform are very identical. Let's take gun control.

I don't believe in the registration of guns or gun owners. I don't believe that you have to take guns away from people in order to eliminate the use of guns by criminals. In my judgment, the best way to approach the problem of illegal use of guns is to make the penalties for the use of a gun in the commission of a crime a tough, firm, certain penalty. You punish the illegal user of a gun, not the legitimate gun owner.

In the case of abortion, my views are such that they fit precisely within the pattern of the Republican platform. I am against abortion, I am against the kind of a Constitutional amendment that has been recommended by some. I favor the people's amendment with the Constitution in the case of abortion. I feel that our views are not in disparity.

QUESTION: Well, sir, that was not my question, really. My question was your position tends to change by very subtle changes depending on the situation you find yourself in.

Let me try to rephrase it. You also said in that speech, I believe, that Presidents must say what they mean and mean what they say, but you also said in August of 1974 that "I will not run for a full term in 1976." You said then "I will not pardon Richard Nixon."

The question is, how are we to take seriously what you say because of these shades?

THE PRESIDENT: I don't think you have quoted accurately certainly in the last two, but let's assume that you are reasonably accurate. In the case of the testimony in the Senate Committee on the Administration, I said I didn't think the American people would stand for a pardon of Richard Nixon -- I didn't say I would not pardon him. The circumstances when I became President were such that I felt it was in the national interest that he should be pardoned and if circumstances were identical today I would do precisely the same thing.

In the case of whether I would become a candidate or not, yes, I did at the time I became Vice President indicate that I would not be a candidate again, but when I became President and, seeing the problems that I had and that this country had, it was absolutely essential that the then President indicate he would be a candidate again so that people would feel there was a continuity flowing from the things that we have done successfully in the first two and a half years and would lead to a better situation in the next four years.

Those circumstances didn't necessitate that I announce I was a candidate, and I am, and I think we are going to win on November 2.

QUESTION: Mr. President, I think one of the most devastating statistics that you are faced with in trying to be elected is the fact that the average American family is no better off today than they were in 1972; that if you look at the statistic with respect to real incomes, what those people have, even though they may have managed to get some wage increases that their real incomes, what they have to spend as against what they can buy, is not any better, notwithstanding the lapsing of four years than it was before.

I know you have said you want to get a handle on inflation and I know you have said you wanted to cut taxes, but frankly taking a look at what the response has been in the Congress this does not look very likely. What do you foresee by way of those people out there, all of them, that are trying to get ahead?

THE PRESIDENT: I believe in the next four years since we have turned the economy around we will offer great hopes for our people to have a better life. Let's take taxes. The Congress, although it has not approved the added tax reductions that I have recommended, I believe in the next session of the Congress -- and hopefully a better Congress -- we will be able to convince the Congress that we can further reduce Federal income taxes which would mean more take home pay for the working people of this country. It is my judgment that we will have a far better handle on inflation in the next four years than we have had in the last two and a half years.

Even though we have cut inflation from 12 to 6 percent or less, we have got to get it down to 3 percent or less certainly during the time that I am President in the next four years. If we do, that also makes it possible for people to have more take home pay so they can do those things that they want to to enjoy life, to improve the quality of their life, which means benefiting from our recreation program where they can travel to our national parks. It means that they will have the opportunity, for example, to buy a new home, to buy a better home if they already have one. It gives them an opportunity to send their children without the kind of hardship to colleges and universities that they might not be able to do under present circumstances. So with a successful program in the field of economics, and I think we will do it, then in my judgment we can have a better life, a better quality of life for our people.



QUESTION: Well, Mr. President, a two part follow up to that statement. You mentioned the things that will help -- doing things by way of making higher education easier to middle America. I believe in your Ann Arbor speech you talked about better housing for them.

The first part of my follow up question would be, isn't it true there is no free lunch for the middle American family? Most of the taxes, no matter how progressive they are, come from middle American families and whenever you make a promise with regard to tax reductions for a specific purpose, whether it is for colleges or whatever it may be, or make a promise with respect to giving somebody something that is in middle income, all you are doing is taking it out of one pocket in the form of taxes or inflation and giving it to them in a different form.

My second question is, I don't see how I can square your statement that life is going to be rosy with your energy policies. For example, you did put forward an energy program in January of 1975. You are saying take the lid off of gas prices which means that everybody is going to have to pay more for gas in the United States than they did before. That is going to mean more of their earnings going for that purpose. You want to let the oil price go sky high. That is bound to affect everything they buy, including their fuel oil, particularly in the Northeast. How can you make those statements that things are going to be better?

THE PRESIDENT: I thoroughly subscribe to the view that nobody gets anything for nothing in this society. If we are going to have programs, somebody has to pay for them. Frankly, this is one of the serious disagreements I have with my Democratic friends, Governor Carter included. They want to add to the Federal bureaucracy and the Federal payroll a substantial number of new programs -- I think over 100 if you take their platform they approved in New York City. Now for all of those programs you have to have some additional cost. The best estimate we have been able to make is that the annual additional cost of the Democratic platform would be around \$200 million. Somebody has to pay for it. They either have to increase taxes or they have to increase the deficit which means more inflation or they have to do what they promised to do in their platform.

As far as the energy program, yes, there is an absolute need and necessity for this country to get moving in the field of energy. You do it by several ways. One, to increase the availability of energy whether it is oil or gas or nuclear or coal or through research and development in solar, and the more exotic fuels are you can convince people that they ought to use less or conserve more. Now our program would have stimulated more production and my program would in effect have brought about conservation in the utilization of energy. So if you are going to do one of those programs, you have to do it the way I recommended to get any results.

QUESTION: Mr. President, what are the major traits and characteristics you think a man needs to be President?

