The original documents are located in Box 28, folder "Third Debate, 10/22/76: Issues - Multiple Topics" 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 Michael Raoul-Duval donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections.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.

GOP PLATFORM - COST

(Answer to any charge that the Republican platform will result in deficits or increased taxes.)

Unlike Mr. Carter's platform, my platform calls for additional tax cuts for all Americans.

In addition, the Republican platform states explicitly under a special "Fiscal Responsibility" section that "...any net reduction of revenues (because of the Republican programs) must be offset by reduced government spending."

FINALLY, THE PLATFORM DEMANDS A "BALANCED FEDERAL BUDGET".



FIRST REBUTTAL

I EXPECT TO HAVE AMPLE TIME THIS EVENING TO PRESENT MY VIEWS -- WHICH DIFFER SHARPLY FROM THOSE EXPRESSED BY MR. CARTER -- ON (INSERT SUBJECT OF CARTER'S FIRST ANSWER).

BUT OUR RESPECTIVE POSITIONS ON ALL THESE SPECIFIC ISSUES MUST BE JUDGED BY THE PEOPLE AGAINST THE BACKGROUND OF THE CENTRAL ISSUE OF THIS CAMPAIGN: WHICH MAN BY VIRTUE OF EXPERIENCE, LEADERSHIP, INTEGRITY AND WISDOM WARRANTS THE TRUST OF THE AMERICAN PEOPLE?

THE PEOPLE CAN MAKE THIS JUDGMENT BY COMPARING MY SPECIFIC POLICIES AND RECORD WITH MR. CARTER'S CAMPAIGN PROMISES -

- I AM FOR LOWER TAXES FOR ALL AMERICANS. MR. CARTER SAID HE WILL RAISE TAXES FOR ALL THOSE OVER THE "MEDIAN" INCOME LEVEL -- THAT'S THREE OUT OF EVERY FLVE TAXPAYERS.
- I AM FOR LESS GOVERNMENT AND LESS FEDERAL SPENDING.
 MR. CARTER HAS A PLATFORM WHICH DEMANDS MORE GOVERNMENT AND MORE SPENDING.
- MY VISION FOR OUR THIRD CENTURY IS ONE OF GREATER FREEDOM FOR EVERY INDIVIDUAL AND FOR EVERY FAMILY.
 MR. CARTER'S RHETORIC IS FOR MORE GOVERNMENT.

CARTER'S ENERGY PROPOSAL

- 1) Shuffles boxes on organizational chart rather than solving substantive problems. Creates an organizational tinker toy.
- 2) MIXES REGULATORY AND ENERGY PROMOTIONAL ACTIVITIES, THEREBY POSSIBLY SUBJECTING INDEPENDENT REGULATORY COMMISSIONS TO INDUCE POLITICAL INFLUENCE.
- 3) CARTER'S PLAN CONTAINS NOTHING NOT COVERED IN MY COMPREHENSIVE ENERGY POLICY CONTAINED IN THE 1975 STATE OF THE UNION MESSAGE. PROGRAM EITHER BLOCKED BY CONGRESS OR BEING IMPLEMENTED.

CARTER'S ENERGY PROPOSAL

MR. CARTER'S FOUR-PAGE PRESS RELEASE ON ENERGY ORGANIZATION REVEALS HIS UNFAMILIARITY WITH BOTH ENERGY POLICY AND FEDERAL GOVERNMENT ORGANIZATION.

RATHER THAN DEALING WITH THE SUBSTANTIVE PROBLEMS, HE SHUFFLES BOXES ON AN ORGANIZATION CHART, CREATING THE ILLUSION OF PROGRESS, BUT AVOIDING THE NECESSITY FOR CHOICES. FOR THE MOST PART, THE CARTER PROPOSAL IS LITTLE MORE THAN A CUT AND PASTE JOB FROM THE GOVERNMENT ORGANIZATIONAL MANUAL AND A COLLECTION OF PREVIOUS PROPOSALS WHICH THE CONGRESS HAS SHOWN ITSELF UNWILLING TO ACT ON.

In sharp contrast to this organizational tinker toy, I have made the hard decisions and announced a tough, comprehensive energy policy in My 1975 State of the Union Address. Congress and Mr. Carter have yet to make these difficult choices.

In those cases where Mr. Carter has added something New, he raises more questions than he answers. For example, he eliminates some independent regulatory functions, placing the activities in a Cabinet agency, and then says that it will be necessary "to establish buffers to ensure that functions are insulated from undue political influence."

But this, of course, is precisely why independent regulatory commissions have been created <u>separate</u> from agencies that promote energy development. The independent regulatory

COMMISSIONS ARE NOT UNDER THE CONTROL OF A POLITICAL APPOINTEE.

MR. CARTER'S PROPOSAL APPEARS TO REMOVE THIS IMPORTANT "BUFFER" AGAINST IMPROPER POLITICAL INTERFERENCE WITH THE REGULATORY COMMISSIONS.

As to Mr. Carter's other energy proposals to produce more energy domestically, the plain fact is that they have either been proposed by Me in My 1975 State of the Union Message — and blocked by Congress — or they are now being implemented by My Administration.

GOP TAX CUT FOR POOR

(Response to charge that Republicans protect the Rich -- NOT the POOR.)

In the period since 1969 -- while Republicans were in the White House -- 10 million low income individuals and families have been <u>Dropped</u> from the tax roles altogether. This is a 15% reduction.

This help for the people with Low incomes was accomplished by increasing exemptions and deductions.



CHALLENGING CARTER FOR SPECIFICS

In the realm of fiscal affairs which affects the value of the people's money, I believe a Presidential candidate must be very specific and direct. I've stated my position on expenditures and on taxes and I have presented my proposals in complete detail in my budget messages. I have not found a way to create something out of nothing. I suggest that if the American people are going to take the Governor's spending and tax proposals seriously, that he spell them out for the American people in the same detail that I have.

My tax proposals are very simple. I believe that taxes should be cut for the hard working middle income wage earner, and I have outlined in great detail how that could be done while reaching a balanced budget in fiscal year 1979. I suggest the Governor do the same.

CARTER'S SOCIAL SECURITY TAX INCREASE

THERE IS ONE PROPOSAL THAT MR. CARTER HAS PUT FORWARD THAT HAS NOT ATTRACTED MUCH ATTENTION BUT WILL ALSO HIT THE POCKETBOOKS OF MIDDLE INCOME AMERICA VERY HARD.

He has proposed to increase the amount of income subject to Social Security taxes for families with incomes from \$15,000 to \$22,000. That's enough to raise the taxes of the American middle class worker between \$285 and \$400 a year.

(Note: Carter may use phrase "Nixon-Ford" repeatedly. The following is a suggested response only if Carter has said this five or six times.)

(AT THE BEGINNING OF A REBUTTAL...)

"It's obvious that Mr. Carter would prefer to be running against Mr. Nixon. Well, he's not.

I AM PRESIDENT OF THE UNITED STATES AND HAVE BEEN FOR OVER TWO YEARS. HIS PROBLEM IS THAT TO WIN, HE HAS TO BEAT JERRY FORD -- NOT RICHARD NIXON."

(THEN RESPOND TO SPECIFIC ISSUE)

CARTER'S TAX INCENTIVES

IF MR. CARTER MEANT WHAT HE SAID ABOUT ALL THOSE ABOVE
THE MEDIAN INCOME -- HE WILL BE INCREASING THE TAXES OF ABOUT
3 OUT OF EVERY 5 TAXPAYERS.



TAX ON RICH

(You may wish to add the following to your answer on why tax increases on higher income brackets should be avoided.)

