

Debate Issues [2]

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HUMPHREY-HAWKINS BILL

Question

Governor, you have stated on many occasions that jobs would be the top priority concern of your administration. As you know, there is now pending in Congress the Humphrey-Hawkins bill that requires the President to commit very substantial amounts of money in a frontal attack on unemployment rate of 7.8% be reduced to 3% adult unemployment. How can we afford this kind of massive effort without creating a huge additional federal deficit and trigger a new round of inflation? Aren't you a firm supporter of the Humphrey-Hawkins legislation and is this how you would achieve full employment?

Answers

A. Attack Points

1. Unemployment - Official unemployment today is 7.4 million persons (7.8%) -- 50% higher than when Ford took office. Over the course of last year, 20 to 25 million people were unemployed at one time or another. Unemployment today is higher than for any other period between the Great Depression and the inauguration of Gerald Ford; and the trend of unemployment has been increasing as 500,000 more people have been added to the jobless rolls in the last four months.

2. Additional Unemployment - As high as the official unemployment figures are today, even they underestimate the seriousness of the unemployment problem. If discouraged and parttime workers seeking fulltime jobs are included unemployment today is about 10 million people.

3. Employment - Although Mr. Ford claims record increases in employment, private non-farm employment is less today than it was when Mr. Ford took office. Since August 1974, there have been 1.5 million jobs created and 2.4 million more people unemployed. A worker entering the labor force under Mr. Ford's policies has a much greater chance of being unemployed than getting a job.

4. Republicans fight inflation by putting people out of work and then they say that it is too expensive to put people back to work. I believe it is too expensive not to put people to work. Last year -- additional welfare and unemployment compensation payments due solely to high unemployment -- increased federal spending by at least \$17 billion.

B. Positive Points

1. I said initially that I supported the objectives of the Humphrey-Hawkins bill, but I have also said that I had some reservations about its costs, its lack of emphasis on the private sector, and its inflationary impact. Members of Congress have been at work perfecting the bill and the bill has been greatly improved:

-- the full employment goal was changed to 4%;

-- tough anti-inflation goals and provisions have been inserted into the bill;

-- greater emphasis is placed on providing jobs in the private sector;

-- and the wage provisions have been made more effective and less costly.

2. The strategy of the bill is now much more in keeping with my own views on achieving full employment but other improvements are necessary. In any case, as President I would submit my own bill next year. In doing so, I would consult with Senator Humphrey, Representative Hawkins and other Congressional leaders to devise legislation which would create a maximum number of useful jobs at least possible public cost.

- QUESTION: (a) How much will your proposal for National Health Insurance Cost?
- (b) How will you pay for it?
- (c) Why won't it break the budget?

(a) My National Health Care proposals will cost little or no more than the American people will be paying under the non-policies of the Republican Administration, and we will accomplish the goal of having no American denied health care, or failing to seek health care, because of the inability to pay.

Health care expenditures have increased 2 1/2 times during the eight years of the Nixon-Ford Administration, from \$264 per person in 1968 to \$600 per person in 1976, until today the average working person works one month out of every year just to pay for health care. Last year, hospital prices rose by 18%. Since the Republicans came to the White House in 1969, hospital costs have increased 121% and physician fees have risen by 74%, while the Consumer Price Index has increased 60%. Yet there has been little improvement in health, and one out of every eight Americans under 65 -- usually those who can least afford it -- has no health insurance. Over half our people have only limited coverage that may result in the family being bankrupted by a major illness.

We must make quality health care available to all our people at a price they -- and our country -- can afford.

My Administration will first get control of current runaway costs by implementing present laws that will abolish duplication of services, eliminate expensive services of little or no benefit, and make certain that services are provided by appropriate personnel

in the least expensive and most humane settings. And we will eliminate the tens of billions of dollars wasted by fraud and abuse. After eight years, the Republicans have done nothing to stop the unbelievable scandal and waste in the Medicaid Program. In addition, we will use incentives for efficiency and competition in the private system to control costs.

We will use current dollars and we will add federal dollars as the growth in the economy makes this possible. We will phase in health insurance protection as fast as we can to protect our people from catastrophic illness, provide care for mothers and infants, improve the efficiency and effectiveness of Medicare and Medicaid, extend needed coverage to the self-employed and small businesses, and other improvements.

I have proposed that this program be expanded as quickly as a balanced budget will allow, so that our people may have good quality and reasonably priced care. I have also proposed that this program contain clear and strong cost and quality controls, built-in incentives for reform and increased productivity, and a firm emphasis on preventive care and low-cost methods of treatment. In the 1960 Kennedy-Nixon debates, Mr. Nixon took the same position Mr. Ford is taking this evening: that we cannot even try to improve the health of our people. I think we can try, and my program will cost what we as a people can reasonably spend on health care within the strict confines of a balanced budget. I challenge Mr. Ford to show us what he has done, aside from vetoes and the flip-flops of his party, to contain health care costs and improve the health of our people.

(b) The federal government's share will be paid for by shared employer-employee payroll taxes, and money from the general funds as the growth in the economy makes such money available. For the worker who has health insurance, the payroll tax will represent merely a shift of present health insurance premiums paid by employers and employees to the employer-employee payroll tax. This will be a carefully phased program which will build on present strengths of health insurance and of our private health care system.

People who can afford to share the costs of their health care will be asked to do so through cost-sharing during the early years of the program. The private health insurance industry will bid competitively to administer the program and will be able to sell supplemental insurance -- additional benefits -- to those who want it or bargain for it as part of their employment benefits. My Administration will set national goals and policies and standards, but, I repeat, we will not put the government in the business of providing care. A strengthened private sector will do that.

(c) It is my promise to balance the budget in the fourth year of my Administration, and I will add programs only when I know how they will be paid for. National Health Insurance is a high priority of my Administration, but it cannot be accomplished with nearly 8% of the American people unemployed and nearly 1/3 of our industrial capacity idle.

COST OF NHI: 2 APPROACHES

First Approach: \$35 Billion first phase (FY 1981 dollars)

PHASE I:

	<u>COST</u>
1. Prep. period: Enforce Existing Legislation etc.*	Some Savings
2. Combine Medicine and Medicaid: Federalize Medicaid (\$11-15 billion); with a modest state role:	\$12.0 billion
3. Comprehensive maternal and child (0-18) benefits (\$18 billion); without dental and counting savings to Medicaid:	\$15.5 billion
4. Medicare: Combine A & B and eliminate premium for elderly (Part B):	\$ 1.8 billion
5. Catastrophic coverage (universal); Long-Ribicoff type: (60 days or \$2,000/yr Comp. hospital and physician coverage):	<u>\$ 5.3 billion</u>
	\$34.6 billion

*Note: Talmadge bill and enforcement of existing legislation could cut 4-5% per year from current hospital inflation after first year. Forty percent of all health care expenditures are for hospitalization. Hospital prices rose 18.0% in fiscal year 1975.

Second Approach: \$10 billion first phase; \$50 billion second phase (FY 1976 dollars)

PHASE I:

1. Replace Medicaid and extend spenddown provision; for every dollar of income above level, lost 25 cents in benefits.
2. Begin a health resources development fund to stimulate alternative delivery mechanisms.

COST (1976 DOLLARS):

1. Medicaid: \$5-\$6 billion. (8-10 million people X \$500 average expenditure); already covers most costly cases, so estimate is conservative.
2. Spenddown: \$4 billion
3. Development fund: \$0.25 to \$0.5 billion.