THE PRESIDENT: It is my judgment that a person be a leader, and a successful President, a person has to be strong in character. He has to have experience and knowledge about the problems that he faces either domestically or internationally. I believe a President ought to be compassionate and generous in handling the problems of those who are less fortunate than himself or the American people as a whole. A President has to be strong and healthy mentally as well as physically because the stresses and strains are very serious under the schedule and the problems that a President must meet.

I believe that a President has to have a religious and spiritual conviction such as I have, a dedication to the Christian faith and a belief through my church, the followings of Jesus Christ. I think a person who is President can give better leadership if he does turn to the bible and to prayer under the tough circumstances that a President has to follow.

If a person has all of those qualities, I think the chances are he will be a pretty good President.

QUESTION: Have you ever made a mistake as President, done anything you wished you had done differently?

THE PRESIDENT: I suppose I could sit down and say that to a minor degree we have made an error here but nothing of major consequences. I think we have made good judgments overall and I doubt very much that I would significantly change any decision of the past under the same circumstances if they came before me in 1977.

QUESTION: Mr. Ford, speaking of mistakes, you asked the farmers to produce at full capacity and then you slapped a grain embargo on sales to Russia which hurt the farmers. At the time, as I recall, you justified your actions both in terms of domestic and foreign policy considerations. However, when you were faced with the storm of political opposition from the farmers you said that you would not use the embargo again in a political speech.

Sir, if in the future you were to be faced with exactly the same circumstances that existed when you used the embargo in 1974, what would you do?

THE PRESIDENT: The same circumstances I don't think would come to be. We had a number of variables. You had a very short crop in the Soviet Union. You had shipping problems in the Gulf coast ports. You had a relatively short crop in the United States. Now those circumstances I don't believe would come together but let me tell you what I have said which I think is a responsible and responsive statement.

I have said we will not use farm exports as a pawn in international diplomacy. That I think is a stronger statement than has been made by my Democratic opponent. He has said, for example, that we sold too much wheat to Russia in 1973. He has said that he would use food as well as other American exports as a total embargo against Arab nations. He has endorsed the Humphrey-Hawkins bill which says that for all agricultural exports you have to have an export license and thereby could and would undoubtedly control the exports of American agriculture. I have said, and I repeat, that there are no embargoes and I see no circumstances in 1976 and none that I can foresee in 1977 that would bring one about.

QUESTION: President Ford, the American farmer wants a direct answer to a very simple question. Did you make a mistake with the embargo in 1974?

THE PRESIDENT: I don't think so because I was able to get for the American farmer a five and three-quarters year guaranteed six million metric ton grain sale to the Soviet Union and that agreement which has been lived up to now is a very sound investment for the American farmer. A two and a half month embargo in order to get a five and three-quarters year guarantee foreign agricultural sale to the Soviet Union I think was a good deal and I will stand by it.

THE MODERATOR: Mr. Lynn.

QUESTION: Mr. President, the purpose of these debates is to allow the American people to make up their mind as to who they want to vote for on November 2. Can you give me the four or five most important reasons why they should vote for you in your judgment?

THE PRESIDENT: Probably the most important one is that the voters know what I have done and they have the opportunity to compare a specific record with promises that have been made by my opponent. The American people are practical individuals, they are pragmatists, and when they see something that has been done and done well and compare it with fuzzy or uncertain or contradictory promises by somebody else, I think the American people will vote for certainty rather than the other.

Number two, I have been President for two and a half years. I had the opportunity in addition of serving in the Congress for twenty-five and a half years and as Vice President for almost a year. I know the problems that a President faces first hand, I know them from watching in the Congress, and experience is a factor that a voter must take into consideration. I am not passing judgment on the record of Governor Carter as Governor of Georgia but I will lay two and a half years of down to earth practical experience in the White House against any person who has not had that experience.



Number three, it seems to me that continuity is vitally important; in fact, Senator Barry Goldwater was talking to me about that a month or so ago. He thinks that is the most important issue that we face today. I have had two and a half years, four more years if there is no break in the term of office. Programs and actions will continue but if you bring in somebody from the outside that continuity is lost and there is an inevitable rupture in the kind of control in programs that are underway.

Furthermore, I would say that speaking only for myself and not passing judgment on Mr. Carter that I think I and my family have demonstrated a great deal of forthrightness and candor and calmness under fire and those are characteristics that I think the American people want in this very difficult time.

QUESTION: You mentioned earlier, Mr. President, which is appropos of this general issue, that character and compassion are key ingredients you believe in the presidency. I would like to ask your views for a moment on how you square your rather tough position with respect to people that ran away from serving during the Vietnam war and the people that went AWOL during that period from the war with your position in pardoning President Nixon.

THE PRESIDENT: First, in September of 1974 I recommended what I thought was a fair and constructive solution to those who had either been deserters or draft dodgers. Out of about 120,000 who fell in both categories, approximately 18,000 applied and virtually all of them were given some relief from what they had done in either deserting or avoiding the draft. You would be amazed how many wonderful letters we have gotten from many of those who took advantage of my program and more or less cleared their record. Tragically, more didn't do it and I wish more had because those that did earned the right to clear their record.

Now in the case of Mr. Nixon, he did resign. He was the only President in the history of the United States at that time who has resigned under those circumstances. That is a rather substantial blot on his record and that is in effect a form of punishment that he has suffered, and so I think what he did in resigning plus the fact that it was necessary for me to get on with the business of the government that gave me the opportunity, the right, and I think properly so, to pardon him under those circumstances.

Page 25

THE MODERATOR: Thank you, Mr. President.

END 10:26 A.M. EDT

September 19, 1976

5:50 P.M. EDT

THE MODERATOR: Good evening. Welcome to the 1976 Presidential debates.