I was touched by Senator <u>Pastore</u>'s farewell remarks yesterday (Wednesday) to the Senate. He said, <u>"Keep the torch of opportunity</u> <u>Lighted wherever you go."</u>

WE MUST NEVER STRIP AWAY THE INCENTIVE FOR FAMILIES TO MOVE UP THE ECONOMIC LADDER.

WHY SHOULD GRF BE PRESIDENT?

PERFORMANCE: PEACE, PROSPERITY, TRUST

EXPERIENCE: ENTIRE LIFE DEDICATED TO PUBLIC SERVICE

VISION OF FUTURE: PEACE - JOBS - HOUSING - EDUCATION - PERSONAL

SAFETY, QUALITY OF LIFE

CANDOR AND TRUST: Honest with American people

I DON'T SAY TRUST ME; I TRUST THE PEOPLE WITH

THE TRUTH. TRUTH IS THE GLUE THAT HOLDS

GOVERNMENT TOGETHER.

QUALITY OF LIFE

TWO YEARS AGO:

RECESSION

ENERGY CRISIS

VIETNAM WAR

Loss of CONFIDENCE

HOW WE HAVE:

PEACE

REDUCED INFLATION BY ONE-HALF

FOUR MILLION NEW JOBS

RESTORED HONOR TO THE WHITE HOUSE

IN THE NEXT FOUR YEARS, EVERY AMERICAN:

WANTS A JOB

WANTS TO BUY A HOME IN A DECENT NEIGHBORHOOD

WANTS SECURITY FROM CRIME IN THE STREETS

WANTS GOOD EDUCATION FOR CHILDREN

MANTS A HEALTHY ENVIRONMENT FOR WORK

AND VACATION

WANTS A WORLD AT PEACE

NIXOII - FORD CONTINUITY

WHEN I TOOK OFFICE: MY CONCERN WAS TO TURN THE SHIP OF STATE AROUND

INFLATION - 12%

VIETNAM WAR

LOSS OF FAITH

UNEMPLOYMENT RISING

HOW:

WE ARE ON A STEADY COURSE IN RIGHT DIRECTION.

INFLATION CUT IN HALF

MILLION NEW JOBS

HONOR RESTORED TO WHITE HOUSE

WE ARE AT PEACE

MY PRIORITIES ARE:

To confront the challenges facing the country

To CUT TAXES FOR EVERYONE

TO MAKE GOVERNMENT MORE EFFICIENT AND

MORE RESPONSIVE

To IMPROVE QUALITY OF LIFE FOR ALL AMERICANS

TO MAINTAIN PEACE IN THE WORLD

BIG GOVERNMENT

WE ARE MAKING GOVERNMENT MORE EFFICIENT AND MORE RESPONSIVE.

MORE EFFICIENT:

CUT FEDERAL FORMS 10%

REDUCED BUREAUCRACY BY 11,000 PEOPLE AND

WHITE HOUSE STAFF TOO

CUT RATE OF GROWTH OF SPENDING BY 50%

CUT TAXES AND WILL DO IT AGAIN

CONSOLIDATED 24 EDUCATIONAL PROGRAMS INTO

BLOC GRANTS

MORE RESPONSIVE:

TURNING OVER RESOURCES TO LOCAL PEOPLE TO
SOLVE PROBLEMS WHERE THE ACTION IS: IN THE

LOCAL COMMUNITY

HOUSING

My GOAL IS TO SEE THAT EVERY AMERICAN CAN OWN A HOME IN A DECENT NEIGHBORHOOD WHICH IS SAFE AND HAS GOOD SCHOOLS.

To do this, we are committed to secure Jobs for all willing to work and freedom from inflation -- need steady economic improvements.

- WE ARE: 1) STARTING A PROGRAM WHICH WILL MAKE THE MORTGAGE PAYMENTS

 LOWER IN THE EARLY YEARS WHEN FAMILIES ARE GETTING STARTED.
 - 2) STARTING A NEW PROGRAM THAT WILL LOWER DOWN PAYMENTS BY UP TO 50%.

THIS YEAR ALONE WE WILL:

- 1) Help 400,000 LOW INCOME PEOPLE PAY RENTS.
- 2) Help 500,000 home buyers pay lower interest rates.

URBAN POLICY

THE PRIORITIES FOR OUR CITIES ARE:

JOBS

Personal safety - criminals off the street

Stop drug traffic

NEIGHBORHOODS WITH GOOD HOUSING AND GOOD SCHOOLS

My policy is to put the money where the problems are: IN THE LOCAL, URBAN AND RURAL AREAS.

- 1. ELIMINATE FEDERAL MIDDLEMEN.
- 2. GIVE RESOURCES TO LOCAL PEOPLE TO SOLVE PROBLEMS.
- 3. I CONSOLIDATED SEVEN URBAN PROGRAMS INTO ONE, GIVING LOCAL PEOPLE MAXIMUM PARTICIPATION IN THEIR NEIGHBORHOODS.
- 4. Replaced 10,000 Federal grants with a CETA system that sends money where it's needed.
- 5. I HAVE PROPOSED THE SAME REFORMS FOR EFFICIENCY AND RESPONSIVENESS IN HEALTH (16 PROGRAMS INTO ONE)

EDUCATION (24 PROGRAMS INTO ONE)

CHILD NUTRITION (15 PROGRAMS INTO ONE)

EDUCATION

I BELIEVE DEEPLY, FROM MY OWN EXPERIENCE, THAT EDUCATION IS THE KEY TO A BETTER LIFE FOR ALL AMERICANS.

MY POLICY HAS BEEN:

FOR ELEMENTARY AND SECONDARY EDUCATION

- -- 'TO PUT THE \$ WHERE THE DISADVANTAGED CHILDREN ARE;
- TAKE IT AWAY FROM FEDERAL OFFICIALS;

 BY COMBINING 24 NARROW PROGRAMS INTO ONE.

FOR HIGHER EDUCATION:

- -- TO SEE THAT EVERY CHILD HAS AN OPPORTUNITY TO GET A COLLEGE EDUCATION:
- -- TO BEGIN NEW WAYS THROUGH THE TAX SYSTEM TO HELP MIDDLE INCOME FAMILIES COPE WITH COLLEGE EXPENSES; AND,
- -- HELP THOSE FAMILIES WHO SEND CHILDREN TO NON-PUBLIC SCHOOLS.

WELFARE

AMERICANS ARE GENEROUS AND COMPASSIONATE PEOPLE.

- 1. WE HELP THOSE WHO ARE HELPLESS -- SICK, NEEDY, THE CHILDREN.
- 2. But we work hard -- shouldn't waste help on those who won't help themselves.

THAT'S WHY WE WANT TO:

- 1. RAISE FOOD STAMP BENEFITS FOR OUR ELDERLY WHILE CUTTING THEM FOR COLLEGE STUDENTS FROM WEALTHY FAMILIES.
- Consolidate 15 child nutrition programs which do not reach 700,000 needy children, but do subsidize the meals of MANY CHILDREN FROM WEALTHY FAMILIES.
- 3. REFORM WELFARE TO PROVIDE INCENTIVES FOR PEOPLE TO LEARN A TRADE AND GET A GOOD JOB.

INFLATION/EMPLOYMENT/UNEMPLOYMENT

- INFLATION CUT IN HALF (12% TO 6%)
- LEAD TO RESTORATION OF CONSUMER CONFIDENCE, AND BUYING -- WHICH HELPED CREATE 4 MILLION JOBS IN 17 MONTHS (MORE THAN IN ANY OTHER SIMILAR PERIOD IN OUR <u>PEACETIME</u> HISTORY)

 (500,000 IN LAST 2 MONTHS).
- * EMPLOYMENT AT RECORD HIGH -- 88 MILLION IN AUGUST.
- Must further reduce inflation, since <u>Inflation Destroys Jobs</u>.