FINANCING (1976 DOLLARS):

1. \$6 billion federal general revenues.
2. \$2 billion state general revenues (substitution for charity hospitals and similar programs).
3. \$2 billion improved efficiency or alcohol and tobacco taxes.

\$10 billion total (\$6 billion to be raised from new or expanded federal revenue sources).

PHASE II:

1. Coverage for all poor and most low-to-middle income families in a moderate public financing program; Kennedy-Mills kind of approach; \$1,000 limit per family/year (which would impact only the 0.5% of family's spending over \$4,000/year); average \$150/year out-of-pocket health expenditure.
2. Below \$5,000 income, \$0; at \$10,000 income, \$300: Average per year out-of-pocket expenditure.

COST (1976 DOLLARS):

\$50 billion.

FINANCING (1976 DOLLARS):

1. \$10 billion federal general revenues.
2. \$ 3 billion gain from tax revenues now lost through medical deductions.
3. \$ 5 billion improved efficiency or alcohol and tobacco taxes.
4. \$ 2 billion state general revenues.
5. \$20 billion (excludes \$4 billion in tax expenditures through insurance premiums - as opposed to wages - that cannot be required).
6. \$30 billion substitution from employers now paying insurance premiums - employer payroll tax on total wage base.
7. \$50 billion total (\$20 billion to be raised from new or expanded federal revenue sources.)

HEALTH CARE

"Jimmy Carter has repeatedly called for new initiatives in the health field. But is it not true that our health system is sound, that the President has achieved several important improvements in health care, and that the Carter proposals are vague and likely to be very expensive?"

1. The Nation's Health. The deficiencies in our health delivery and financing system are obvious. Care is much too expensive. Access to regular, high quality services is difficult and uneven. Our health financing is wasteful, poorly coordinated and administered, and widely abused. We do not stress effective and efficient preventive care.

--Our country's health expenditures have increased 250% during the Republican Administration. Hospital costs increased 18% last year alone. The average working person works one month out of every year just to pay for health care. This year the average family of four will spend \$2400 on health.

--There will be a shortage during the next decade of over 40,000 doctors to serve in inner city areas. Almost 40% of our rural farm citizens do not see a doctor in any given year. There are hundreds of counties across the country without a doctor, a dentist, a pharmacist, or a hospital.

--In ten years, Medicaid expenditures have grown to ten times their original level. We waste perhaps \$5 billion a year through this program -- money that could be providing care for people who desperately need it. Over 20% of the under-65 population has no health insurance at all.

--During the 1970's we have spent only about 7% of our health dollars on preventive services; we are spending 40% of our health dollars on hospitalization. The life expectancy of American men at age 45 has increased only four years since 1900. In Britain, 75% of physicians are in primary care specialties; in the U.S. the figure is 35%. Each year 1.2 million Americans die of cardiovascular malfunctions, many of whom could be saved by rudimentary and easily learned life-sustaining procedures. Occupational disease kills 100,000 Americans each year. In 1974, about 25% of all American women had never had a PAP test, and since the test was developed in 1943 over a quarter of a million American women have died unnecessarily from cervix cancer. Thousands are still dying.

2. Ford's Poor Health Record. The President has shown an insensitive and regrettable lack of leadership in the field of health. Our public programs are out of control, important reforms have been blocked or watered down, training and education proposals have been vetoed, and our people are

getting no better care at more than twice the price they were paying in 1968.

--The Republican Administration has cut back on immunization programs for children. Ford has proposed to decrease federal support for children's immunization by more than 50%.

--As a Congressman, Ford voted against the establishment of the Medicare program. This is the plan which provides health insurance for our senior citizens.

--In fiscal year 1975, Ford attempted to impound \$1.1 billion in health funds -- about 40% of all the impoundments he attempted that year.

--Ford has flip-flopped in his position on National Health Insurance. He used to support the Nixon National Health Insurance plan, then he said he opposed any plan, and now he is running on a platform that calls for a modified health insurance plan.

--Ford has permitted the unbelievable abuse, fraud and waste which is crippling the Medicaid program. In 1974, almost 400 doctors received over \$100,000 apiece from the Medicaid program. Despite repeated warnings and scandals, Ford has done virtually nothing to stop this \$5 billion yearly waste, abuse and misallocation of funds. The job of the Administration is to administer -- not to preside over the waste and theft of the taxpayer's money.

--Excess surgery costs our health care system over \$3 billion per year. Ford has done nothing to help our system effectively monitor and control this dangerous and wasteful trend.

--Ford vetoed the Nurse Training Act of 1975, which would have assisted with nurse training, education for nurse midwives, and development of programs for family health nurses.

--Ford voted to recommit the conference report on the Federal Coal Mine Health and Safety Act of 1969, and voted against the conference report on Black Lung Benefits of 1972. He has been thoroughly insensitive to the harms of occupational disease and injury. He has publicly recognized that business would like to "throw OSHA into the ocean." The Republican platform embraces the concept of exempting areas of business activity where OSHA has worked "hardships." Agriculture is specifically mentioned. Agriculture is the third most hazardous business in the country, accounting for 15% of all work place fatalities.

--In his 1976 State of the Union Address, Ford proposed giving the states \$18 billion in block grants for health, education, child nutrition, and social services. This approach would severely hamper the efforts of the states to solve problems in these areas.

3. The Carter Health Program. We must provide good quality health care on a regular basis to all our people, at costs they --and our nation -- can afford.

--We must get control of current runaway costs by implementing controls that will reduce duplication of services, help us plan the allocation of our health resources more rationally, bring wasteful programs under control, and reduce our emphasis on expensive methods of treatment.

--We must develop firm and sensible programs to improve the access of our people to regular and affordable care. We should emphasize a better distribution of physicians and a more responsive balance between specialists and the providers of primary care.

--We must reduce our current emphasis on hospitalization, where we spend 40% of each health care dollar, and stress more effective and efficient preventive care. We place upon our hospitals burdens that could be prevented or lightened by clean air and water, healthier lifestyles and workplaces, better nutrition and health education, doctors in clinics and offices, and nurses, paraprofessionals, and allied health personnel.

--We must immediately reform our wasteful, chaotic, and unplanned Medicaid system.

--We must develop strong, fair, and clear mechanisms for providing and insuring occupational health and safety. Our workers must be guaranteed a clean, safe, and health work-place with a minimum of bureaucratic confusion and interference.

--We must develop an efficient, responsible, and responsive replacement to the current unfair and expensive system of health insurance. We need a fiscally sound, phased-in national health insurance system which contains comprehensive and universal coverage, strong, built-in cost and quality controls, incentives for preventive care, and safeguards for the integrity of the doctor-patient relationship.

HEALTH MANPOWER BRIEFING

The two principal issues which health manpower legislation should address are the geographic and specialty maldistribution of physicians.

1. Geographic maldistribution. All our people, regardless of their financial status or their geographic location, should have proper access to physicians. This is not now the case. Physicians have heavily clustered in smaller urban and suburban areas, creating major shortages of doctors in rural and inner city areas. The Department of HEW estimates the shortage of physicians in rural areas at about 22,000.

In addition, perhaps 12,000 physicians now located in rural areas will retire in the next decade. Studies of physician supply in urban areas are not as definitive as those for rural areas. One good study of Chicago, however, establishes a shortage of 1,100 doctors in the inner-city areas of that city.

Although an increase in total physician supply may not be necessary, it is reasonable to estimate that an additional 40,000 to 45,000 physicians will be needed in rural and inner-city areas in the next decade.