Our debaters are the former Governor of Georgia, Jimmy Carter, and the President of the United States, Gerald Ford.

Our journalists are Richard Cheney from Newsweek Magazine; Agnes Waldron from the Washington Post; and Mike Duval from the New York Times.

Mr. Cheney, you have the first question for the President.

QUESTION: Mr. President, Governor Carter has campaigned all across the country this year alleging that the fundamental problem with your Administration is that you have not provided the kind of strong leadership the country needs to solve its domestic and economic problems. Do you believe that is a fair charge?

THE PRESIDENT: I have in the two-plus years that I have been President exerted the necessary leadership that has turned this country around from the very unfortunate and serious circumstances we were in when I took office in August of 1974. At that time, we were facing a very serious economic situation, -- inflation was high, unemployment was going up -- we were about to fall into the worst recession in the last 40 years. We had substantial numbers of U.S. military personnel engaged in Southeast Asia. We were without trust in Government and the American people did not trust their White House and did not trust their Government.

In the last two years, through the leadership that I have given to this country, we have turned this country around. We have held the differences and divisiveness among our people. We have restored trust and integrity and candor and straightforwardness in the White House. We have taken us from serious adverse economic conditions to the point where more American people have jobs today than any time in the history of the United States.



We have cut the rate of inflation by better than 50 percent -- from over 12 percent per year to less than 6 percent. We have turned this country around so that we are on the surge of a real economic recovery and, of course, peace has been obtained in the Pacific and the American people, through their Army, Navy, Air Force and Marines, because of our diplomatic skill, have the capability of maintaining the peace in the future.

That was the necessary leadership that had to be given by me during that rough two-year period. Now we need a different kind of leadership in that we have to build on the progress that we have made, and the leadership that I have promised to the American people will give us a healthier economy in the next four years. It will be leadership that will continue the peace that we have and it is the leadership that is straightforward, candid and has produced the restoration of trust that is so important in this country today.

THE MODERATOR: Ms. Waldron, please.

QUESTION: Mr. President, your running mate, Mr. Dole, said voters see you and Republicans as anti-people. If this is so, why should the voters vote for you in this election?

THE PRESIDENT: That, of course, is a ridiculous charge. The facts are that this Administration has been very people-oriented. We have been concerned and compassionate concerning those who have been unemployed during this economic recession. We have broadened the eligibility so that more people could get unemployment compensation. We have extended the unemployment compensation period from 26 weeks to 67 weeks. We have, at the same time, been deeply concerned about the unemployment problems of our youth, particularly our minority youth. We have fully funded the Summer Youth Employment Program at a rate of approximately \$800 million for a four-month period for the last two summers.

We have been deeply concerned about the problem of catastrophic or prolonged illness for our aged. There are approximately 3 million people in this country who have received Medicaid who are hit, and hit very seriously, by catastrophic illness.

I have recommended to the Congress that they enact legislation that would permit those people who have extended illnesses to get full support and it would never cost them more than \$750 per person per year for their lifetime for that kind of hospital and medical care.



We have shown our concern by trying to improve our education program -- the Federal contribution to elementary and secondary education.

We have increased the amount of money that would come from the Federal Government. We have provided a recommendation that would give the money to the local school districts and to the States in a much more effective way so that teachers could teach and students could learn with the Federal contribution that would be made.

The overall approach of this Administration has been one of compassion, concern and effective programs to help the American people.

THE MODERATOR: Mr. Duval.

QUESTION: President Ford, may I turn for a moment to more specifics, sir? You have indicated support for the Republican platform. That platform states -- and I would like to quote -- "A youth differential must be included in the minimum wage law."

Do you intend to request such legislation of the Congress should you win on November 2?

THE PRESIDENT: That kind of legislation, I think, is sound, because at the present time we are not giving enough employment to our younger people. Businesses will not hire an inexperienced young person because they can't afford to pay that person the same wage rate that they can pay an experienced person. If we are going to get our young people jobs, get them off the street, give them an income, then I think we have to give an incentive to employers to hire those young people during their period of training.

That kind of a program, I think, is beneficial to the young people. It gives them a job; it gives them an income; and it gives them an opportunity to learn an occupation. I think it is good legislation.

QUESTION: May I follow-up, Mr. President? Mr. Meany and other union officials have stated in opposition to the youth differential that if that were enacted you would be simply substituting youths for adults who now have those jobs. How would you respond to that?



THE PRESIDENT: Those are the low-paying jobs and very few of the working people with a family would qualify for those jobs. This is an opportunity to bring new people into our work force, give them a training, give them an income, give them an incentive to improve their capabilities. Most employers can't get older people to take those jobs in the first place, and if you are going to get the young people off the streets my proposal is a sound one.

THE MODERATOR: Mr. President, reducing Federal expenditures may be a wholesome objective but it is a negative action. If elected, what new positive steps will you take to solve our unemployment problem and restore the Nation's economic health?

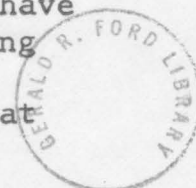
THE PRESIDENT: I thoroughly disagree with your premise that reducing the rate of growth of Federal spending is a negative action. I think it is a very constructive action. Those that want to spend more, as my opponent does, I think are taking the negative side of that issue, because if they spend more they either have to raise taxes or they have to have more inflation.

At the same time, if we are able to moderate some of the expenditures that I think are for programs that can't be justified, in my judgment, we can add some expenditures in more worthwhile programs such as the expanded park program that I have proposed. I believe that if we make an investment now doubling our national parks, doubling our urban parks, doubling our wildlife sanctuaries, that that is a good, sound investment that we must make at the present time.