GOAL - LOCAL CONTROL; MANDATORY SENTENCES FOR CRIMINALS USING

A GUN; PROTECT THE INNOCENT; COMPASSION FOR VICTIMS.

FORD POLICY

- 1) I HAVE PROPOSED A MODEL SYSTEM OF FEDERAL LAWS:
 - Comprehensive federal code
 - . STIFF ANTI-DRUG LAW
 - Mandatory sentencing for kidnappers and Hijackers and Those using guns.
 - Compensation for Victims
- 2) STEPPED UP FEDERAL ENFORCEMENT
 - More Judges
 - MORE MARSHALS
 - MORE PRISONS
- 3) Assistance to state and community law enforcement authorities:
 - \$7 BILLION OVER FIVE YEARS
 - "CAREER CRIMINAL" PROGRAM

RESULTS

1974 - CRIME INCREASING 13% A YEAR

1975 - GROWTH RATE CUT TO 10% A YEAR

TAX THE RICH

ASIDE FROM MY PROPOSAL OF A SIGNIFICANT MINIMUM TAX FOR ALL INCOME BRACKETS, I DO NOT SUPPORT ANY PUNITIVE OR UNFAIR TAX PROPOSAL ON ANY GROUP OF AMERICANS.

- 1) I FIRMLY BELIEVE THAT WHATEVER THE LEVEL A MAN HAS REACHED ON THE ECONOMIC LADDER HE MUST HAVE AN INCENTIVE TO MOVE UP.
- 2) A 100% TAX ON THOSE FAMILIES WITH INCOMES OVER \$50,000 WILL PRODUCE LESS THAN \$9 BILLION IN ADDITIONAL SPENDING. IT WOULD ONLY PAY FOR 4% OF Mr. CARTER'S PLATFORM. EACH TAXPAYER SHOULD ASK HIMSELF -- WHERE WILL THE OTHER 94% COME FROM?
 - JIF WE WANT JOBS, A PRODUCTIVE AND VIABLE ECONOMY, AND THE TYPE OF CAPITAL INVESTMENT WE NEED IN THE LONG RUN, SUCH AN UNFAIR TAX PHILOSOPHY IS EXTREMELY SHORT-SIGHTED AND COUNTER-PRODUCTIVE. IN THE END, IT WILL BE THE POOR WHO WOULD SUFFER MOST.

MANAGEMENT

THE KEYS TO A WELL MANAGED FEDERAL GOVERNMENT ARE:

- 1) Stopping the endless creation of New Overlapping Programs
 AND AGENCIES SO THAT ATTENTION CAN BE FOCUSED ON WHAT IS
 ALREADY THERE:
- 2) REFORMING THE PROGRAMS THAT ARE ON THE BOOKS SO THAT THEY

 HAVE A CLEAR MANDATE TO ACCOMPLISH A CLEARLY STATED GOAL -
 MOVING AS FAR AS WE CAN TO PUT THE DECISION-MAKING POWER

 IN LOCAL OFFICIALS -- NOT IN THE HANDS OF FEDERAL OFFICIALS.
- 3) KEEPING THE PRESSURE ON, DAY IN AND DAY OUT, ON ACCOMPLISHMENT.

THIS HAS BEEN MY POLICY, AND IT HAS PRODUCED RESULTS.

- FEWER FEDERAL EMPLOYEES ON THE PAYROLL AT THE END OF THE LAST FISCAL YEAR THAN AT ANYTIME SINCE 1973.
- Have reduced the federally imposed paperwork burden on the public by 12% over the last year and have ordered further reductions.
- Today, an application for community development funds takes 8 months to process, not 31 months as it did when I took office. The community development form has been reduced from 1,400 pages to 25.

MAKING GOVERNMENT MORE EFFICIENT IS NOT CHANGING THE NAME ON THE STATIONERY OR RESHUFFLING BUREAUCRATS FROM AGENCY TO AGENCY. GOOD MANAGEMENT IS NOT A RAZZLE-DAZZLE, FLOURISH BUSINESS. IT IS HARD WORK THAT TAKES PERSISTENCE AND STAYING POWER.

CONSUMERISM

- OUT FOR THE INTERESTS OF CONSUMERS. THEY ARGUE THAT THE EXISTING AGENCIES HAVE BECOME TOOLS OF SPECIAL INTEREST GROUPS AND THERE-FORE WE NEED A COUNTERFORCE AGENCY.
- IN MY BOOK THAT'S DEFEATISM OF THE WORST KIND. WHAT IT SAYS, IN EFFECT, IS THAT THE PEOPLE HAVE LOST CONTROL OF THE AGENCIES THEY CREATED TO HELP THEM AND THE ANSWER IS YET ANOTHER NEW AGENCY.
- I SAY, LET'S MAKE THE AGENCIES WE ALREADY HAVE DO WHAT THEY

 ARE SUPPOSED TO DO -- LOOK OUT FOR THE INTERESTS OF ALL OF THE

 AMERICAN PEOPLE. LET'S HOLD THEM ACCOUNTABLE FOR PROTECTING

 THE CONSUMER'S INTERESTS. LET'S THROW THE SPECIAL INTEREST

 GROUPS OUT.
 - WE'VE MADE SOME PROGRESS:
 - -- REPEALED TRADE LAWS THAT MADE CONSUMERS PAY HIGH PRICES.
 - -- REDUCED RAILROAD REGULATIONS FOR THE FIRST TIME IN 90 YEARS.
 - -- STRENGTHENED ANTI-TRUST LAWS.
 - -- REDUCED THE AMOUNT OF PAPERWORK IMPOSED BY THE FEDERAL GOVERNMENT ON THE PUBLIC BY 12% AND HAVE ORDERED FURTHER REDUCTIONS.
 - HAVE MAJOR REGULATORY REFORMS PENDING IN CONGRESS THAT WILL BENEFIT CONSUMERS -
 - -- AIRLINE INDUSTRY
 - -- BANKING INDUSTRY
 - -- SURFACE TRANSPORTATION

TEENAGE UNEMPLOYMENT

1) PERSPECTIVE

- IN THE FIRST EIGHT MONTHS OF THIS YEAR, 7.3 MILLION YOUTHS WERE EMPLOYED. THIS IS AN ALL-TIME HIGH IN TEENAGE EMPLOY-MENT.
- DESPITE THIS TREMENDOUS PROGRESS, SERIOUS PROBLEMS REMAIN.

 IN AUGUST, 1.8 MILLION YOUTHS WERE COUNTED AS UNEMPLOYED.

 NOT A MATTER SIMPLY OF LOST INCOME. WITH YOUTH UNEMPLOYMENT COMES A HOST OF OTHER PROBLEMS INCLUDING CRIME, DRUG ADDICTION, AND EXCESSIVE DEPENDENCY.

2

2) My Actions

- My Administration has currently in place a large array of programs: the summer jobs program, job placement assistance through the Employment Service, Work Incentive Program, the Job Corps, and the youth sub-minimum apprenticeship certificate program, that allows employers to hire youths at below the minimum wage, just to name a few.
- THE 1977 BUDGET ALLOCATED OVER \$7 BILLION OVERALL FOR TRAINING AND EMPLOYMENT PROGRAMS; ABOUT 30% OF THIS SUM WAS DIRECTED TOWARDS YOUTH.