2. Specialty maldistribution. Expert opinion is that half of our doctors should be in the primary care specialties: family practice, internists, and pediatricians. Even the AMA agrees that 50 percent of new physicians should be in these specialties. Perhaps 80% of all medical care can be provided by primary care physicians; in Britain, 75 percent of physicians are in the primary care specialties. In this country, prepaid groups such as Kaiser Permanente employ over 65 percent of their physicians in primary care. Currently, only 35% of all U. S. physicians are in these specialties. In 1974, only 31.5% of all new doctors were being trained in these specialties.

Professions Education Assistance Act of 1976. The Health Professions Education Assistance Act of 1976 is one of the most important pieces of health legislation to be passed by this Congress. The programs established by this bill will strongly attack the problems of access to quality care.

The bill includes two major programs to improve the accessibility of care. The first improves the geographic distribution of physicians, and the second insures that more primary care physicians will be trained. The bill treats the first problem by providing National Health Service Corps scholarships to medical (and other health professionals) students.

These scholarships will provide students with an average of \$10,000 a year during their school years, in return for a commitment to serve in a shortage area after completion of training for one year for each year of support. The bill provides for scholarships for approximately 25% of all medical students. If adequately funded, the program will provide over 15,000 physicians for shortage areas after 10 years.

The bill deals with the specially maldistribution problem by requiring each medical school, as a condition for basic federal support, to have 35%, 40% and then 50% of its filled affiliated residency positions in the primary care specialties. Since 90% of all residency positions are affiliated with medical schools, this program will insure that generally half of all new physicians are primary care doctors.

SWINE FLU

I believe that we must protect our people against the risk of a major epidemic of any kind. If experts advised me that there was a real possibility of a major epidemic, I would move quickly to send legislation to the Congress to establish an immunization program. I would work--and I believe that I could work well--with the Congress to see that the program was quickly established and adequately funded.

I would not propose--as Mr. Ford has--to reduce the national effort to protect our children against childhood diseases. In recent years, our children's protection against diseases, such as polio, measles, and whooping cough has fallen to dangerous levels. In light of decreasing immunization levels, it is distressing that Mr. Ford proposes to decrease federal support for children's immunizations by more than 50%. Further, Mr. Ford's swine flu program will not meet all the costs of the states for administering this program; his swine flu program will thus result in many states decreasing their efforts to immunize children.

So I would establish a swine flu program to protect our people against a possible major epidemic. But I would also insure that our children are protected against the ever more predictable risks of measles, polio, and whooping cough.

MEDICAID

Medicare and Medicaid were administered for three years by a Democratic President and for eight years by Republican Presidents. In the last four years alone, the costs of these programs have doubled, and they will double again in another four years if the Republicans continue to manage them as they have for the last four.

Despite annual revelations of rampant waste, fraud, abuse, and inefficiency, the Nixon-Ford Administration has totally neglected the administration of Medicaid. We waste as much as \$5 billion a year on this program -- money that could be providing care for people who desperately need it.

A prestigious advisory group appointed during Nixon's first term in office recommended a number of management improvements in the Medicaid program, which included information systems and technical assistance to help the states administer Medicaid. In addition, Senator Talmadge has proposed that Medicaid and Medicare be administered by one agency. Medicare and Medicaid are now separate agencies and quality review is a third separate agency. This fragmentation prevents sound, consistent, and tough administration.

If I had been in office, I would have accepted and implemented the recommendation to combine the administration of all health financing programs. This would have brought the expertise of administration of Medicare to the Medicaid program and it would have included tough penalties for fraud and abuse.

In Georgia, we instituted vigorous performance auditing to insure proper conduct and efficient, effective service delivery. We must bring well-planned and coordinated systems of record-keeping, data processing, investigations, and auditing into the administration of the program. This accomplishment has obviously eluded Mr. Ford. It will not elude me.

OSHA

1. Pertinent Facts and Figures

Statistics on occupational health and safety are fragmented and incomplete. This is symptomatic of the lack of proper emphasis on the area. Perhaps 100,000 people die each year from occupationally related disease, and approximately 390,000 new cases of occupational disease occur each year. 65% of all workers are exposed to toxic materials or harmful physical agents, but only 25% of these workers are adequately protected by controls. According to the National Safety Council, 2.2 million occupationally-related injuries occur each year; this figure would probably be increased by a factor of 5 or 10 to arrive at an accurate estimate.

Many occupational diseases have long latency periods and do not manifest themselves until years after initial exposure. The current wave of asbestosis is traced to use of asbestos as a building material in the 1930s and 1940s. The increased rates of cancer recently suggest that they are partially the result of increased exposure to petrochemicals since World War II.

Occupational disease and injury not only generate human and medical costs, but also produce costs associated with removing people from work. It has been estimated that reducing the rate of absenteeism in this country by one day per employee per year would add \$10 billion to the GNP.

2. Enforcement

The typical plant in the United States can expect an OSHA inspection once every 77 years. OSHA is concentrating on certain

key industries, which is reducing the number of compliance officers available for policing small businesses. Small businesses comprise 90% of the businesses covered by OSHA and they produce over half the serious violations and 76% of the employee initiated complaints.

98% of the violations cited by OSHA are classed as "non-serious." The average penalty in 1973 for serious violations was only \$625; for non-serious \$45 (although rates are higher for willful or repeat offenders).

3. Costs to Business

Business plans to invest \$3.2 billion for employee safety and health programs in 1976. This figure is 17% higher than the comparable figure for last year. The total expenditure in 1979 should reach \$3.6 billion. In various surveys, about 84% of the businesses reporting indicated that they had changed some facet of their operation to comply with OSHA standards.

Many cases where businesses claimed that they could not afford the costs of complying with OSHA specifications eventually turned out to have cheaper operations after compliance than before. Even where savings are not realized the trend has been for industry to over-emphasize the cost. For example, the vinyl chloride industry threatened to shut down after standards were proposed, but after implementation they opened four new plants.

4. State Preemption

This is a hot issue. The law allows a state that meets federal specifications to take over enforcement functions. In 1973, OSHA had approved 19 state plans. This immediately added 1600 state compliance officers to those enforcing OSHA requirements. 14 states

that had submitted plans for approval had included inspector qualifications below that used by the federal government.

Organized labor vehemently opposes this trend. They see state enforcement as a return to days before OSHA, when the states were entirely responsible for occupational safety. The unions contend that states do not have the research capability to conduct a nationwide program. (In addition, unions cannot lobby as effectively on the state level as they can nationally.)

5. Standards

The federal agency has been extremely slow in promulgating standards. Only three standards have been adopted: asbestos, a group of carcinogens, and vinyl chloride. Recently, after Ford attacked OSHA as being hard on business, the agency delayed the adoption of a variety of standards until after the November elections.

6. Consultation Inspections

This is another important issue. The enabling legislation allows OSHA to make technical expertise available to businesses in order to comply with the law. The Act also requires that inspectors issue citations for serious violations upon first inspections (although warnings may be given for minor infractions). The result has been that businesses interested in developing their own health and safety programs face fines if the technical expert discovers a serious violation. Legislation has been proposed to allow the agency to separate the consultation and enforcement functions, thereby allowing the technicians to enter the plant without citing the employer.

Organized labor opposes this suggestion. Labor believes that any exception to enforcement by the agency is the first step toward destroying its ability to force compliance. Instead, they

propose that assistance to industry be given through the Small Business Administration. Labor argues that private consulting firms can do the consulting work, thereby freeing federal compliance personnel for enforcement duties. (Ideally, the federal government would be responsible for enforcement and the states would take over all supportive services.)

