

The original documents are located in Box 26, folder “First Debate, 9/23/76: Rehearsal - Carter Script” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Michael Raoul-Duval donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

(Gergen)

CARTER SCRIPT
Rehearsal
125 Debate

QUESTION #1: Governor Carter, would you please tell us why you should be President of the United States during the next four years?

ANSWER:

I will be happy to answer that question, Mrs. Drew, but before I start, I would like to be permitted to make one brief comment.

This is the first of the Presidential debates in 1976. These debates offer the American people a unique opportunity to judge between an incumbent President and his challenger -- to judge their leadership, their character, and their philosophies. This is democracy in action, and as the challenger, I would like to thank the League of Women Voters and their many supporters across the Nation for sponsoring these events. All of us are indebted to you for your fine public service.

Now back to your question, Mrs. Drew.

During the past two years, our President has proved that he is a decent, honorable man. I am not here to dispute any of his personal qualities.



I am here to challenge his leadership.

America has been in great turmoil these past few years. We have survived. But this is the strongest, most talented nation on earth, and we should be doing far better. Just surviving is not good enough. We can and must excel.

We must put America back to work. When Mr. Ford came into office, there were five million Americans unemployed. Today there are 7½ million Americans unemployed. Under the Nixon-Ford Administrations, over one-third of all American households have had someone out of a job. This has been devastating for many families. We can and must do better.

We must finally bring inflation under control in this country. Under the Nixon-Ford Administrations, this country has had the highest inflation in its peacetime history. New figures released by the government this week show that inflation is still raging at 6 percent. We can and must do better.

We must undertake a sweeping reform of our tax laws. The tax system in this country is a national disgrace. Those with incomes of \$10,000 are paying a higher percentage of their income into taxes than the very rich. This Administration has failed to do anything about it. I want to overhaul the tax code, so that taxes are fair and we shift the tax burden away from low and middle income families to the rich, to the big corporations, and to special interest groups.



We must bring Federal spending under control and balance our Federal budget. As a businessman, as a chief executive of my state, I have always kept my books in balance. So have most American families. But this Administration has submitted to the Congress the biggest deficits in our history. We can and must do better.

We must have a comprehensive national energy policy. Today we are more dependent upon foreign oil than we were three years ago during the embargo. Energy independence is nowhere in sight. We can and will solve the energy problem.



We must have a national health insurance. We've been talking about it for 20 years, but under this Administration, no progress has been made. It's time to stop talking and get moving.

Welfare reform, transportation reform, saving our cities, curbing crime -- each cries out for competent, imaginative leadership. This Administration has failed to show that leadership.

I have made a covenant with the American people that we will change all of these things. We will get this country moving again, and the American people can depend on it.

Follow-up to Question #1: But Mr. Carter, can you please tell us how the American people can be sure your leadership will be any better than Mr. Ford's? Your public service record includes only four years as governor of a state with a budget that is less than one-half percent the size of the Federal budget. How do the American people know they can depend on you?

Follow-up Answer

That is a question that the American people must answer in every Presidential election, and it is always one of the hardest questions our democracy faces.

I can only answer you in this manner.

It is clear to me that the best hope of solving the country's problems is to install fresh, new leadership in Washington. Many of our leaders in Washington today are very experienced, but they are leaders of limited vision and of limited faith in the great capacities of the American people. We need an end to government by veto, an end to negativism, an end to leadership that always says, "Let's put it off until tomorrow because its too hard today."

If I am elected President, I believe that I can establish a new, more harmonious relationship with the Congress -- a relationship that will end an era of deadlocked government. I have met with the leaders of the Congress many times already, and they have given a personal pledge to work with me in creating jobs, in reforming our taxes, in reforming our welfare system. That is the progress we have not been making in these past eight years; that is the progress the country needs.

Finally, let me say this. Over these past two years, I have been out among the people of this great nation -- in their living rooms, in their union halls, in their churches. I have talked with them of their frustrations. I have talked with them of their hopes and their dreams. It is from them that my nomination has come and it is to them that I owe everything. I am beholden to no special interests. I am beholden only to the people, and I will fulfill all of my promises to them. They can depend on it.

Rebuttal Question: Mr. Ford, do you wish to respond?