(MORE)

3) OTHER STEPS TO DEAL WITH LONG-RANGE PROBLEM

- I HAVE INITIATED, IN COOPERATION WITH PRIVATE CITIZENS AND BUSINESSES, A NEW \$140 MILLION PROGRAM TO DEVELOP 500,000 JOBS WITHIN THE NEXT TWELVE MONTHS FOR DISADVANTAGED YOUTHS AND WELFARE ENROLLEES.
- At the University of Michigan, I stated that the present principle of assuring financial assistance to every high school graduate willing to go to college should be extended to those who want a job in which they can learn a trade, a craft or a practical business skill.
- I HAVE SIGNED (WILL SIGN) INTO LAW AN IMPROVED WORK INCENTIVE TAX CREDIT THAT ENABLES EMPLOYERS TO DEFRAY SOME OF THE COSTS INVOLVED IN HIRING DISADVANTAGED YOUTHS AND WELFARE RECIPIENTS.

MEDICAID

- NATION'S COMMITTED TO INSURING ACCESS TO HEALTH CARE FOR OUR LOW INCOME PEOPLE.
- Those who do not have the money to get health care for themselves and especially for their children, should receive our help.
- MEDICAID WAS ENACTED TO HELP WITH THESE CONCERNS, OVER THE LAST 10 YEARS HAS BEEN SUBJECT OF FRAUD AND ABUSE. MANY OF THE PROBLEMS ARISE BECAUSE THE PROGRAM DESIGN HAS SERIOUS FLAWS. EVEN STATES THAT HAVE TRIED HARD HAVE HAD PROBLEMS. GOVERNOR BUSBEE, THE GOVERNOR OF GEORGIA, TESTIFIED BEFORE CONGRESS TWO MONTHS AGO THAT WHEN HE TOOK OFFICE, THE PROGRAM IN HIS STATE WAS IN A SHAMBLES. HE SAID IN 18 YEARS IN THE STATE LEGISLATURE, HE NEVER HAD SEEN SUCH AWFUL FRAUD AND ABUSE.

THE GENERAL ACCOUNTING OFFICE RECENTLY CONDUCTED A STUDY OF THE PROGRAM AND RECOMMENDED 59 IMPROVEMENTS TO TRY TO CORRECT THESE PROBLEMS. 55 OF THESE CHANGES ARE BEING IMPLEMENTED.

I AM CONVINCED THAT TINKERING WITH A FLAWED MECHANISM WILL NOT WORK. THAT IS WHY I RECOMMENDED LAST JANUARY A COMPLETE OVERHAUL OF MEDICAID AND 15 OTHER PROGRAMS THAT ARE SUPPOSED TO HELP LOW INCOME PEOPLE WITH THEIR HEALTH CARE.

MY REFORM WOULD SOLVE FRAUD AND ABUSE PROBLEMS AND MAKE SURE THE TAXPAYERS' DOLLARS ACTUALLY HELPED.

GRAIN EMBARGO

- * Tough Decision, I understand concern of farmers.
- NEED FOR PERSPECTIVE:
 - IF WE HAD NOT ACTED, MARITIME UNIONS OR CONGRESS WOULD LIKELY HAVE DONE SOMETHING FAR WORSE TO FARMERS. THERE WERE THREATS TO STOP SHIPMENT OF THE 19 MILLION TONS ALREADY SOLD. 70 MEMBERS OF CONGRESS HAD ENDORSED A BILL TO PUT ALL GRAIN EXPORTS UNDER GOVERNMENT CONTROL.
 - Using the Leverage of the embargo, we negotiated an agreement with the Soviets whereby American farmers starting just one week from tomorrow (October 1st) will be able to sell -- at fair, competitive prices -- a minimum of 6 million tons of grain per year for five years.

(OVER)

- · MY POLICY
 - No MORE EMBARGOES
 - FREEDOM FOR FARMERS
 - A FAIR DEAL FOR CONSUMERS

GOVERNMENT REORGANIZATION

POINTS:

- * DEALING WITH PROBLEMS NOT ORGANIZATIONAL BLOCKS.
- Reshuffling agencies doesn't solve problems. We need new laws.

RECORD:

THE PRESIDENT HAS:

- REVENUE SHARING
- PROPOSED CONSOLIDATION OF SEPARATE PROGRAMS IN SUCH AREAS AS HEALTH, EDUCATION AND SOCIAL SERVICES.
- PROPOSED THE MOST COMPLETE AND HARD-HITTING GOVERNMENT
 REFORM IN HISTORY -
 - -- RAILROADS, AIRLINES, TRUCKS
 - -- AGENDA FOR GOVERNMENT REFORM ACT -- ALL AGENCIES IN 4 YEARS

(OVER)

· AGENCY-BY-AGENCY "ZERO BASED" BUDGET REVIEW EACH YEAR.

REBUTTAL: CARTER'S "1900 AGENCIES" MADE UP OF:

1200 PART-TIME ADVISORY COMMISSIONS (PRESIDENT REDUCES LIST BUT CONGRESS ADDS MORE. DOES CARTER WANT TO ELIMINATE SUCH CITIZENS' GROUPS AS: NATIONAL ADVISORY COUNCIL ON AGING AND ADVISORY COMMITTEE ON THE HANDICAPPED?)

- 11 CABINET DEPARTMENTS
- 60 MAJOR AGENCIES
- 41 GOVERNMENT CORPORATIONS (SUCH AS AMTRAK)

CARTER'S GEORGIA RECORD

BUDGET: 1971 1,057 BILLION

> 1975 1,675 BILLION

> > INCREASE '75 OVER '71 -- 58,47%

931,128 MILLION DEBT: 1971

> 1975 1.149 BILLION

> > INCREASE IN DEBT -- 23.40%

EMPLOYMENT: 1971 299,499

(FULL AND PART-TIME) 1975 365,036

INCREASE OF 65,537 PERSONS (FULL AND PART-TIME) FROM 1971 TO 1975 OR 21.88%

Source: U.S. Bureau of Census

GOVERNMENT VS. PRIVATE ENTERPRISE

THE AMERICAN PEOPLE MUST REALIZE THAT GOVERNMENT CAN ONLY GROW STRONGER BY MAKING PRIVATE ENTERPRISE WEAKER. EVERY DOLLAR SPENT BY THE GOVERNMENT COMES FROM THE POCKET OF A WORKING AMERICAN. If the government wants to spend more, then you and I will spend less. If the government wants to employ more people, then private enterprise must employ fewer people. And such an emphasis on bureaucratic growth inevitably leads to a decline in the production of goods and services, a decline in the value of people's income, and an increase in the rate of inflation, which in turn paves the way for a new recession and even higher unemployment.



YOUTH DIFFERENTIAL

The following response is suggested if you are directly asked whether you support the Republican Platform, which says, "A youth differential must in included in the minimum wage law."

I SUPPORT THE REPUBLICAN PLATFORM AND MY ADMINISTRATION IS ALREADY TAKING ACTION TO ENCOURAGE YOUTH EMPLOYMENT.

THE ACTIONS ALREADY UNDERWAY FULLY PROTECT THE JOBS OF OLDER WORKERS -- ESPECIALLY THOSE WITH FAMILY OBLIGATIONS. I WILL INSIST THAT ANY CHANGE IN THE CURRENT LAWS TO STIMULATE YOUTH EMPLOYMENT NOT RESULT IN A SUBSTITUTION OF LOW WAGE YOUTH FOR OTHER WORKERS.