In addition, I believe that we can help the homeowner or the prospective home purchaser by giving some help and assistance by lower down-payments, by better mortgage arrangements, so they pay less on their monthly payment at the outset of their purchase of their home and gradually increasing the mortgage payment as they increase their income and move along in the economic progress that they are bound to make.

In my opinion, there are certain specific programs that must be incorporated now that can be justified and, at the same time, we ought to eliminate some of the dead weight programs that in my opinion have not been sound and do not justify further expenditures.

THE MODERATOR: Can you respond to why, perhaps, you have not taken some of those steps during your two years in office?



THE PRESIDENT: Well, in the case of the park expansion, let me make the point that in the budget that I submitted in January of 1976 I did rather significantly increase the national park budget. For example, we provided the funds to add an additional 400 National Park Service employees. We have always fully funded the Land and Water Conservation Program which costs \$300 million each year, and I am prepared to increase the size of the Land and Water Conservation Program because I think it is a sound investment at the present time.

The problems that we had in the last two years with the economic recession required that we put the lid on spending in order to get off the difficulties of the recession. Once we have turned the corner and we are now coming out of the recession, we are in a position where we can legitimately and honestly spend some money on some deferred projects, and that is what I propose to do on a very discriminating basis.

THE MODERATOR: Thank you.

Mr. Cheney.

QUESTION: Mr. President, part of the problem facing our cities is the flight of business and the white middle class to the suburbs. What has your Administration done to save the cities, to encourage business to stay in the cities, to make cities safe and decent places to live?

THE PRESIDENT: First, I recommended the extension of the general revenue sharing program, which gives approximately \$6 billion 200 million each year -- two-thirds of it to the cities and local units of government, and one-third to the States.

Secondly, I increased the requested funding for the Community Development Act which provides approximately \$3 billion 500 million to cities for the previous urban development model cities programs.

Thirdly, I was able to get the Congress to pass a mass transit bill that over a four-year period would give \$11 billion 800 million for mass transit in major metropolitan areas. I have fully funded the youth summer work program. I have repeatedly recommended those programs that I believe the Federal Government should fund for the rehabilitation and the expansion of our major metropolitan areas, plus I have recommended certain tax proposals that would provide for a tax benefit for an industry to move into a central or core part of a city, build a plant or expand a plant or modernize a plant so that there would be jobs in the center of a major metropolitan area.



We can, in my opinion, expand that kind of a program so that jobs are where the people are and not move the plants out where the people have to move away from the cities.

QUESTION: By way of a follow-up, Mr. President, when New York City ran into financial difficulty last year you, in effect, denied their request for assistance. Do you think that is consistent with the kind of thing that needs to be done in the future?

THE PRESIDENT: I would not give the Federal Government assistance to the City of New York until they straightened out their own financial difficulties. Once the City of New York in cooperation with the State of New York got their financial house in order, then I did recommend to the Congress that there be temporary cash flow loans that had to be repaid by the City of New York to the Federal Government. We loaned them money in 1975 and they have repaid it.

We are now loaning them money during their cash flow problem, but they will repay it and we are keeping a very, very close eye on how they are cutting back on their obligations to their city employees, how they are cutting back on the obligations under their borrowings. We are keeping a close eye to make certain and positive that they are managing far better the city finances for the City of New York.

As long as they live up to the guarantees they made during this year and one more year until they are out of this problem, I think we made a good investment in the City of New York.

THE MODERATOR: Ms. Waldron.

QUESTION: Governor Carter, Mr. President, has said that he thought it would be within the framework of law for the FCC to control violence on television. I wonder if you would like to comment on that?

THE PRESIDENT: I basically disapprove of the Federal Government censoring any of the news media, including programming on television. Once you start censorship, once you get the camel's nose under the tent, then the trend is started in the wrong direction. Therefore, I think the better way for us to have better programming on television is to have the viewers take the initiative if they don't like certain kinds of programs.



The customers, the viewers, are the ones that, in my opinion, ought to bring about any change, but Government, I think, is treading in very dangerous waters once it starts any kind of Federal censorship.

QUESTION: Mr. President, Mr. Meany said on Sunday in a television program that the real question before the voters is whether or not they want the status quo which he indicated would be your leadership or change in their lives, which he indicated would be represented by Governor Carter. If you are elected, how will the next four years differ from the past two years under your leadership?

THE PRESIDENT: The next four years under a Ford Administration would be significantly different from the last two and a half years. We are coming out of a recession, we are in the throes of a surging economic recovery, and so the next four years we will have, as I indicated, an increase of 2-1/2 million new jobs every year. We will have an expanding housing program through the programs that I have recommended to lower the down payments and to have mortgages that are more equitably established so that the prospective homeowner pays less when he is young and more when he is financially able to do so.

We will have far less inflation. We inherited a 12 percent inflation -- it is down to under 6 percent and the trend is in the right direction. So, the next four years, under a Ford Administration, with less Federal spending, with less Federal taxes, with less inflation will be a healthy economy with more jobs, a lower rate of inflation and a better economic prospect for all of our citizens.

The next Administration under my leadership will continue the programs of peace that we have at the present time through our military deterrent power, through our diplomatic skill. We have the people today, we have an all-volunteer military force. We have the respect from our adversaries and we have the support of our allies, and this is the kind of leadership both at home and abroad that we will have in the next four years -- the first of our third century.

QUESTION: Mr. President, as I listened to your answer I think it seems to me that what you are saying to the American people is that really the next four years will be on the same course -- there may be a change in degree but no major shifts in direction.

Would there be in the next four years under your Presidency any major shift in emphasis, any major shift in direction, philosophical change?

THE PRESIDENT: If you are talking about the kind of changes that Mr. Carter wants, obviously I will not go down that dead-end path. He wants to spend more money. He has endorsed and embraced the Democratic platform, which calls for at least \$100 billion of more Federal spending in every year, and some people say that it would add at least \$200 billion each year to Federal expenditures out of the Treasury.