7. Inflation Impact Statements

By Ford's Executive Order, all agencies are required to issue a statement of the cost to the economy of all regulations proposed. The President apparently believes that costly regulations will be abandoned. The result of this requirement has been to slow down even further the standards-issuing machinery, particularly since the costs of some of the regulations are impossible to assess.

8. Manpower Problems

In 1973, there were about 7,000 physicians involved in occupational medicine insome for throughout the U.S. With the growth of OSHA there is an increasing demand for professionals to staff the government enforcement agency and to operate industrial occupational health clinics. In 1973 there was a requirement for some 57,000 new professionals in this field, requiring not only physicians but also safety engineers, hygienists, and nurses.

9. Federal Structure

The structure for enforcement of occupational health guidelines is fragmented. The OSHA Act created four structures. In addition to OSHA itself there was established the National Institute for

Occupational Safety and Health (NIOSH), which is research-oriented and recommends the standards to OSHA; the Occupational Safety and Health Review Commission (OSHRC), which is a quasi-judicial review board and rules on the OSHA enforcement decisions; and the National Advisory Committee on Occupational Safety and Health (NACOSH), which is intended to bring together the public, management, labor, and health professionals to guide the Secretary of Labor.

NIOSH and OSHA until recently have had conflicting priorities. NIOSH would establish standards that OSHA felt had a low priority for enforcement.

In addition, the National Institutes of Health duplicate many of the research programs conducted by NIOSH. Agencies such as the EPA also conduct such research. The lack of coordination between these agencies is dangerous. In the recent controversy over DDT, the EPA banned the substance and recommended use of parathion as a substitute. However, parathion is much more harmful for the people handling it than DDT is.

Another important source of potential conflict is the inter-relationship between the problems addressed by EPA and OSHA. People who work in industrial plants usually live very near those plants, so the chances of contracting a disease is heightened. A health danger to the general population may be first recognized as illness among the small numbers directly handling the toxic substance. Finally, efforts to clean up the plant may result in degradation of the environment.

10. Platform Comparisons

The Republican Platform embraces the concept of independent consultation without first inspection citations. While its rhetoric guarantees a healthful workplace for all, the Republican Platform largely attacks OSHA. The platform also embraces the concept of exempting areas where OSHA has worked "hardships". Agriculture is specifically mentioned. Agriculture is the third most hazardous business in the country, accounting for 15% of all workplace fatalities.

The theme of the Democratic Platform's discussion of OSHA is that the agency should be expanded to cover all workers, and that problems with standards can be resolved by instituting early and periodic review of standards.

11. Carter's position - the Governor is on record as believing that "the basic concept behind OSHA is excellent." His approach emphasizes that the magnitude of the problem takes the enforcement and management of occupational health and safety programs beyond the capabilities of most states, and consequently the roles of the states in the implementation of standards needs to be clarified.

12. Ford's position - Ford has been publically anti-OSHA. The President has tried to identify himself with the agency's critics in an attempt to gain business support. He has instructed the agency to start dealing with "citizens as friends, not enemies." He has also recognized that business would like to "throw OSHKA in to the ocean."

OSHA announced this spring that the agency has decided to delay the issuing of standards establishing the exposure limits for cancer-causing agents such as asbestos and beryllium until after the election. The standards that were delayed affect directly or indirectly up to 5 million workers.

(Note: The Watergate investigations revealed that Asst. Secy. of Labor George Guenther, then in charge of OSHA, directed a memo to Under Secretary Lawrence Silberman suggesting OSHA as a means of raising money and support for Nixon by assuring that no highly controversial new occupational or safety standards would be introduced. There is no evidence that this proposal ever reached the White House, but organized labor charges that Guenther implemented the program on his own.)

13. Pending Legislation:

Toxic Substances Control Act. This is an act to require the screening of most chemicals for toxicological effects before they are marketed. The principal objection is cost, and the fact that it may not be possible to screen fast enough. On the other hand, we are clearly introducing so many new chemicals that we face a real national crisis.

Workmen's
Federal ~~Women's~~ Compensation. A system of compensation like the state systems would be established to cover areas where state programs fail. States do not recognize most occupationally-related disease as compensable, and even when they do the claim must closely follow the injury for compensation.

Exemptions. Two types of exemptions are discussed. The first is a numerical exemption which attempts to aid small businesses. Such an approach is deadly, since most fatalities and injuries occur in firms with less than 25 employees, and 76% of the employee-initiated complaints are concerned with this size business. This proposal has passed the House on several occasions but is stopped in the Senate. The second exemption is the consultation rule discussed above; labor is opposed to any amendment that would prevent OSHA from issuing citations for first offenses.

14. Suggested Approach

Businesses have opposed much of the OSHA program because they fear it. They are concerned with the program's confusion and lack of focus. We should stress clarity and fairness in the program so that the terrible toll of occupational injury and disease can be reduced.

OCCUPATIONAL SAFETY AND HEALTH ISSUES

1. Do you favor on-site consultation services for businesses?

On-site consultative services are essential for the efficient operation of a national occupational health system. Businesses - and particularly small businesses - have no expertise to adopt technical innovations that compliance often requires. This expertise must be shared with them, not only to promote small business but primarily to insure that occupationally related disease and accidents are no longer a threat to the worker. These supportive services should be provided through states, with Federal aid, in order to allow OSHA compliance officers to effectively police the system.

2. What would you do to aid the enforcement of standards by OSHA?

OSHA needs more manpower, but not just in numbers but in terms of expertise. The small businesses that we hear of that are closed down because of picky enforcement neither promotes business nor promotes the cause of occupational health. We must attack this problem with a coordinated effort between state and local enforcement agencies.

As long as there are chemical plants, like those in New York or West Virginia, where two workers die by the age of 55 for every worker that retires at age 65 this nation cannot afford to continue to ignore occupational disease. It has been estimated that 100,000 people die a year in job related accidents or from disease associated with their employment - the fact that we only have estimates points to our ignorance.

There is a little we do know - we know of black lung, but we are only beginning to realize talc workers are dying from "white

lung" caused by breathing talc powder. We know that asbestos workers contract cancer easily, but we have only begun to realize that all the apocalyptic predictions about air pollution must be amplified for the workers inside the plants that cause it.

We know of smelter companies where the president of the firm dies from breathing a fraction of the fumes that his workers labor in. We are slow to react to the plight of those who feed the coke ovens - even though an English physician 200 years ago noted the particular form of cancer associated with smokestacks.

3. Would you support legislation exempting small businesses from OSHA requirements?

Small businesses complain about OSHA standards because they do not understand what OSHA is supposed to do. This nation must be committed to solving the problems of occupational health. To do this requires that we all examine our places of work for hazards and work together to eliminate them.

Small businesses need to be made a partner in our drive against occupational disease and accidents, not the victim of attempts to abate disease. Where regulations are burdensome we should institute periodic review to eliminate those that are unnecessarily harsh. The standards must be realistic and they must be enforced. 98% of the violations that are the source of citations are not serious. We should concentrate enforcement on the serious health hazards.

Small businesses need our help. They have 55% of the industrial fatalities in this nation, and 58% of the serious violations. Exempting them from this legislation invites wholesale slaughter.

I note that the Republican platform opposes federal regulation

of OSHA standards in farm practices. I was raised on a farm and I know the horrors of a farm accident. Agriculture has the third worst record of all industries for safety. 15% of all fatalities on the job were on farms. 80% of the injuries require medical attention. Yet we only have six standards that apply to farms, and many of the 11,000 inspections of farms in 1970 were to check migrant housing not job safety.