(OVER)

I FULLY SUPPORT THE PROVISIONS OF THE <u>CURRENT</u> LAWS WHICH AUTHORIZE ABOUT 550,000 PERSONS TO BE EMPLOYED BELOW THE MINIMUM WAGE. IN ADDITION, AS MANY AS ONE MILLION YOUNG PEOPLE ARE EMPLOYED IN INDUSTRIES WHERE THE MINIMUM WAGE REQUIREMENTS DO NOT APPLY AT ALL. (SUCH AS SMALL FARMS AND SMALL RETAIL).

NOTE: EPB WILL RECOMMEND AGAINST

UNQUALIFIED SUPPORT OF A

YOUTH DIFFERENTIAL AT THIS

TIME.

REBUTTAL ON ECONOMIC GOALS

AT MADISON SQUARE GARDEN, Mr. CARTER SAID HE WOULD ENACT PROGRAMS THAT WILL COST BETWEEN \$100 AND \$200 BILLION IN THE NEXT FOUR YEARS.

AT PLAINS, MR. CARTER SAID HE WOULD BALANCE THE BUDGET IN THE NEXT FOUR YEARS.

THE AMERICAN PEOPLE HAVE ONE BASIC QUESTION FOR MR. CARTER: HOW?

-- HOW, Mr. CARTER, ARE YOU GOING TO INCREASE SPENDING BY PERHAPS 50% AND STILL BALANCE THE BUDGET?

- -- HOW ARE YOU GOING TO ENACT A SECOND GREAT SOCIETY WITHOUT PAYING THE PRICE OF THE GREAT SOCIETY--MORE INFLATION AND MORE UNEMPLOYMENT?
- -- HOW ARE YOU GOING TO FULFILL YOUR PROMISES TO THE AMERICAN PEOPLE AND NOT RAISE THEIR TAXES?

 HOW? THAT IS THE FUNDAMENTAL QUESTION TO BE ANSWERED TONIGHT.

REBUTTAL ON GOVERNMENT SPENDING

DURING THE PRIMARIES, MR. CARTER CALLED THE GOVERNMENT A "HUGE, WASTEFUL, UNMANAGEABLE, BLOATED, BUREAUCRATIC MESS."
HE WAS RIGHT. BUT THE PLATFORM HE ADOPTED IN MADISON SQUARE GARDEN WILL MAKE IT BIGGER, MORE WASTEFUL, MORE UNMANAGE—ABLE, AND MORE BLOATED THAN AT ANY TIME IN OUR HISTORY.

He says he can manage the government better; the best manager in America today could not manage the programs he wants.

THERE ARE SHARP DIFFERENCES BETWEEN US AND THEY REVOLVE AROUND GOVERNMENT SPENDING:

- -- I WANT TAX REDUCTIONS; HE HAS SAID HIS PROGRAMS WILL LEAD TO HIGHER TAXES;
- -- I WANT LESS SPENDING; HIS PROGRAMS WILL MEAN MORE SPENDING
- -- I WANT TO REDUCE INFLATION; HIS PROGRAMS WILL MEAN MORE INFLATION.
 - -- I WANT LESS GOVERNMENT AND MORE FREEDOM; HIS PROGRAMS WILL MEAN MORE GOVERNMENT AND LESS FREEDOM.

REBUTTAL ON DEFICITS

I AM PUZZLED HOW MR. CARTER CAN ATTACK ME ON ONE HAND FOR LARGE DEFICITS AND ON THE OTHER HAND FOR TOO MANY VETOES.

HE KNOWS FULL WELL THAT MY VETOES HAVE SAVED THE TAXPAYERS OF THIS COUNTRY \$9 BILLION -- AND WOULD PROBABLY HAVE BEEN \$9 BILLION MORE IN DEFICITS.

HE KNOWS FULL WELL THAT HIS OWN VICE PRESIDENTIAL CANDIDATE VOTED TO OVERRIDE EVERY ONE OF MY VETOES. AND HE KNOWS FULL WELL WHERE THE TRUE SOURCE OF DEFICITS IN THE COUNTRY IS TODAY: THE U.S. CONGRESS.

ONE FINAL POINT ON DEFICITS AND UNEMPLOYMENT: IF THE KIND OF DEFICIT SPENDING ENVISIONED BY THE DEMOCRATIC PLATFORM WOULD GIVE US FULL EMPLOYMENT, WE WOULD HAVE HAD FULL EMPLOYMENT LONG AGO. THE LAST 5 CONGRESSES VOTED THIS COUNTRY \$250 BILLION WORTH OF DEFICITS.

THEY DIDN'T PRODUCE FULL EMPLOYMENT THEN AND THEY WON'T NOW.

REBUTTAL ON UNEMPLOYMENT/INFLATION

MR. CARTER SAYS THAT THE WAY TO CUT INFLATION IS TO CREATE MORE JOBS, AND HE WANTS TO SPEND BILLIONS OF TAX DOLLARS TOWARD THAT END.

I DISAGREE. HE HAS THE WRONG DIAGNOSIS AND THE WRONG CURE.

INFLATION IS THE BIGGEST DESTROYER OF JOBS IN AMERICA TODAY. ASK ANY PLUMBER OR CONSTRUCTION WORKER WHO HAS BEEN PRICED OUT OF THE MARKET.

THE WAY TO CURE UNEMPLOYMENT IS TO ATTACK BOTH INFLATION AND UNEMPLOYMENT AT THE SAME TIME. THAT'S WHAT WE'VE DONE, AND I'M PROUD OF OUR RECORD.

THIS COUNTRY HAS HAD ENOUGH OF THE PHILOSOPHY OF SPEND AND SPEND, ELECT AND ELECT; WE WANT STEADY JOBS AND STEADY PRICES.

REBUTTAL ON TAX REFORM

THE MOST IMPORTANT TAX REFORM WE CAN ENACT FOR THE AMERICAN PEOPLE IS A PERMANENT TAX REDUCTION.

My programs will reduce taxes by another \$10 billion; my opponent publicly stated 12 days ago that he would raise taxes for middle income Americans.

I AM SPECIFICALLY OPPOSED TO TWO ADDITIONAL REFORMS THAT MR. CARTER HAS DISCUSSED THIS YEAR;

- -- ELIMINATING HOMEOWNER'S DEDUCTION;
- -- ELIMINATING SPECIAL TAX ON CAPITAL GAINS.

IF MR. CARTER HAS ADDITIONAL REFORMS, HE SHOULD TELL US BEFORE THE ELECTION -- NOT AFTERWARDS.

We don't need a secret plan for the TAX REFORM WHICH WOULD RAISE TAXES FOR 75 MILLION AMERICANS.

REBUTTAL ON NATIONAL ECONOMIC PLANNING

By supporting national economic planning, he ignores the fact that we have the best planning system in the world. It's called freedom.

HE ALSO IGNORES THE VERY CONSIDERABLE COORDINATION AND FORETHOUGHT ALREADY OCCURRING IN THE EPB, FIVE-YEAR PROJECTIONS ON ECONOMY AND BUDGET.

Most fundamental disagreement—and key issue of 1976—is question of who should control the future of the American people. I want them to control it; he wants Washington—and the White House—to control it. Economic regimentation doesn't work in Eastern Europe and it doesn't belong in America.

REBUTTAL ON ABORTION

I AM FRANKLY CONFUSED BY MY OPPONENTS VIEWS ON ABORTION:

- -- He says he is against abortion, but he won't support a Constitutional amendment to restrict it.
- -- He is not in favor of a Constitutional amendment but he won't oppose it.
- --He THUS LETS ABORTIONS CONTINUE FOR THE UPPER CLASSES,
 BUT WANTS TO CUT OFF FUNDS FOR ABORTIONS FOR POOR PEOPLE
 ON MEDICAID.