For example, he endorses the Humphrey-Hawkins bill that will add anywhere from \$10 billion to \$30 billion each year. He also supports it even though he knows that if it is fully implemented it will add to inflation, not reduce inflation.

With about 60 programs that are in the Democratic platform, if he goes in that direction there will be much more Federal control, much more Federal spending, much more Federal taxation or deficit spending and more inflation. If that is the President that that leadership will take us, then I prefer strongly the kind of responsible, sound leadership we have had for the last two and a half years and that we will have in the next four years.

THE MODERATOR: Mr. President, in effect, what steps will you take to improve the quality and availability of medical services for low-income families, and why haven't you taken those steps in your two years as President?

THE PRESIDENT: First, I have made recommendations to the Congress so that medical care for the disadvantaged would be available and there would be far less graft and corruption than there is under the present program.

For example, I recommended that 15 present Federal health programs be consolidated into one and that the total amount of money of all of the programs -- \$10 billion to \$11 billion -- go directly to the States and local units of government so that there could be a responsible administration at the local level, which, in my judgment, would avoid the fraud and corruption that exists under the program that we have at the present time which Congress enacted.



Now, if we can get a better delivery of our health programs as I recommended, this will be very advantageous to the older people, particularly, who need that better care.

In addition, I am a firm believer in preventative medicine, and we have recommended substantial amounts of money for research through the National Institute of Health in cancer, in heart, in arthritis and others, so that we get better medical treatment and better preventative medicine.

These are the things that I think will give to the American people the kind of health care they need and the kind of health care that will be more effectively delivered.

THE MODERATOR: Are you saying, sir, -- do I understand you to say that the reason you have not been able to accomplish what you wanted to accomplish is due to the heavily laden Democratic Congress?

THE PRESIDENT: The Democratic Congress has not approved the reorganization that I recommended last January. I believe very firmly that the public want better health care delivered more effectively and more economically and the Congress has not acted on this legislation. I think it ought to be pointed out the program that Mr. Carter wants is a program that will totally federalize the health delivery services in this country at a cost of approximately \$70 billion. I think that is the wrong direction to go.

THE MODERATOR: Thank you, Mr. President.

Mr. Cheney.

QUESTION: Mr. President, Governor Carter has repeatedly turned throughout the campaign to your record and has been critical of it and called it the Nixon-Ford Administration. He talks about the Nixon-Ford Administration, Nixon-Ford foreign policies, Nixon-Ford economic policy. Do you think that is a fair characterization?

THE PRESIDENT: Not at all. I am totally responsible for the Administration since August 9, 1974, and I think it is a good record. I had no Executive authority in the previous 5-1/2 years and, therefore, I will assume the responsibility for what I have done and I can point out the accomplishments and the achievements that we have made in the short span of time despite the very serious problems that I inherited.

I feel very strongly that we have restored trust in the White House. We have turned the economy around. We are on the upswing to a surge of increasing prosperity in America. We have achieved the peace and we have the capability to maintain it. Those are the programs that I am responsible for. I had no authority for the previous 5-1/2 years and, therefore, it is a clever campaign attack but it is without foundation of fact.

QUESTION: Mr. President, could you specify for us one or more areas in which your policies differ from those of the previous President?

THE PRESIDENT: I can talk about the success I have had in comparison to the success or lack of it in my predecessor. I have submitted the two largest military budgets in the history of the United States and this year I was able to convince the Congress that instead of slashing the budget by anywhere from \$3 billion to \$8 billion I have been able to get the Congress to go along with the military budget that I think is needed and necessary. In fact,

In addition, I have taken, I think, a stronger position in trying to improve our environment than the previous Administration. I have made recommendations that give a bigger and better recreation program than the one under the previous Administration.

THE MODERATOR: Ms. Waldron.

QUESTION: When can we expect an energy policy, Mr. President, that will reduce instead of increase our dependence on foreign oil?

THE PRESIDENT: In January of this last year I recommended to the Congress that if Congress had approved it we would have an energy independent program working today, and unfortunately the Congress has enacted only approximately half of it.

My energy program would have had two emphases: One, to increase energy availability in this country; and number two, it would have provided for conservation programs that would have saved the use of energy in the United States.

Let me point out we wanted to provide an incentive for greater exploration and development of natural gas and domestic oil in the United States. Congress didn't give us the kind of a program that would provide that.



I recommended that we increase the mining of coal in the United States from 600 million tons a year to 1 billion 200 million tons by 1985, and I recommended ways in which we could more efficiently and economically use this vast coal potential. Unfortunately, Congress has not acted as I think it should in this area.

I have recommended that we increase our nuclear power plant program from 55 power plants at the present time to 250 by 1985. Congress has not acted to give us the necessary authority to increase the efficiency, the safety and the safeguard for a nuclear program.

I recommended substantial increases in our research and development in some of the exotic fuels -- solar heating and the other synthetic fuels that are needed and necessary in the future.

We have a good program. Congress, unfortunately, has enacted only about half of it. I would hope that the next Congress would do something affirmatively to complete the program.

QUESTION: Mr. President, do you think you might be further along this road if you had vetoed the energy bill that you signed last year?

THE PRESIDENT: No, I don't think so, because we would have been struggling with uncertainty whether there would be any program or no program or half a program. When I signed the energy bill last December I said I would use every tool within that legislation to provide incentives for more domestic oil production. I have done so. I believe we are beginning to turn the corner in getting some extra domestic production. In my judgment, it was the wise thing to do so -- sign that energy bill.

THE MODERATOR: Mr. Duval.