Standards need to be realistic for small businesses and farmers. Improving the operations of OSHA will do more than exempting those that need help the most.

4. What is the role of the states under OSHA?

Under section 18 of the OSHA enabling legislation the states are given a role in standards and enforcement. Section 18(b) allows any state at any time to submit a plan to assume the responsibility over any occupational safety or health issue that the federal government has instituted a standard. The states have an important role in improving occupational health and safety.

Consultation and other support services should be supplied by the states. The states may even aid the overloaded federal inspection staff in assuring compliance with the law. But enforcement should be a federal responsibility, and whenever a state fails to fully satisfy obligations it has brought to itself under section 18(b) it is the duty of the federal government to enforce the spirit of the 1970 Act.

Occupational health services are poor in this country because states failed to insist upon compliance where the health

of our workers was concerned. We cannot return to such a situation.

5. What are the major issues in occupational health?

The major issue in occupational health and safety in this country is that we can no longer tolerate a situation in which almost 100,000 people die every year and 390,000 cases of new disease are discovered annually. 65% of the workers in this nation handle toxic materials or are exposed to a hazardous working condition. Sadly, only 25% of these same workers are adequately protected by in-plant controls.

In terms of human suffering it is tragic that we expose 1.5 million workers to inorganic arsenic while we know that these workers will have up to eight times the cancer rate as the average worker. We let 1 million people expose themselves to asbestos while we can estimate that 300,000 of them will induce cancer. No industry is immune - operating room personnel have twice the cancer rate as other medical personnel; workers exposed to solvents have five times the rate of leukemia; workers in the wood products industry experience abnormal rates of stomach and lymphatic cancers. A nation that can sit and listen to this endless list without acting is a nation that will choke in its own work environment.

In terms of economic loss it is wasteful that we do not provide adequate preventive care at the jobsite. The cost of occupational hazards - the money wasted for medical care, insurance claims, lost wages, lost production - is reaching \$9.3 billion. Each year we lose 100,000 man years of work because of absenteeism. Reducing this figure even one day will add \$10 billion to our economy.

6. Should businesses be allowed to have a consultation visit without possibility of getting a citation?

Under the legislation as it now stands businesses are able to invite OSHA inspectors into their plants for consultation on technical matters. This is a good way for the expertise that has been amassed by the federal government to be shared with business. The law also requires that if the inspector on one of these visits finds a serious health hazard he must issue a citation to the firm.

Many people want to exempt the firm from this first citation. I think to do so would be to destroy the limited progress that we have made in the area of occupational health.

Without the possibility of the first citation there is no incentive for individual businesses to voluntarily comply with the law. Most businesses do not need such an advantage; once we have demonstrated that we are committed to improving occupational health business will strive to comply.

There are other solutions to the problem of providing consultation services. The states can be made responsible for this vital activity and enforcement can be left to the federal authorities. We should publicize the institutes and associations that provide technical help to industry. The federal government can provide matching grants to the states to finance state-wide programs of occupational health education.

The problem that is facing business and government in this area of preventive health care is that neither side has the base of experience necessary to do the job. Education is a vital component of a successful occupational safety program. We must provide for the education to allow businesses to do their part; we must provide

effective compliance machinery because the health of the American worker is too precious a resource to waste.

- QUESTION:
- (a) How much will your proposal for National Health Insurance Cost?
 - (b) How will you pay for it?
 - (c) Why won't it break the budget?

(a) My National Health Care proposals will cost little or no more than the American people will be paying under the non-policies of the Republican Administration, and we will accomplish the goal of having no American denied health care, or failing to seek health care, because of the inability to pay.

Health care expenditures have increased 2 1/2 times during the eight years of the Nixon-Ford Administration, from \$264 per person in 1968 to \$600 per person in 1976, until today the average working person works one month out of every year just to pay for health care. Last year, hospital prices rose by 18%. Since the Republicans came to the White House in 1969, hospital costs have increased 121% and physician fees have risen by 74%, while the Consumer Price Index has increased 60%. Yet there has been little improvement in health, and one out of every eight Americans under 65 -- usually those who can least afford it -- has no health insurance. Over half our people have only limited coverage that may result in the family being bankrupted by a major illness.

We must make quality health care available to all our people at a price they -- and our country -- can afford.

My Administration will first get control of current runaway costs by implementing present laws that will abolish duplication of services, eliminate expensive services of little or no benefit, and make certain that services are provided by appropriate personnel

in the least expensive and most humane settings. And we will eliminate the tens of billions of dollars wasted by fraud and abuse. After eight years, the Republicans have done nothing to stop the unbelievable scandal and waste in the Medicaid Program. In addition, we will use incentives for efficiency and competition in the private system to control costs.

We will use current dollars and we will add federal dollars as the growth in the economy makes this possible. We will phase in health insurance protection as fast as we can to protect our people from catastrophic illness, provide care for mothers and infants, improve the efficiency and effectiveness of Medicare and Medicaid, extend needed coverage to the self-employed and small businesses, and other improvements.

I have proposed that this program be expanded as quickly as a balanced budget will allow, so that our people may have good quality and reasonably priced care. I have also proposed that this program contain clear and strong cost and quality controls, built-in incentives for reform and increased productivity, and a firm emphasis on preventive care and low-cost methods of treatment. In the 1960 Kennedy-Nixon debates, Mr. Nixon took the same position Mr. Ford is taking this evening: that we cannot even try to improve the health of our people. I think we can try, and my program will cost what we as a people can reasonably spend on health care within the strict confines of a balanced budget. I challenge Mr. Ford to show us what he has done, aside from vetoes and the flip-flops of his party, to contain health care costs and improve the health of our people.

(b) The federal government's share will be paid for by shared employer-employee payroll taxes, and money from the general funds as the growth in the economy makes such money available. For the worker who has health insurance, the payroll tax will represent merely a shift of present health insurance premiums paid by employers and employees to the employer-employee payroll tax. This will be a carefully phased program which will build on present strengths of health insurance and of our private health care system.

People who can afford to share the costs of their health care will be asked to do so through cost-sharing during the early years of the program. The private health insurance industry will bid competitively to administer the program and will be able to sell supplemental insurance -- additional benefits -- to those who want it or bargain for it as part of their employment benefits. My Administration will set national goals and policies and standards, but, I repeat, we will not put the government in the business of providing care. A strengthened private sector will do that.

(c) It is my promise to balance the budget in the fourth year of my Administration, and I will add programs only when I know how they will be paid for. National Health Insurance is a high priority of my Administration, but it cannot be accomplished with nearly 8% of the American people unemployed and nearly 1/3 of our industrial capacity idle.

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COST OF NHI: 2 APPROACHES

First Approach: \$35 Billion first phase (FY 1981 dollars)

PHASE I:

	<u>COST</u>
1. Prep. period: Enforce Existing Legislation etc.*	Some Savings
2. Combine Medicine and Medicaid: Federalize Medicaid (\$11-15 billion); with a modest state role:	\$12.0 billion
3. Comprehensive maternal and child (0-18) benefits (\$18 billion); without dental and counting savings to Medicaid:	\$15.5 billion
4. Medicare: Combine A & B and eliminate premium for elderly (Part B):	\$ 1.8 billion
5. Catastrophic coverage (universal); Long-Ribicoff type: (60 days or \$2,000/yr Comp. hospital and physician coverage):	<u>\$ 5.3 billion</u>
	\$34.6 billion

*Note: Talmadge bill and enforcement of existing legislation could cut 4-5% per year from current hospital inflation after first year. Forty percent of all health care expenditures are for hospitalization. Hospital prices rose 18.0% in fiscal year 1975.