(Gergen)

QUESTION #2: Mr. Ford, we have heard now from Mr. Carter on why he should be President, and you have responded to him. Can you tell us now, sir, why you believe that you would be a better choice for the Presidency during the next four years?



(Gergen)

QUESTION #3: Mr. Carter, you have promised if you are elected, you will lower the inflation rate, balance the budget, and at the same time enact many new spending programs. Many people, sir, are skeptical that all this can be done. Can you tell us how?

ANSWER:

I have promised, Mr. Gannon, that we will make substantial economic progress, and I intend to keep that promise.

I intend as President to achieve a balanced budget by 1980. I believe that we can achieve a modest growth rate in our gross national product of 5 to 6% a year. With that growth rate, we can reduce unemployment to 4 or 4½% a year by 1980. And by the end of my first term, we can achieve an annual inflation rate of 4%.

Men of timid vision say this can't be done, but I say it can. When President Truman went out of office after enormous drains on our economy -- with the Marshall Plan, with the Korean War, aid to Turkey and Greece, and so forth -- we had an inflation rate less than 1%. We had an unemployment rate less than 3%. Interest on a home loan was 4%. The budget over his time in office was

not only balanced, it ran an average surplus of \$2.4 billion. So it can be done.

But under the Nixon-Ford Administrations, we have had an average inflation rate of almost 7% and the highest unemployment since the Great Depression. They have tried to fight the evils of inflation with the evils of unemployment. This has brought the highest combination of inflation and unemployment in this century. So there is no inherent law which says that when you lower unemployment, you get higher inflation. They have moved together with this administration.

What we must do first is to end this devastating unemployment. There is no way to balance a budget or end an inflationary spiral as long as we have 7½ million people unemployed. Creating new jobs is the best way to lower inflation. New jobs mean a growing economy and a growing economy means less inflation. It's that simple.

Now I plan a program of job creation that will put the emphasis upon jobs in the private sector. We will pursue an expansionary fiscal and monetary policy. We will give substantial encouragement to



the private sector to hire unemployed -- special incentives, special training programs, and the like -- because I believe in private enterprise and I want to keep the private enterprise system healthy and vigorous. Then for the hard-core unemployed, I believe that the government should serve as an employer of last resort -- not first resort, last resort.

If we apply ourselves to expanding this economy, I can assure you that the inflation rate will begin to come down. The only reason that unemployment remains so high is that this Administration is willing to tolerate it.

We can do all these things that I have said -- reduce inflation and create more jobs if we only have more faith in ourselves.

Follow-up Question #3: But Mr. Carter, isn't it unrealistic to think that you can increase spending for jobs and for your many other programs and still balance the budget? Won't you create higher deficits or require higher taxes?

Follow-up Answer #3:

Not at all. These things can be done.

In the first place, let me say that I will exercise very strict managerial control over spending. I plan to issue an executive order placing the government on a zero-based budgeting within a week after I am inaugurated. There will be no new programs implemented under my administration unless we can be sure that the cost of those programs is compatible with my goal of having a balanced budget in my first term. And this will require delay of the implementation of costly programs if they are proposed, the quick phasing out of those that have already served their useful purpose, and the phasing in of programs to make the present programs work before costly new programs are implemented. With healthy economic growth and lower unemployment, there will be an annual increase of \$60 billion in Federal revenues by 1980. This is the money that will be used to pay for new programs.

A second point I want to make is this. Every time the unemployment rate goes down 1%, Uncle Sam picks up about \$2 billion in savings in unemployment compensation and welfare costs. He also gains about \$14 billion in increased tax revenues. So a 1% decrease in unemployment means about \$16 billion a year toward balancing the budget. Through good, tough fiscal management, we can therefore lower unemployment, lower interest rates, expand the economy, reduce inflation, and balance the budget. That's been done by the last three Democratic presidents, and it can be done again.

(Gergen)

QUESTION #5: Governor Carter, there has been a considerable flap in the past week about your views on a tax increase. In an interview with AP, you said that you would raise taxes for people above the median income level. Do you intend to do that? And can you tell us about your other tax reform plans?

ANSWER:

There has been a good deal of confusion about my statements, and most of it, I might add, has been generated by Republicans trying to kick sand into the eyes of the voters.