My POSITION IS CLEAR AND CONSISTENT:

- -- AGAINST ABORTIONS ON DEMAND;
- -- In favor of Constitutional amendment which would allow states to decide;
 - -- Would ALLOW ABORTIONS IN EXCEPTIONAL CASES.

REBUTTAL ON BUSING

I AM PUZZLED BY MR. CARTER'S POSITION ON BUSING. HE SAYS HE IS A SERIOUS OPPONENT OF IT, BUT YET:

- -- HIS PLATFORM SUPPORTS IT;
- -- HE REFUSES TO SAY WHAT HE WOULD DO TO STOP IT;
- -- AND HE HAS PUT ON HIS TICKET A MAN KNOWN AS MR. BUSING IN THE U.S. SENATE.

In this Administration, we have tried to make our actions match our words. I have submitted a comprehensive busing proposal that would restrict busing while also moving the nation toward quality education for every school child.

REBUTTAL ON THE CITIES

IN CHARGING ME WITH BENIGN NEGLECT TOWARD THE CITIES, MR. CARTER OVERLOOKS SEVERAL MAJOR INITIATIVES OF THIS ADMINISTRATION:

- -- OUR FIGHT TO EXTEND REVENUE SHARING (MR. CARTER, INCIDENTALLY, WAS AGAINST REVENUE SHARING AS GOVERNOR BUT SUPPORTS IT TODAY.);
 - -- NEIGHBORHOOD REVITALIZATION EFFORT;
 - -- Housing and Community Development Act.

More important ways to help the cities is to restore prosperity; that's what we're doing.

MR. CARTER POSES AS A FRIEND TO THE CITIES. HE SHOULD BE EQUALLY SOLICITOUS TOWARD THE TAXPAYER AND TELL THEM HOW MUCH HIS PLANS FOR THE CITIES WILL COST.

REBUTTAL ON CRIME

MR. CARTER'S MAIN ANSWER TO REDUCE CRIME IS TO REDUCE UNEMPLOY-MENT. BUT THE RECORD SHOWS THAT THE TWO ARE NOT NECESSARILY RELATED. JUST LOOK AT THE GREAT DEPRESSION WHEN MILLIONS WERE OUT OF WORK BUT THE CRIME RATE WAS RELATIVELY LOW.

No, the true answer to crime is stiffer, mandatory sentences for the habitual criminal, improvement of our prison systems, enactment of a comprehensive Federal criminal code, more Federal Judges, and a government of trust and integrity. Those are my promises to the American people.



REBUTTAL ON EDUCATION

WE HAVE A VERY POSITIVE PROGRAM IN EDUCATION:

- -- Consolidation of 24 overlapping programs;
- -- TARGETED AID FOR HANDICAPPED AND VOCATIONAL STUDENTS;
- -- Full support for Non-Public schools;
- -- RESTRICTIONS ON BUSING.

As to Mr. Carter's proposals to increase the Federal share of education spending from some 10% to perhaps 33%, I am opposed:

(OVFR)

- -- THE TAXPAYERS DON'T WANT IT;
- -- More importantly, a great infusion of Federal money will bring in its wake much more Federal control of education. Reforms needed in classrooms today are not purchased with more money but more common sense. We need a return to high standards, to basics, to a new insistence upon discipline and upon teaching patriotism, values and morals.

REBUTTAL ON THE ELDERLY

MR. Carter and I share a deep concern for the elderly, but we show it in different ways.

I THINK THE SOCIAL SECURITY TRUST FUND IS IN SERIOUS TROUBLE, AND I HAVE PROPOSED A VERY SMALL INCREASE IN SOCIAL SECURITY TAXES TO PROTECT ITS INTEGRITY -- LESS THEN \$1 A WEEK.

MR. CARTER THINKS THE SOCIAL SECURITY TRUST FUND IS FAIRLY HEALTHY, BUT HE HAS PROPOSED A HUGE INCREASE IN SOCIAL SECURITY TAXES -- ENOUGH TO RAISE THE TAXES OF THE AMERICAN MIDDLE CLASS WORKER BETWEEN \$285 AND \$400 A YEAR.

(OVED)

I THINK MY OWN APPROACH IS SOUNDER, WILL PROTECT THE INCOME SECURITY OF THE ELDERLY, AND WILL WIND UP COSTING FEWER DOLLARS FOR THE TAXPAYER,

REBUTTAL ON NATIONAL HEALTH CARE

IN DISCUSSING NATIONAL HEALTH CARE, THREE QUESTIONS ALWAYS NEED TO BE HONESTLY ADDRESSED:

- -- How MUCH WILL IT COST?
- -- WHO IS GOING TO PAY FOR IT?
- -- WILL WE PRESERVE THE FREEDOM OF THE HEALTH PROFESSION FROM GOVERNMENT CONTROL?

Mr. Carter has addressed none of these with specificity. The American people should not be asked to vote now and pay later.

I HAVE PROPOSED EVERY MAJOR MEDICAL PROGRAM THAT I BELIEVE WE URGENTLY NEED AND CAN REASONABLY AFFORD TODAY: (OVER)



- -- CATASTROPHIC HEALTH;
- -- IMPROVEMENT IN NURSING HOMES;
- -- EXPANSION OF NATIONAL HEALTH SERVICES CORPS;
- -- SWINE FLU.

REBUTTAL ON HOUSING

ONCE AGAIN, BY CHARGING THIS ADMINISTRATION WITH SO MANY FAILURES, Mr. CARTER OVERLOOKS THE FACTS:

- -- PROPOSAL TO LOWER DOWN PAYMENTS;
- -- Proposal to reduce early mortgage payments;
- -- SUPPORT FOR TANDEM PLAN,

OF COURSE, THE BEST WAY TO IMPROVE THE HOUSING INDUSTRY IS TO HOLD DOWN INFLATION AND CREATE MORE JOBS. We're DOING THAT.

As for Mr. Carter's Housing Program, IT SUFFERS BECAUSE:

-- HE HASN'T PIT A PRICE TAG ON IT:

- -- HE HAS CREATED DOUBT AMONG HOMEOWNERS ABOUT HIS TAX PLANS;
- -- HE APPEARS TO FAVOR CREDIT ALLOCATION, A PLAN THAT IS WIDELY DISCREDITED AND WAS BEATEN DOWN IN A DEMOCRATIC CONGRESS.

REBUTTAL ON WELFARE REFORM

EVERYONE AGREES THAT THE WELFARE SYSTEM IS A MESS.

BUT BEFORE MR. CARTER TRIES TO FEDERALIZE THE WELFARE SYSTEM,
HE SHOULD TELL PEOPLE HOW MUCH HIS REFORMS WILL COST AND THEN
LET THE TAXPAYERS DECIDE WHETHER THEY CAN AFFORD THEM RIGHT NOW.

HE SHOULD ALSO TELL THEM HOW MUCH IT WILL COST TO ESTABLISH A GUARANTEED ANNUAL INCOME, SO THAT TAXPAYERS CAN DECIDE WHETHER THEY CAN AFFORD IT.

WELFARE MUST BE REFORMED TO HELP THE NEEDY, BUT NOT THE GREEDY.

MILLEN

MY OWN REFORM PROPOSAL -- ON FOOD STAMPS -- IS NOW BLOCKED IN THE CONGRESS. REFORM OF FOOD STAMPS SHOULD BE THE FIRST STEP TOWARD OVERALL WELFARE REFORM.