QUESTION: Mr. President, in listening to your answer on the energy question it seemed to me that you were making the strongest possible case for the American people to elect Governor Carter. You seem to be saying that we would have an energy policy in place if the Congress and the President were working together, but they are not. Aren't you really making a case for the American people to elect a Democratic President?

THE PRESIDENT: Not at all, because I don't believe Mr. Carter has a broad energy independence program so he would be starting from scratch and he would have the same problems with the Democratic Congress in this regard that I have had. I hope that there will be some changes in the Congress in the next election, and I believe there will, in both the House and the Senate and, hopefully, we will get some new Members of the Congress who will understand that you have to increase production on the one hand and you have to have energy conservation programs on the other. A new Congress, I hope, will be less partisan and more understanding and effective than this last one.

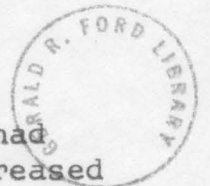
QUESTION: Mr. President, if we could try to bring that into specifics a little bit right now, the only thing that has happened in the energy field in the two years of your Administration is that we are more dependent than we were in 1974 on foreign oil and prices have gone up. You have indicated that if prices go up, dependency goes down. That has not happened.

Now all the polls that we have seen indicate that Congress is likely to remain Democratic -- it is almost inconceivable that it would become Republican. So, are we not faced with the problem of a Republican President at loggerheads with the Democratic Congress?

THE PRESIDENT: The increase in imports of oil have come because our economy has improved -- not because we have had any serious decrease in American production. We have not increased our production but our dependence to a greater degree has come because the Ford Administration has improved the economic conditions in the United States and, of course, we do have some 2 million barrels per day that will come into production from the Alaskan pipeline in the spring of 1977. And I believe that we are at the same time turning the corner on domestic production within the 48 States in the United States.

THE MODERATOR: Mr. President, I would like to turn to the campaign for a moment, if I may. Is it not fair to say that by inviting the Catholic bishops to the White House to discuss your mutual views on abortion you deliberately escalated abortion into a major Presidential campaign issue? And how important is the Catholic vote to you in November?

THE PRESIDENT: I think it was very proper for me to meet with the group of Catholic bishops. They had previously met with Mr. Carter. They wanted to know from me, as they did from him, my stand on the abortion issue. If I had not met with them, I think it would have been a very unwise attitude on my part.



They have a deep concern. I wanted to make sure, to make certain that they understood directly from me my point of view. And it seems to me that that is an issue that a vast number of the American people are interested in. There is a deep division but those who want to talk to me about it, Catholic bishops on the one side or any other group on the other, I will be delighted to do so.

In the campaign in 1976, I, of course, want as many voters as possible from all walks of life, from all religious groups. I certainly want as much support as possible from the members of the Catholic Church in the United States, but I want an emphasis on a broad gauged support, not relying on any one segment of our society.

THE MODERATOR: In favoring a Constitutional amendment, are you not taking refuge in a proposal everyone knows has no realistic probability of adoption, Mr. President?

THE PRESIDENT: I believe the Constitutional amendment that I have endorsed does have a fair opportunity of being approved by the Congress by a two-thirds vote in the House and the Senate and by three-quarters of the States, because the Constitutional amendment that I favor gives the right back to the people to make the decision. And I have an abiding faith in the good judgment of the American people on matters as critical as this one. And if we turn the power to make that decision back to the people in each of the 50 States, I think they will make the right decision, at least it will be done in the way in which we make decisions in this country on the basis of the way people feel.

That amendment, I think, will be approved or it has an opportunity of being approved. One that makes a flat, categorical ban or would ban governments from interfering with the right of abortion I think does not have a chance of approval in the House and the Senate and not by three-quarters of the States.

THE MODERATOR: Mr. Cheney.

QUESTION: Mr. President, there has been a good deal of talk this past week by Governor Carter and by a number of members of your Administration about tax reform. Governor Carter said in a speech last Sunday in Kansas City that he believes very strongly that the tax system is a disgrace and that the upper income levels need to be taxed considerably higher so you can cut taxes for low income individuals. Is that consistent with your position? Do you agree with that?

THE PRESIDENT: Well, if the present tax system is bad, it has been principally written by the Democratic-controlled Congress that has controlled the Congress for the last 22 years. Now I think there are some areas where we can reform and improve our Federal tax system.

The one that I believe is of maximum importance is a reduction of Federal taxes which I recommended of an additional \$10 billion. My proposed reduction of Federal taxes for individual taxpayers would increase the personal exemption from \$750 per person to \$1,000 per person.

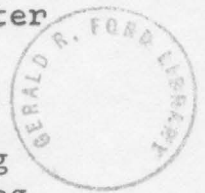
Now in a family of four that means that that taxpayer would have \$1,000 more personal exemption for him and his dependents. That is the kind of reform I want. That is the kind of reform that makes a difference to the middle income taxpayer.

There are some other areas where I think we could improve and simplify our Federal tax system, and we have made recommendations, this Administration. Some were approved by the Congress; some were not. But I think it is interesting to compare the specifics that I have recommended, the \$10 billion tax reduction, with greater equity to the middle income taxpayers, with the recommendations for general tax reform that Mr. Carter proposes.

He has not identified any single tax reform, to my knowledge. He says that within a year after further studying it he will propose to the Congress tax reform. It is too long to wait. The Congress ought to approve the \$750 to \$1,000 increase in the personal exemption I recommended.

Now it seems to me that tax reform that I have proposed, that I have supported by increasing personal exemption and reducing the corporate income tax by two percentage points, is moving in the right direction.

QUESTION: By way of a follow-up, Mr. President, your running mate, Senator Dole, said last week that he felt Governor Carter had made a major blunder when he recommended raising taxes for those families in America who have an income above the median level of \$12,000 or \$14,000 a year. Do you agree with that?