The thrust of my remarks -- and what I believe -- is that we must shift the tax burden in this country away from the lower and middle income taxpayers to the rich, to big business, and to special interest groups. I would never to anything to hurt the middle income taxpayer.

The fact is that the tax code in the United States today is a national disgrace. No other industrialized nation has a tax system which is so unfair and confusing as ours. The average person in our nation who makes less than \$10,000 a year pays a bigger proportion of his income in taxes than



the person who makes more than a million dollars a year. In 1974, there were 622 people in the U.S. who made more than \$100,000 and paid not a nickel in taxes. When they don't pay taxes, everyone knows who pays it for them: the middle income taxpayers.

I have been appalled by some of the remarks that Republicans have made in the past week. Historically, the Republicans have always been the biggest obstacle to comprehensive tax reform -- the ones who defend the loopholes, the special interests, and the like.

The record of the Republican Administration speaks for itself.

Just after Mr. Ford took office, the nation -- as he now says -- was on the verge of the Nation's first post-Vietnam recession. What did he do? He put on his WIN button and asked for a tax increase. If Congress had agreed with him, millions of additional people would have been thrown out of work.

A few months later, the President changed his mind and asked Congress for the so-called tax rebates. But where did most of the relief actually go? To those with the highest income.

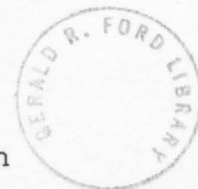
One of the most incredible moments of this campaign has been to have Republicans suddenly start talking about tax reform. They fought against repeal of the oil depreciation allowance, they tried to repeal the 10 percent tax credit for low income families, and they have fought hard to keep the tax loopholes. As far as I'm concerned, the Republicans have had their innings -- and the record is dismal: no runs, few hits, and eight years of errors.

If I am elected, I pledge that within a year after taking office, I will submit to the Congress a comprehensive tax reform proposal that will make the tax structure fair and progressive, that will eliminate the many unfair loopholes in the law, and will give people their first real assurance that they are being treated fairly and squarely by their government.

Follow-up Question #5: Mr. Carter, early this year, you promised that before the November election, you would present to the voters your comprehensive tax reform package. Why can't you give us a better idea tonight of what that package will contain?

Follow-up Answer:

As I have been out on the campaign trail this year, I have discovered that it is just not possible to be a serious candidate for the Presidency and also undertake the close, intensive work that is needed in order to figure out necessary changes in our tax code. And just in the last few days the Congress has enacted a massive new tax bill that will change the law in many complex ways. So I feel that I need some time to consult the best tax authorities in the country before I can make a final decision.



I will tell you tonight what I believe the three main principles of tax reform ought to be:

- One, we should treat all income the same;
 - Two, we should tax income only once;
 - Three, we should have a progressive tax rate --
- not the kind of inconsistent, regressive rate we have today;

We can and will reshape the tax code in this way.

(Gergen)

QUESTION #1: Governor Carter, would you please tell us why you should be President of the United States during the next four years?

ANSWER:

I will be happy to answer that question, Mrs. Drew, but before I start, I would like to be permitted to make one brief comment.

This is the first of the Presidential debates in 1976. These debates offer the American people a unique opportunity to judge between an incumbent President and his challenger -- to judge their leadership, their character, and their philosophies. This is democracy in action, and as the challenger, I would like to thank the League of Women Voters and their many supporters across the Nation for sponsoring these events. All of us are indebted to you for your fine public service.

Now back to your question, Mrs. Drew.

During the past two years, our President has proved that he is a decent, honorable man. I am not here to dispute any of his personal qualities.



I am here to challenge his leadership.



America has been in great turmoil these past few years. We have survived. But this is the strongest, most talented nation on earth, and we should be doing far better. Just surviving is not good enough. We can and must excel.

We must put America back to work. When Mr. Ford came into office, there were five million Americans unemployed. Today there are 7½ million Americans unemployed. Under the Nixon-Ford Administrations, over one-third of all American households have had someone out of a job. This has been devastating for many families. We can and must do better.

We must finally bring inflation under control in this country. Under the Nixon-Ford Administrations, this country has had the highest inflation in its peacetime history. New figures released by the government this week show that inflation is still raging at 6 percent. We can and must do better.