REBUTTAL ON LEADERSHIP

My opponent says he dislikes abortions — but will do nothing to prevent them. He dislikes busing, but will do nothing to stop it. He doesn't like compulsory unionism, but he will sign legislation making it compulsory. Is this the leadership the American people want or deserve?

THE FIRST QUALITY OF A PRESIDENT IS LEADERSHIP. AND THE MOST IMPORTANT QUALITIES OF LEADERSHIP ARE JUDGMENT AND TRUST. TO WIN THE TRUST OF THE AMERICAN PEOPLE, WE MUST PROMISE NO MORE THAN WE CAN DELIVER -- AND DELIVER ALL THAT WE PROMISE. I HAVE

(OVER)

TRIED TO MAKE THAT A HALL MARK OF MY ADMINISTRATION.

REBUTTAL TO CHARGE OF FORD FLIP-FLOPS

MR. CARTER HAS ESTABLISHED A TRACK RECORD OF HIS OWN THAT HAS BECOME A CENTRAL ISSUE OF THIS CAMPAIGN.

- -- ON ABORTION, HE TOOK ONE POSITION IN IOWA, ANOTHER ONE IN MADISON SQUARE GARDEN,
- -- ON RIGHT-TO-WORK, HE FAVORED IT IN GEORGIA AND OPPOSED IT IN MASHINGTON;
- -- ON THE MORTGAGE DEDUCTION FOR HOMEOWNERS, HE WANTED
 TO GET RID OF IT IN MASSACHUSETTS AND WANTED IT BACK IN
 PENNSYLVANIA. (OVER)
- -- ONE DAY IT'S LOVE-AND-COMPASSION; THE NEXT DAY, FIRE DIRECTOR KELLEY;
- -- MR. CARTER'S POLITICAL POSITIONS REMIND ME OF THE WEATHER IN NEW ENGLAND. IF YOU DON'T LIKE IT, JUST WAIT A FEW MINUTES, IT WILL CHANGE.

OF COURSE, ALL OF US CHANGE OUR MINDS. I HAVE DONE THAT IN THE PRESIDENCY WHEN CONDITIONS HAVE CHANGED AND POLICIES MUST BE ADJUSTED. BUT I HAVE NEVER CHANGED POSITIONS IN A SINGLE DAY AND I HOPE I NEVER BECOME ALL THINGS TO ALL PEOPLE.

FORD - NIXON DIFFERENCES

One reason why this Nation has grown stronger over the past 200 years is because each successive Administration builds on the accomplishments of past Administrations, changes policies and programs that do not work and reacts to new challenges and problems.

My Administration is carrying out Truman initiatives, Eisenhower initiatives, Kennedy initiatives, Johnson initiatives as well as some Nixon initiatives.

But I have also initiated my own policies and programs for example:

- -- Proposed biggest tax cut in history;
- -- First comprehensive energy policy in our Nation's history (1975 State of the Union);
- -- Brought federal budgetary processes under control;
- -- Catastrophic health insurance;
- -- Proposed comprehensive reform of all federal regulations
- -- Proposed consolidation of federal programs such as education, health and child nutrition;
- -- Parks program;
- -- 1975 Sinai Agreement;

- -- First comprehensive reorganization of our foreign intelligence agencies in 30 years;
- -- 1974 agreement limiting offensive weapons with Brezhnev;
- -- Economic summits both at home and abroad -- an historical first.

Perhaps even more significant than my initiatives is the manner in which I have tried to govern during these difficult two years (go to camera):

- * I have rejected the idea of an Imperial Presidency; we have seen too much raw power concentrated in the Oval Office in the last 15 years.
- * Instead, I have unclogged the lines of communication and authority to the President.
- * I have taken power away from the White House staff and restored it to the Cabinet where it belongs.
- * And I have taken the Presidency to the people with an unprecedented number of regional briefings, meetings and press conferences.

The changes in the country have been very noticeable, I believe. It was most apparent in the way that the Nation celebrated the 4th of July. But I have also seen it in smaller ways. Last week when I went back to the University of Michigan

and met with a number of students, the thing that struck me was that the students were not overawed to see their President; they seemed very confortable and we had a good, open exchange. I can remember a day not many years ago when a President of the United States could not go on a college campus; I'm very happy to see the difference.

Follow-up - What policies of President Nixon have you rejected?

ANSWER:

I have rejected the Imperial Presidency and substituted openness and candor.

I kept Revenue Sharing (which I fought for as Minority Leader) but I have changed some policies, for example:

I reject:

- -- the use of wage and price controls
- -- the assumption that government spending must continue to grow;

I supported increased assistance for mass transit.

QUESTION

The recent revelation of a \$1.35 billion regulatory mix-up -- and of FEA's proposal to allow refiners to keep the associated windfall benefit -- seems to confirm the administrative incompetence of the FEA and a pattern of excessive regulatory friendliness toward the U.S. oil companies at the expense of consumers. What is your position on this?

ANSWER

The discussion of this issue that has occurred so far indicates a clear misunderstanding of the facts, which are as follows:

- . No "windfall" has been granted to the oil companies by FEA. This case is wide open. FEA is considering a variety of alternatives to deal with it -- some of which could result in penalties for the refiners involved.
- . The alternatives for dealing with the problem will be fully aired by FEA in public hearings. FEA first announced its, intention to hold hearings on the matter on August 3, 1976.
- . When the public hearings are held -- they are now scheduled for October 13, 1976 -- all parties at interest, including consumers, will be heard.
- . When all the facts are in, I am confident that FEA Administrator Frank Zarb will decide in a way that is correct and fair for consumers and others involved.

SPENDING AND TAXES

of arithmetic. He's trying to find a way to enact the huge expenditure programs that he supported in the Democratic platform, balance the budget and not increase taxes where the vast revenue raising capacity of our tax system is, namely the middle class.

In the impossible task of trying to have all of these objectives simultaneously, the Governor has tried out on us a number of different programs.

He has somehow found \$60 billion in excess revenues available from the growth in the economy (over and above mandated expenditure increases) by 1980. Unfortunately, over the years many have believed the prediction that there will be somewhere down the road a huge surplus. This has turned out to be a mirage. The closer you get to it the farther it seems to go away, and I suspect that will be the fate of the \$60 billion as has been the fate of all such previous surpluses. He has implied some vast potential savings from governmental reorganization. I can assure you it doesn't exist.

He next sought to find revenues by proposing an unfair tax on families with above coverage incomes, somehow failing to recognize that even if we were to tax all incomes over \$50,000 at 100% we would raise less than \$9 billion which would pay for less than 4% of Mr. Carter's platform.

It is clear that the Governor does not have a clear view of how he can possibly support the huge expenditures in his platform without heavily taxing the hard working middle class. In fact, the other day, he as much as indicated that that was his program when he put forth the general proposition that he would increase taxes on all income levels above \$13,000 or \$14,000 a year. To quote him exactly,

"I would take the mean or median level of income and anything above this would be higher, and anything below that would be lower."

I find the first part of the sentence incredible, the second part, that is about lowering taxes unbelievable, granted his support of his party's expenditure programs.

The Governor is now backing off that proposition recognizing that he was advocating a major increase in taxation of middle income groups.

But the Governor has not backed away from the Democratic platform, and that's where his real trouble lies. To enact the programs that Mr. Carter has promised to the American people will cost, in my judgment, an additional \$100 to \$200 billion a year. We can only pay for those programs in two ways: either we borrow the money and pay through higher inflation or we raise taxes.

To raise enough taxes to pay for his programs will cost every man, woman and child in the United States anywhere from \$500 to \$1000 a year.