Second Approach: \$10 billion first phase; \$50 billion second phase (FY 1976 dollars)

PHASE I:

1. Replace Medicaid and extend spenddown provision; for every dollar of income above level, lost 25 cents in benefits.
2. Begin a health resources development fund to stimulate alternative delivery mechanisms.

COST (1976 DOLLARS):

1. Medicaid: \$5-\$6 billion. (8-10 million people x \$500 average expenditure); already covers most costly cases, so estimate is conservative.

2. Spenddown: \$4 billion

3. Development fund: \$0.25 to \$0.5 billion.

FINANCING (1976) DOLLARS):

1. \$6 billion federal general revenues.

2. \$2 billion state general revenues (substitution for charity hospitals and similar programs).

3. \$2 billion improved efficiency or alcohol and tobacco taxes.

\$10 billion total (\$6 billion to be raised from new or expanded federal revenue sources).

PHASE II:

1. Coverage for all poor and most low-to-middle income families in a moderate public financing program; Kennedy-Mills kind of approach; \$1,000 limit per family/year (which would impact only the 0.5% of family's spending over \$4,000/year); average \$150/year out-of-pocket health expenditure.

2. Below \$5,000 income, \$0; at \$10,000 income, \$300: Average per year out-of-pocket expenditure.

COST (1976 DOLLARS):

\$50 billion.

FINANCING (1976 DOLLARS):

1. \$10 billion federal general revenues.

2. \$ 3 billion gain from tax revenues now lost through medical deductions.

3. \$ 5 billion improved efficiency or alcohol and tobacco taxes.

4. \$ 2 billion state general revenues.

5. \$20 billion (excludes \$4 billion in tax expenditures through insurance premiums - as opposed to wages - that cannot be required).

6. \$30 billion substitution from employers now paying insurance premiums - employer payroll tax on total wage base.

7. \$50 billion total (\$20 billion to be raised from new or expanded federal revenue sources.)

Health Care Issues:

Mental Health

Overview

1. Carter image. Sympathy, compassion, and effective administration. The Governor is committed to sensitive and responsive care through efficient service delivery.
2. Debate Strategy. Emphasize four themes: Governor Carter's excellent record; Rosalynn's personal commitment to the issue; the traditionally strong Democratic position; and the insensitivity of the Republicans.

Themes, Positions, Approaches

1. Carter

A. Governor's record. Jimmy Carter has always strongly supported mental health programs. Through his leadership the number of community mental health centers in Georgia increased from one to eighteen. In 1972 the Georgia General Assembly appropriated \$2.5 million for the expansion of community training centers and group homes. During his term, the number of these facilities increased from 52 to 124, and patients served rose from 1,200 to 5,600. The Governor's emphasis was on de-institutionalization and the restoration of the individual to a family-style environment.

B. Rosalynn Carters commitment. Mrs. CARTER made mental health her major area of interest during the Governor's term. The most attractive, committed, and personal statement the Governor could make about mental health is that as First Lady Rosalynn will maintain and strengthen this commitment.

C. Strong Democratic position. Mental health services have been a strong Democratic issue since the "bold new approach" enunciated by President Kennedy in 1963. Kennedy initiated federal support for the development of mental health centers in approximately 2,000 areas covering the entire country. Under Johnson about half the centers were established. Governor Carter can provide a strong focus for his position by saying, "President Kennedy's commitment to quality mental health services for America's communities must be renewed. Under eight years of Republican administration this important initiative has been stalled. We must begin again to reduce the number of people forced to live out their lives in inadequate mental hospitals. At the same time, we must apply tough, businesslike management to the operation of the community mental health program to eliminate waste and inefficiency."

D. Insensitive Republican position. Nixon moved from initial support of the above program to active opposition. First he withheld recommendations for new starts, then he began opposing renewals, and finally he impounded funds appropriated by Congress. Ford has continued this opposition by supporting a system of health block grants that would eliminate all direct support for mental health programs. This block grant approach means mental health will be underfunded because it is a stigmatized and under-emphasized area. The tragic result of years of Republican neglect and negativism is tremendous waste of our greatest resource --the American people. In addition, secondary harms involving alcoholism, drug addiction, crime, unemployment, and violence are impossible to calculate.

E. Careful cost control. Not all mental health centers are successful or efficient, so evaluation and careful management is crucial.

F. Reduction of suffering. The human suffering, alienation, loneliness, and depression of mental illness and its often-poor treatment must be reduced.

G. Creative contribution. A creative and effective partnership with private sector psychiatrists, psychologists, and other mental health professionals can produce significant increases in the personal sense of worth and the social productivity of patients.

2. Ford

A. Ford will probably defend his record by pointing out that: health block grants will provide funds for all health programs to be used at the discretion of the states; that community mental health programs have continued at a level that the nation can afford; that he has supported alcohol and drug programs; and that the private sector is able to meet the majority of treatment needs.

B. Ford may attack the Governor by charging that: community mental health programs are too expensive; that they are inefficient and have not satisfied expectations; that they should be treated as part of larger health care programs and not singled out for separate categorical attention; and that their emphasis should be returned from a social to a medical focus.

3. Response to Ford approach

A. The cost of mental health programs is not great, and it is minimal compared to the social cost of mental illness. Reorganization within HEW, tough management, careful evaluation, and constant study of better service delivery methods will insure efficiency and minimize waste.

B. The Ford position ignores the needs and suffering of the emotionally disturbed and mentally retarded. Dr. Bourne suggests that the Governor might mention the personal impact of his encounter with a man who told him he would "vote for you for Governor because I have a retarded child."

C. Mental health services ultimately will be included in a National Health Insurance program, where they can be coordinated with other efforts and where they will be subject to further strong cost and quality controls.

Data

1. In 1974, the United States spent \$14.5 billion or 14% of all health care expenditures on the direct care of the mentally ill. The indirect cost of mental illness has been estimated at \$36.8 billion.

2. The National Institute for Mental Health budget has been small: 1973-\$294 million; 1974-\$317 million; 1975-\$554 million; 1976-\$418 million. The sudden increase in 1975 and 1976 was due to the release of funds which had earlier been impounded by Nixon.

Questions and Answers

1. Q: Will you include coverage of mental illness in your national health insurance program?

A: Yes. Mental illness will be covered as a part of my national health insurance program, with services phased in along with the services for physical health.

2. Q: Why do you want to keep categorical support for mental health, drugs, and alcoholism rather than including it in block health grants?

A: Treatment of the mentally ill, drug abusers, and alcoholics has always been a stigmatized area. Block health grants to states would allow mental health programs to return to the neglected position they were reduced to in the past.

3. Q: Won't your proposal to provide continuing support for community mental health centers and coverage under national health insurance be very expensive?

A: No, some funds will be required to establish a certain number of new community mental health centers, but most of the subsequent operating costs can be paid for through reimbursement as part of the overall national health insurance program.

4. Q: If you make mental health services widely available at little cost to the individual, won't people abuse the services resulting in runaway costs?

A: All the evidence suggests that when coverage is provided for mental illness, there is no dramatic over-utilization of services. Mental health coverage can be provided without significant additional cost.

REPUBLICANS NHI STATEMENT

(National Catastrophic coverage plus minimum standards for health insurance mandated through employers)

Mr. Ford does not have a national health plan before the Congress for action. The Republicans did have such a program. Then they had a different one. Then they said we needed one, but they said they couldn't figure out how to pay for it and withdrew it. Now they have put the idea back in their platform, but they still don't want to talk about paying for it. And they still haven't done anything to produce a workable plan for our people.