We must undertake a sweeping reform of our tax laws. The tax system in this country is a national disgrace. Those with incomes of \$10,000 are paying a higher percentage of their income into taxes than the very rich. This Administration has failed to do anything about it. I want to overhaul the tax code, so that taxes are fair and we shift the tax burden away from low and middle income families to the rich, to the big corporations, and to special interest groups.



We must bring Federal spending under control and balance our Federal budget. As a businessman, as a chief executive of my state, I have always kept my books in balance. So have most American families. But this Administration has submitted to the Congress the biggest deficits in our history. We can and must do better.

We must have a comprehensive national energy policy. Today we are more dependent upon foreign oil that we were three years ago during the embargo. Energy independence is nowhere in sight. We can and will solve the energy problem.



We must have a national health insurance. We've been talking about it for 20 years, but under this Administration, no progress has been made. It's time to stop talking and get moving.

Welfare reform, transportation reform, saving our cities, curbing crime -- each cries out for competent, imaginative leadership. This Administration has failed to show that leadership.

I have made a covenant with the American people that we will change all of these things. We will get this country moving again, and the American people can depend on it.

Follow-up to Question #1: But Mr. Carter, can you please tell us how the American people can be sure your leadership will be any better than Mr. Ford's? Your public service record includes only four years as governor of a state with a budget that is less than one-half percent the size of the Federal budget. How do the American people know they can depend on you?

Follow-up Answer

That is a question that the American people must answer in every Presidential election, and it is always one of the hardest questions our democracy faces.

I can only answer you in this manner.

It is clear to me that the best hope of solving the country's problems is to install fresh, new leadership in Washington. Many of our leaders in Washington today are very experienced, but they are leaders of limited vision and of limited faith in the great capacities of the American people. We need an end to government by veto, an end to negativism, an end to leadership that always says, "Let's put it off until tomorrow because its too hard today."

QUESTION #3: Mr. Carter, you have promised if you are elected, you will lower the inflation rate, balance the budget, and at the same time enact many new spending programs. Many people, sir, are skeptical that all this can be done. Can you tell us how?



ANSWER:

I have promised, Mr. Gannon, that we will make substantial economic progress, and I intend to keep that promise.

I intend as President to achieve a balanced budget by 1980. I believe that we can achieve a modest growth rate in our gross national product of 5 to 6% a year. With that growth rate, we can reduce unemployment to 4 or 4½% a year by 1980. And by the end of my first term, we can achieve an annual inflation rate of 4%.

Men of timid vision say this can't be done, but I say it can. When President Truman went out of office after enormous drains on our economy -- with the Marshall Plan, with the Korean War, aid to Turkey and Greece, and so forth -- we had an inflation rate less than 1%. We had an unemployment rate less than 3%. Interest on a home loan was 4%. The budget over his time in office was

not only balanced, it ran an average surplus of \$2.4 billion. So it can be done.

But under the Nixon-Ford Administrations, we have had an average inflation rate of almost 7% and the highest unemployment since the Great Depression. They have tried to fight the evils of inflation with the evils of unemployment. This has brought the highest combination of inflation and unemployment in this century. So there is no inherent law which says that when you lower unemployment, you get higher inflation. They have moved together with this administration.

What we must do first is to end this devastating unemployment. There is no way to balance a budget or end an inflationary spiral as long as we have 7½ million people unemployed. Creating new jobs is the best way to lower inflation. New jobs mean a growing economy and a growing economy means less inflation. It's that simple.

Now I plan a program of job creation that will put the emphasis upon jobs in the private sector. We will pursue an expansionary fiscal and monetary policy. We will give substantial encouragement to

the private sector to hire unemployed -- special incentives, special training programs, and the like -- because I believe in private enterprise and I want to keep the private enterprise system healthy and vigorous. Then for the hard-core unemployed, I believe that the government should serve as an employer of last resort -- not first resort, last resort.

If we apply ourselves to expanding this economy, I can assure you that the inflation rate will begin to come down. The only reason that unemployment remains so high is that this Administration is willing to tolerate it.

We can do all these things that I have said -- reduce inflation and create more jobs if we only have more faith in ourselves.



Follow-up Question #3: But Mr. Carter, isn't it unrealistic to think that you can increase spending for jobs and for your many other programs and still balance the budget? Won't you create higher deficits or require higher taxes?