There is one other proposal that Mr. Carter has put forward that has not attracted much attention but will also hit the pocketbooks of the American people very hard.

That is his proposal, made earlier this year in an interview with Sylvia Porter, to increase the amount of income subject to Social Security taxes from approximately \$15,000 to approximately \$20-22,000. That's enough to raise the taxes of the American middle class worker between \$285 and \$400 a year (figures must be checked).

In the realm of fiscal affairs which affects the value of the people's money, I believe a Presidential candidate must be very specific and direct. I've stated my position on expenditures and on taxes and I have presented my proposals in complete detail in my budget messages. I have not found a way to create something out of nothing. I suggest that if the American people are going to take the Governor's spending and tax proposals seriously, that he spell them out for the American people in the same detail that I have.

My tax proposals are very simple. I believe that taxes should be cut for the hard working middle income wage earner, and I have outlined in great detail how

that could be done while reaching a balanced budget in fiscal year 1979. I suggest the Governor do the same.



AGRICULTURE

Flip 1.) -- "There will be no more grain embargoes if I'm elected President."

Iowa State Fair August 25, 1976

Flop

-- Within the hour, he told reporters that, of course, embargoes would be mandatory if we lack adequate reserves to meet our own domestic needs.

Des Moines Register

Flip 2.) -- To increase farm profits Carter proposed 80% support price for milk as being adequate.

Capital Times - Wisconsin March 25, 1976

Flop

-- In response to criticism, Carter said
that he would have signed the 85% parity bil
vetoed by President Ford.

Des Moines Register April 4, 1976

- Flip
 3.)

 -- In August Carter issued a statement saying he was taking no position on Proposition

 14, a controversial item on this November's California ballot.
- Flop

 -- On September 5, however, Carter called a convention of the United Farm Workers and said that "I support the objectives of Proposition 14." The union then endorsed Carter.
 - -- On September 7, Congressman Sisk, a Carter supporter, resigned from the Carter-Mondale Committee because of Carter's frequent change of position on the issue.

Los Angeles Times September 8, 1976 Flip 2.)

-- Carter <u>signed</u> a Georgia Senate-House of Representatives resolution <u>opposing</u> forced busing to achieve integration in the nation's classrooms and calling for a constitutional amendment.

Atlanta Constitution February 25, 1972

Flop

-- Asked about what seemed to have been a shift in position, Carter said flatly that he "never advocated any constitutional amendment to prohibit busing."

> Washington Post March 7, 1976

-- Jody Powell, Carter's press secretary, conceded to the Associated Press in February that Carter had changed his stand on busing since he was Georgia's governor in 1972.

Congressional Quarterly June 24, 1976

CITIES

Flip 1.)

--"I think it would be inappropriate for the Federal Government to single out New York City for special favors."

> New York Times March 31, 1976

Flop

--"If I am elected President in November,

I would immediately start to work with
the governor, the mayor, and our advisors
to formulate a contract to be signed by
me to resolve New York City's financial
difficulties."

Business Week May 3, 1976

FOREIGN TRADE

Flip -- During the primaries Carter frequently criticized the loss of U.S. jobs resulting

when American companies locate abroad.

Flop

-- On July 22, Carter said foreign investment by U.S. companies was "very healthy."

U.S. Journal July 23, 1976

HEALTH CARE

Flip

-- "In general, the Kennedy-Corman Bill suites me but there are a few facets of it on which I'd like to reserve judgement.

Philadelphia Inquirer April 12, 1976

Flop

-- "I have never adopted any sort of health plan that was equivalent to the Kennedy-Corman Bill. I think I am the only Democratic candidate who did not."

Boston Advertiser July 25, 1976

TAX POLICY ON HOUSING

Flip

-- Carter told the Boston Globe on February 26, 1976, that the income tax deduction for home mortgage interest payments "would be among those I would like to do away with."

Flop

-- The Wall Street Journal noted on April 26, 1976, that when reminded of his statement to the Globe he first denied he had said it. He added that he had said this was one "incentive I would consider modifying" and then without elaboration, asserted, "If I change the deduction it would be increased, not decreased."

TAX REFORM SPECIFICS

-- Last year Carter promised to reveal specifi tax provision plans by the end of the year. Earlier this year, he pledged to do the same during the general election campaign. Now he insists it won't be possible until a year after he takes office.

Wall Street Journal May 13, 1976



WAGE AND PRICE CONTROLS

Flip

-- Carter requested Nixon to reinforce wage and price controls to slow "unprecedented inflation."

Atlanta Journal April 19, 1973

-- .. If elected he (Carter) said he would ask the Congress to restore the power of wage and price controls to the Presidency.

Cincinnatti Enquirer January 10, 1976

Flop

-- Latest Carter view -

"On Wage and Price Controls Carter said he would use them only as "a last resort" and that early in his administration he would not even seek standby authority to impose them."

Los Angeles Times (Interview)
August 24, 1976

REVENUE SHARING

Flip -- "I think revenue sharing is a big hoax and a mistake."

Flip

Flop

Altanta Constitution January 12, 1973

Flop

-- "I stand with you in urging Congress to extend its general revenue sharing program..."

Speech, Conference of Mayors - June 29, 1976

-- Carter does not endorse the "countercyclical" plan to concentrate revenue money in the areas of highest unemployment.

> Boston Globe February 16, 1976

-- "We also need counter-cyclical assistance, with revenue sharing and other financial aid designed to meet the special needs of the most hard pressed urban areas."

Speech, Conference of Mayors - June 29, 1976

FIRST REBUTTAL

NOTE: Your first opportunity to speak will be to rebut Mr. Carter's answers to his first questions.

We suggest that you use this opportunity to establish that you -- as the President -- are the dominant force of the debates. You should become the focal point for everyone in the theatre and everyone watching at home. This will say more about your leadership than all the thousands of words that will follow.

Before I respond, I want to thank the League of Women Voters, in behalf of all Americans, for their hard work to arrange these Presidential debates. Never before in our 200-year history has an incumbent President debated his challenger. Every American will benefit by being better informed and better able to judge the experience and integrity of the candidates.

I ALSO WANT TO PERSONALLY THANK THE MODERATOR, THE PANEL MEMBERS AND THE PRESS FOR PARTICIPATING AND FOR LETTING SO MANY MILLIONS OF AMERICAN FAMILIES PARTICIPATE FROM THEIR HOMES.

(SEGMENT - 45 SECONDS)

I EXPECT TO HAVE AMPLE TIME THIS EVENING TO PRESENT

MY VIEWS -- WHICH DIFFER SHARPLY FROM THOSE EXPRESSED BY

MR. CARTER -- ON (INSERT SUBJECT OF CARTER'S FIRST ANSWER).

BUT OUR RESPECTIVE POSITIONS ON ALL THESE SPECIFIC ISSUES MUST BE JUDGED BY THE PEOPLE AGAINST BACKGROUND OF THE CENTRAL ISSUE OF THIS CAMPAIGN: WHICH MAN BY VIRTUE OF EXPERIENCE, LEADERSHIP, INTEGRITY AND WISDOM WARRANTS THE TRUST OF THE AMERICAN PEOPLE?

During these debates I will stand on my record as a legislator for a quarter of a century and as your President for over two years.

(SEGMENT - 45 SECONDS CUMULATIVE - 1:30)

My record is one of less government and more freedom for individuals and families.

My RECORD IS ONE OF OPENNESS AND CANDOR.

My record is one of tax cuts for <u>ALL</u> Americans so that each of you has more to spend as you see fit.

(Segment - 20 seconds Cumulative - 1:50)