THE PRESIDENT: I categorically disagree with it. I can see the bind that Mr. Carter got himself into. He has recommended all of these spending programs or endorsed them that would cost anywhere from \$100 billion more a year to \$200 billion more a year, and he had to find a way to pay for them, unless he was going to have bigger deficits, unless he was going to have more inflation, and so he stepped forward and said he would increase taxes on the American people.

Unfortunately, he picked on the middle income taxpayers who, in my judgment, have been given short shrift and have been short-changed in the last 10 years. I think they need tax relief, not a tax increase.

THE MODERATOR: Miss Waldron.

QUESTION: Mr. President, there is a widespread feeling in the black community that you and your Administration are continuing the policy of benign neglect. Do you think this is a fair perception?

THE PRESIDENT: Not at all because I have more high ranking black officials in this Administration than in any other previous Administration. I have an outstanding Cabinet officer in Secretary William Coleman, the Secretary of Transportation. We have other outstanding blacks in positions of responsibility. We have two in the White House, Mr. Arthur Fletcher and Mr. John Calhoun, both top ranking officials in my Administration right here in the White House family.

We have proposed programs that I think will be helpful and beneficial to the young blacks. I made a recommendation in Ann Arbor last week that would give to young unemployed blacks, as well as other youth, an opportunity to learn a trade or develop a skill without having to go to college. We use our Federal grants today to send young people to college. It seems to me that we ought to treat young people, whether they are blacks or otherwise, who don't want to go to college the same way, providing they want to develop a skill or a trade or to improve themselves so they can have full employment. So I don't think it is an accurate description of this Administration that we have not shown deep concern for minorities, especially the blacks.

QUESTION: Why then, Mr. President, do you think they vote almost monolithically Democratic?

THE PRESIDENT: They have done that since about 1932. I believe they are making some headway as we are improving educational opportunities for blacks and other minorities. I am convinced that those blacks who sit down and think about the opportunities we have presented in this Administration will support the Ford Administration on November 2.

THE MODERATOR: Mr. Duval.

QUESTION: Mr. President, if I could follow up to my last follow up question, I still don't think I have got exactly what I was looking for in terms of an answer.

You have indicated that many of your programs that you have tried to accomplish in the last two years are not the policy of the United States because of Congress. I don't think most of the people, for example, here in Philadelphia -- not on Society Hill but in the inner city of Philadelphia -- understand the distinction between the Congress and the Executive Branch. They are looking for results. Now if you were to walk down to the city center of Philadelphia after this debate and walk up to just some normal person on the street, how could you convince that person that that person's life would be better under your leadership over the next four years?

THE PRESIDENT: First I disagree with you very strongly. I think the average American voter does understand the difference between voting for a President and voting for a Member of the House of Representatives or the Senate. I think our voters are intelligent, they are well educated, and I believe you will see some changes in this election. I believe they will support President Ford and they will make some changes in the Democratic controlled Congress.

Now when I go down the street in Philadelphia after this debate and talk to any one of a number of people, I can say honestly and straightforwardly that we have done a good job in the last two and a half years. We have turned the economy around. More people are working today than ever in the history of the United States -- 4 million more gainfully employed in the last 17 months, 500,000 more in the last two months and greater job opportunities in the private sector because we have an expanding economy, because in this country under my leadership we are on a real upswing in our economy.

Sales are up. Industrial production is up. Capital expansion is up. We are really moving forward very, very successfully in our economic recovery and that man on the street or that woman on the street knows if she has a job she is not going to lose that job and those people know that the opportunities to get a job are far greater today than they were when I was first sworn in as President of the United States.



THE MODERATOR: Mr. President, so far in your campaign you have taken one trip to Michigan which was predictable and I might add safe. I understand that this weekend you will be making appearances in Mississippi, Louisiana, Alabama and Florida which experts acknowledge may very well be won by Mr. Carter. Aside from the line we are not writing off the South, what new information have you received that dictates that your first major campaign trip take place in your opponent's backyard?

THE PRESIDENT: I want the voters in the Southern States to know that I am not a regional candidate. I want their votes, and their votes are important to my re-election. We believe that there is a large, large block of voters in those States and in the other Southern States who believe in my philosophy and who disagree with Mr. Carter's philosophy.

Mr. Carter has embraced as his running mate Senator Mondale who has a very, very liberal voting record. This is indicative that Mr. Carter has liberal leanings himself; he certainly has shown it by his endorsement of the Democratic platform, his endorsement of the record of the Democratic Congress. The South is not liberal and yet Mr. Carter embraces these big spending programs which mean more taxes, more inflation, more spending.



The net result is I want to go down to those States and point out that Senator Dole and myself represent a moderate policy that we are not a big spender, that we believe in a free enterprise system and less government control, less taxes, less spending. By my personal appearance in those States and the comments that I make, we will convince those people. I think we have a chance to win some of those States and I think Mr. Carter ought to be a little scared of this trip.

THE MODERATOR: Having seen the schedule, Mr. President, it is somewhat remindful of your earlier campaign style which admittedly caused you problems in the national polls. Does this trip and your California trip mean that you are about to revert back to your primary campaign schedule?

THE PRESIDENT: We expect to make a number of trips. We will campaign. I think that is a responsibility of a Presidential candidate. Mainly those trips will come after the Congress has adjourned. It is the responsibility of the President basically to stay in Washington as long as Congress is in session and I primarily will, but once Congress has adjourned -- and the sooner the better -- then I think we ought to go out to California and to other parts of the country so that I can firsthand talk to the people and indicate to them the economic and military and foreign policy views that I have.

THE MODERATOR: I am sorry, sir, but I beg another follow up. How do you differentiate between the concerns that your staff and your experts had over the polling results after your primary campaign and your attitude, demeanor and style during that campaign and what do you expect to do in the upcoming trips around the country after Congress adjourns?