I think we need to move as aggressively as possible to bring quality care to all our people at a price they -- and our nation -- can afford to pay.

I support catastrophic health insurance as part of a comprehensive national health insurance program. But there are several critical flaws in this eleventh-hour Republican platform proposal as a single solution to our problems.

First, catastrophic insurance alone still leaves millions of people without any basic health insurance coverage. People without insurance often put off seeking early effective care.

Second, open-ended payment for catastrophic care would greatly increase spending for highly technical care and shift our resources and health personnel further away from early, effective primary care.

And, finally, catastrophic health insurance would greatly increase the already soaring costs of medical care. Expenditures for health have increased 2½ times during the Republican Administration. Hospital costs have increased 121% during the Nixon-Ford Administration, and now the average working person works one month out of every year just to pay for health care.

So these are the symptoms of another poorly thought out program that adds one more piece to our patchwork health system, and puts off the day when we have a comprehensive, well-planned, and coordinated health care system.

I do not support forcing employers to purchase health insurance meeting minimum standards as the answer to our national health insurance needs.

First, with 8-10 million people out of work because of Republican economic policies, far too many people would be excluded from employer-mandated coverage.

Second, workers moving from job to job would lose coverage, and their families would be unprotected.

Third, young and part-time workers would be systematically and unfairly excluded.

Fourth, this approach would discourage employers from hiring our older citizens, the disabled, and women of childbearing age.

And finally, the financing of the program would be very regressive, hurting the low and middle-class worker the most.

I think it's time we moved away from this approach, and started planning for a fair and equitable health system that brings care within the means of all our people.

(NOTE: Criticizing the plan because it is very costly can be a two-edged sword. But the proposal would cost about \$50-60 billion in 1976 dollars. Also, it was financed in sleight-of-hand fashion, with about \$10 billion (1974 dollars) on the budget and about \$40 billion (1974 dollars) being picked up by employers and passed along as higher prices to general consumers.)

NHI

(Statement implies about \$22 billion of new expenditures in 1980 dollars and partially offsetting reforms of about \$5 billion in 1976 dollars)

Within the confines of a balanced budget, I would want to develop my health program through several phases over a period of 6 to 8 years, expanding the plan as quickly as growth in the economy makes possible.

The first phase should be a preparatory period of a year or two, in which we would concentrate on improving the efficiency and effectiveness of our existing programs and lay the foundation for future improvements. We can start by improving administration and enforcement in Medicare and Medicaid. Next year we will spend over \$40 billion on these programs, and the Republicans have totally ignored the efficient operation of these plans. Each year we waste about \$5 billion on Medicaid alone--money that could be providing needed care.

We should enforce existing health planning legislation, which the Republicans have also failed to do. These controls will help coordinate major spending for hospitals and assist us in rationally planning the use of our valuable health resources. Each year we spend 40 cents of every health dollar on hospitalization, and hospital costs have increased 121% while the Republicans have been in office. We should also require uniform cost accounting and restore efficiency and fairness to our reimbursement systems.

Another step I would take would be to combine Parts A and B of Medicare, and eliminate the monthly premium of \$6.30 which elderly people must now pay. This step would cost about \$1.8 billion, money well spent, and certainly not costly compared to the rampant waste we could eliminate in other areas.

After we have prepared a sound fiscal and administrative basis for our health programs--an accomplishment which has eluded Mr. Ford--we can move to extend insurance coverage to other individuals. For example, we could phase in a program of coverage for expectant mothers and young children. This program could be very modest at first, and we could improve the benefits and expand eligibility as our resources permit. This is a very cost-effective kind of program, and we could ultimately cover 67 million children and 4 million expectant mothers under a very strong system of benefits for about \$15 billion.

Another step we must take is to protect the American people from the terrible economic effects of a catastrophic illness in the family. There have already been several proposals to accomplish this important goal. This could be a relatively inexpensive program, covering every family in the country for about \$5 billion.

There are very substantial problems in our health delivery and financing system, and I would want to provide our people with reform just as quickly as possible. I would certainly not be hesitant about reform, but I would always insure that the steps we are taking are fiscally sound and affordable.

HEALTH SUMMARY

The major health themes Governor Carter has developed include:

1. Providing good quality care on a regular basis to all our people at costs they -- and our country-- can afford.
2. Containing the soaring costs of health care and health services.
3. Protecting our people from financial hardship due to illness, injury or disease.
4. Stressing the important role of preventive care.
5. Supporting organized, efficient, and effective delivery of medical services.
6. Emphasizing decreased reliance on hospitalization through preventive, the use of nurses, paraprofessionals, and physicians assistants, and better health education and nutrition.
7. Instituting reform of the wasteful, chaotic, and unplanned health delivery and financing system, Medicaid in particular.
8. Development of a responsible replacement of the current expensive and unfair system of insurance with a fair effective system of national health insurance.
9. Initiating a more balanced distribution between specialists and primary care physicians and correcting geographical maldistribution.
10. Developing strong systems for providing occupational health and safety.
11. Providing for corrective measures in the malpractice area.

PREVENTIVE CARE

This nation, first in the genius of its technology and the wealth of its resources, ranks 15th in infant mortality. Our life expectancy is lower than the average lifespan in several western countries. We lead th developed world in areas where we would prefer to be last -- in the diseases of highly indistrialized nations.

The structure of our health insurance encourages in-hospital care. About 40% of persons covered by health insurance have benefits relating to hospitalization only. In many nations the hospital is the health's system's most carefully used and potent resource; in our system it is all too often our first line of defense. We place upon our hospitals burdens that could be prevented or lightened by clean air and water, healthier lifestyles and work places, better nutrition and health education, doctors in clinics and offices, and nurses, paraprofessionals, and allied health personnel.

We must redirect our efforts toward the maintenance of a health population by stressing the early detection and treatment of the cripplers and killers of our people, by encouraging HMO's and other providers of preventive care, by continuing to support public programs, such as immunization, ~~that~~ promote the general health, and by developing incentives for the use of low cost methods of treatment where possible.

--In Britain, 75% of physicians are in primary care specialties. In the U. S. the figure is 35%.

--During the 1970's we spent only about 7% of our health dollars for prevention.

--The Nixon-Ford Administration cut back on immunization programs for children, failed to support PAP tests to reduce cancer deaths among women, and generally neglected prevention. Ford has proposed to decrease federal support for children's immunization by more than 50%. In 1974 about 25% of American women had never had a PAP test, and since the test was developed in 1943 over 250,000 American women have died unnecessarily from cervix cancer and thousands are still dying. Over 75% of American men/^{who}are suffering from ~~uncontrolled~~ high blood pressure/^{are medically untreated,} when effective medications exist to prevent deaths from this disorder.

--The life expectancy of American men at age 45 has increased only four years since 1900.

--Every year 1.2 million Americans die of cardiovascular malfunctions, many of whom could be saved by rudimentary and easily learned life-sustaining procedures.

MALPRACTICE

For the first time in our history, we are in the midst of a medical malpractice crisis. Some of the blame for this surely rests on a record of poor quality controls in monitoring health care.

--Excess surgery costs over \$3 billion per year.

--Fewer than 30 physicians of 300,000 lose their licenses each year for malpractice/incompetence even while the President of the AMA admits that 3-4% (9,000-12,000) are "bad apples."