Follow-up Answer #3:

Not at all. These things can be done.

In the first place, let me say that I will exercise very strict managerial control over spending. I plan to issue an executive order placing the government on a zero-based budgeting within a week after I am inaugurated. There will be no new programs implemented under my administration unless we can be sure that the cost of those programs is compatible with my goal of having a balanced budget in my first term. And this will require delay of the implementation of costly programs if they are proposed, the quick phasing out of those that have already served their useful purpose, and the phasing in of programs to make the present programs work before costly new programs are implemented. With healthy economic growth and lower unemployment, there will be an annual increase of \$60 billion in Federal revenues by 1980. This is the money that will be used to pay for new programs.

A second point I want to make is this. Every time the unemployment rate goes down 1%, Uncle Sam picks up about \$2 billion in savings in unemployment compensation and welfare costs. He also gains about \$14 billion in increased tax revenues. So a 1% decrease in unemployment means about \$16 billion a year toward balancing the budget. Through good, tough fiscal management, we can therefore lower unemployment, lower interest rates, expand the economy, reduce inflation, and balance the budget. That's been done by the last three Democratic presidents, and it can be done again.

QUESTION #5: Governor Carter, there has been a considerable flap in the past week about your views on a tax increase. In an interview with AP, you said that you would raise taxes for people above the median income level. Do you intend to do that? And can you tell us about your other tax reform plans?



ANSWER:

There has been a good deal of confusion about my statements, and most of it, I might add, has been generated by Republicans trying to kick sand into the eyes of the voters.

The thrust of my remarks -- and what I believe -- is that we must shift the tax burden in this country away from the lower and middle income taxpayers to the rich, to big business, and to special interest groups. I would never do anything to hurt the middle income taxpayer.

The fact is that the tax code in the United States today is a national disgrace. No other industrialized nation has a tax system which is so unfair and confusing as ours. The average person in our nation who makes less than \$10,000 a year pays a bigger proportion of his income in taxes than

the person who makes more than a million dollars a year. In 1974, there were 622 people in the U.S. who made more than \$100,000 and paid not a nickel in taxes. When they don't pay taxes, everyone knows who pays it for them: the middle income taxpayers.

I have been appalled by some of the remarks that Republicans have made in the past week. Historically, the Republicans have always been the biggest obstacle to comprehensive tax reform -- the ones who defend the loopholes, the special interests, and the like.

The record of the Republican Administration speaks for itself.

Just after Mr. Ford took office, the nation -- as he now says -- was on the verge of the Nation's first post-Vietnam recession. What did he do? He put on his WIN button and asked for a tax increase. If Congress had agreed with him, millions of additional people would have been thrown out of work.

A few months later, the President changed his mind and asked Congress for the so-called tax rebates. But where did most of the relief actually go? To those with the highest income.



One of the most incredible moments of this campaign has been to have Republicans suddenly start talking about tax reform. They fought against repeal of the oil depreciation allowance, they tried to repeal the 10 percent tax credit for low income families, and they have fought hard to keep the tax loopholes. As far as I'm concerned, the Republicans have had their innings -- and the record is dismal: no runs, few hits, and eight years of errors.

If I am elected, I pledge that within a year after taking office, I will submit to the Congress a comprehensive tax reform proposal that will make the tax structure fair and progressive, that will eliminate the many unfair loopholes in the law, and will give people their first real assurance that they are being treated fairly and squarely by their government.

Follow-up Question #5: Mr. Carter, early this year, you promised that before the November election, you would present to the voters your comprehensive tax reform package. Why can't you give us a better idea tonight of what that package will contain?

Follow-up Answer:

As I have been out on the campaign trail this year, I have discovered that it is just not possible to be a serious candidate for the Presidency and also undertake the close, intensive work that is needed in order to figure out necessary changes in our tax code. And just in the last few days the Congress has enacted a massive new tax bill that will change the law in many complex ways. So I feel that I need some time to consult the best tax authorities in the country before I can make a final decision.

I will tell you tonight what I believe the three main principles of tax reform ought to be:

- One, we should treat all income the same;
- Two, we should tax income only once;
- Three, we should have a progressive tax rate -- not the kind of inconsistent, regressive rate we have today;

We can and will reshape the tax code in this way.