THE PRESIDENT: I believe that most Americans recognize that the head-to-head confrontation in the November election is a different kind of a campaign than going to 31 States where we had primaries prior to the convention. The American people understand on a national basis that the final election in November is a different kind of a campaign than one that involves primaries in 31 States.

THE MODERATOR: Thank you.

Mr. Cheney.

QUESTION: Mr. President, let's assume for a moment that on November 2 you were a voter instead of a candidate. What is the most important factor you think the voters ought to consider when they make a decision on November 2 as to why you are better qualified than Governor Carter to be President for the next four years?

THE PRESIDENT: The principal difference is that I have a proven record and the American people know where I stand and Mr. Carter has only made commitments or promises as to what he will do. I think you can look at my record, as I would if I were a voter, and say, what has President Ford done for the country? That is the real critical question that must be asked and what has he done that proves to me that he can do the job in the next four years.

I restored trust in the White House, I have been able to achieve and maintain the peace, and we have recovered from the worst economic recession in the last 40 years. Now that is a proven record. I have not gone out and promised a lot of spending programs like my opponent has. He has made very serious commitments to spend a substantial amount of taxpayers' money, some \$100 billion more a year on 50 some new programs.

I have said we will make headway with an economy that will give us jobs, that will permit us to have better education, better health, better control of crime and more recreation and more jobs. So when the voter looks himself in the eye and says, why should I vote for President Ford over Mr. Carter, he can look at a record on the one hand and promises on the other.

QUESTION: Mr. President, what do you think is the single most important trait that a President has to have, the single personal characteristic, in order to do the job?

THE PRESIDENT: I think the person must have, above all else, complete and total integrity and I believe that I have it.

QUESTION: Thank you.

QUESTION: Mr. President, one of the traditional claims that the Republicans have made in the past is that they are better managers and yet in the last few years we have seen scandals in the CIA, the FBI and the Medicaid program and the housing program. What are you doing to tighten up the management of this Federal Government?

THE PRESIDENT: I certainly deplore the scandals that have taken place in the Executive Branch but I think it is fair to point out that the Democratic controlled Congress has had its fair share of scandals during the last several years. Now the best way for a President to eliminate corruption and scandals in the Federal Government is to set examples, and the standards that he sets must be followed by all others.

Number two, we must be ever alert for any criminal or unethical action by anybody in the Federal Government and when it is found those individuals must be dismissed, and if there are criminal charges they should be leveled against them.

Better management involves the day-to-day management by the Cabinet officer or by the agency official and leadership in the first place by the President on the affirmative side and corrective action by the proper authorities where there is any scandal that has developed.

QUESTION: Governor Carter, Mr. President, has suggested that the FBI Director Mr. Kelley should have been fired because of the recent reports of his window valances and because of his inability to manage the FBI. What is your answer to Governor's claim?

THE PRESIDENT: Here is another illustration of where Governor Carter said one thing in one community and the same day said another thing later in the day. He said that he would fire Mr. Kelley if he were President at the present time and then he said he would not fire him when he became President on January 20, so it seems to me that Governor Carter was quite inconsistent in this case. So all I can say is that on the recommendation of the Attorney General who thoroughly investigated the case, I decided that Mr. Kelley should not be dismissed as the FBI Director and after thoroughly investigating the charges which I could explain in detail, the decision I made I am convinced was the right one.



QUESTION: Mr. President, we have spoken about your past programs and policies of the last two years. If you are elected and have to sit down in January to write your State of the Union address, I assume that you would write up a list of the problems facing the nation or that you expected to be facing the nation in the coming year. Can you tell us how you would envision that list at this point and in what priority order?

THE PRESIDENT: First and foremost, domestically we would recommend to the Congress actions that would make certain and positive that our economic recovery would continue. I am sure that we would propose or repropose the tax reductions that I made to give tax relief to the middle income taxpayer such as the increase in the personal exemption from \$750 to \$1,000. I think we would make tax reduction proposals such as I made before so that business would get another shot in the arm so they would be better prepared to provide more jobs, the two and a half million jobs that we have to make available for the youth coming into the work force.

I would certainly try to keep a lid on Federal spending on the domestic side. As I recommended a year ago, we must cut the growth in Federal spending. I tried to do it by reducing that rate of growth by 50 percent. The Congress did not agree with me on that, they have added about \$15 billion and more spending in this coming budget cycle.

I would request the additional energy programs that Congress has not enacted that must be enacted if we are to have adequate energy conservation and if we are to expand our production.

I would propose that we continue our program of increasing and updating and modernizing our military forces. We turned this situation around in the last 12 months. It is my opinion that we have got to move forward with some of our newer weapon systems. We have to add to our research and development in the Department of Defense.

I would, of course, recommend the support of the kind of foreign policy that has brought us peace.

It will be a good State of the Union message in January of 1977.

QUESTION: Mr. President, could I follow up on that and just talk now on the domestic and economic area. Frankly as I listed the programs you mentioned they were all contained in your State of the Union message this year. I suspect that if we asked Governor Carter that question he might have a slightly different emphasis on the foreign area and perhaps in the environmental area. What you are saying basically is if you are elected we can expect more of the same.

THE PRESIDENT: I think they are good programs and they ought to be enacted into law. Just because a bad Congress did not enact them does not mean they should not have become law. We will have some other things that I have mentioned such as the expanded recreation program, the new programs so that we can reduce down payments on private home ownership and that we can do other things to expand the home building industry. The things that I recommended, just because a bad Congress didn't enact them does not mean they should not become law. They should even though this Congress was not wise enough to do what I thought they should.

I think this is enough.

THE MODERATOR: All right.

END

6:50 P.M. EDT