--States are now experimenting with control of malpractice. One role for the federal government might be to separate the compensation and punishment elements of malpractice judgments. Provision could be made for no-fault compensation for victims and establish punishment provisions for chronically incompetent doctors through the license process.

OSHA

The control of occupational hazards can save many workers each year who die prematurely because they are exposed to toxic chemicals, dust, and pesticides. These are usually low-income workers. Occupational health and safety can reduce cancer, accidents, and respiratory disease.

--Statistics on occupational health and safety are fragmented and incomplete, a symptom of the lack of proper emphasis on the area.

--Perhaps 100,000 people die each year from occupationally related disease, and about 400,000 new cases of occupational disease occur each year.

--65% of all workers are exposed to toxic materials or harmful physical agents, but only 25% of these workers are adequately protected by controls.

--Officially, 2.2 million occupationally related injuries occur each year, but the actual figure is probably 5 to 10 times that high.

--The concept behind OSHA is excellent: the magnitude of the problem takes the enforcement and management of occupational health and safety programs beyond the capabilities of most states, and consequently the role of the states needs to be clarified.

--The Democratic Platform advocates that OSHA coverage should cover all workers, and that problems with standards can be resolved by institutions early and periodic review of standards. The Republican Platform attacks OSHA and embraces the concept of excepting areas where the

program has worked "hardships." Agriculture, the third most hazardous occupation in the country (15% of all work place fatalities), is specifically mentioned. Ford has been publicly anti-OSHA .

--Setting of standards is dangerously slow. Only three have been set: for asbestos, a group of carcinogens, and vinyl chloride.

--The components of the occupational program - OSHA, NIOSH, OSHRC, AND NACOSH -- must be better coordinated.

--A move is underwy to encourage consultation without penalty, which the unions oppose. They would support separating consultation and inspection and giving the former function to another entity.

HEALTH

Q.: Governor, to blunt the charge of your being a big spender, you've said you would phase-in big new programs and that you would hold spending to a level that would be consistent with a balanced budget by the end of your first term. But you haven't given us the specifics in, for example, the area of national health insurance. What exactly are you proposing?

ANSWER:

The average American is now paying \$600 per year for medical care. Many parts of the country have inadequate health care facilities and an acute shortage of physicians. Last year hospital prices rose by 18 percent. Since the Republicans have been in office, total health expenditures -- public and private -- have increased by 250 percent.

--But it doesn't have to be this way. The vital first step in a workable national health care system is to begin with an essential period of preparation by getting control of waste and holding down runaway costs by implementing present laws to abolish duplication of services, by eliminating services of little or no benefit, and by making certain that health services are provided by appropriate health personnel in the least expensive and most humane setting. The pending Talmadge bill does much of this. We would then phase-in the subsequent parts of the program as revenues permit, in order of priority and need.

--These steps would be taken in the context of general economic recovery and an annual economic growth rate of about 5.5 percent and they would be consistent with my goal of achieving a balanced budget by the end of my first term.

--But the most essential part of this effort is to begin. This is the responsible and sensible path toward a health care system that will improve the health and security of all Americans.

(Note: Don't use the dollar numbers at all unless pressed directly).

--The Republican Administration has no real program to straighten out this mess. Our health programs are out of control, important reforms have been blocked or watered down, training and education proposals have been vetoed, and our people are getting little better care today at more than twice the price they were paying in 1968.

--As a congressman, Mr. Ford voted against the establishment of the Medicare program. As President, he attempted to impound \$1.1 billion in health funds in 1975, about 40% of all the impoundments he attempted this year. (Add specific example drawn from campaign experience of a person who was hurt by medical costs. Also note Ford has proposed catastrophic coverage).

(Note: If necessary to be more specific, enumerate the following.)

--We would combine parts A (Standard hospital) and B (optional physician) in the Medicare program and eliminate the monthly premium payments of \$7.20 for the elderly. (This can be accomplished for about \$2 billion).

--I would then give the most serious consideration to moving toward substantial health benefits for mothers and children. This is a very cost-effective program that will cover 67 million children and 4 million expectant mothers (\$15 billion cost for complete coverage and less if not complete). (You might want to shift order of phase-in so catastrophic care comes first since Ford has proposed this).

--Next, assuming our economic prices were on track, we would probably proceed to a form of universal catastrophic coverage. (This can be accomplished at a cost of between \$5 and \$6 billion.)

URBAN POLICY

THE PROBLEM AND THE ANSWER

An Overview

- More than forty years ago, President Franklin Roosevelt declared that America's number one economic problem was poverty in the South. Today America's number one economic problem is our cities.
- The continued and accelerating migration of businesses and of the younger, better-educated, and better-off from the large central cities in the North Central and Northeast has eroded the economic base of the cities and left behind a disproportionate number of poor who require more public services than the average citizen.
- Spinning off from the joblessness and poverty in the central cities are: a disproportionate number of violent crimes and burglaries compared to the size of the population, significantly higher rates of infant and maternal mortality as well as other illnesses, and a rapid deterioration and abandonment of housing.

The Recent Record

- During the past eight years, two costly recessions and unprecedented peacetime inflation have seriously exacerbated the economic hardships of our city residents. First, inflation was pressing the expenditure side of city

budgets, the recent recession dealt a far more serious blow--massive unemployment and a curtailment of revenues.

--In 1975, central city unemployment averaged almost 10 percent compared to 5.3 percent in the suburbs.

Among black teenagers it reached 42 percent. With the current rate of recovery many of our young people will be 24 or 25 before they have the opportunity for full time employment.

--The loss of jobs and production cut state and local revenues by nearly \$30 billion in 1975 from what it would have been at full employment. As a result, many states and localities were forced to cut back services, lay off workers, and raise taxes--actions which resulted in removing \$7.5-8 billion from the economy and counteracted federal efforts to stimulate the economy.

--In the face of these problems, President Ford vetoed every major jobs bill to reach his desk. The \$4 billion cost of the recent legislation (the Public Works Employment Act of 1976), will be more than returned through increased tax revenues, reduced welfare, and unemployment expenditures, and the restoration of dignity to those 300,000 who will be able to return to work.

--Since 1968 the number of people living in poverty has remained virtually unchanged because of declining job and job training opportunities.

--Housing starts--once upwards of 2.3 million a year-- were down to 1.17 million in 1975--half of what it is estimated we require now and in the foreseeable future. The consequences are evident--housing is no longer affordable for the average home buyer (the average price for a new single family home is \$46,000), construction workers face depression levels of unemployment (approaching 18 percent), builders and contractors face financial hard times, and fewer housing units are available for the country and particularly middle and low income families.

--In the face of this worsening condition in our central cities, between 1972 and 1974 the Republican Administrations cut \$4.5 billion in urban programs and another \$7 billion in aid to the poor, the unemployed and medically indigent. This policy of neglect was continued in President Ford's 1977 budget through a reduction of 5 percent in the real value of grant-in-aid programs.

Restoring the Economic Base of the Cities

Jobs

--General economic policies must be designed to achieve steady economic growth--that provides good jobs in the private sector. By doing this we can reduce unemployment to 5 or 5½ percent. Such policies will greatly reduce the recession related fiscal burdens placed on our cities and provide a more stable environment for business investment.

--These policies must be supplemented with employment programs that are targeted to pockets of high unemployment. Such jobs can be financed through a re-allocation of the \$17 billion we incurred as a result of the recession.

--I would not have vetoed the Public Works Employment Act of 1976 that contained accelerated public works and countercyclical assistance to state and local governments.

--I would propose a youth employment program that takes at least 500,000 of our teenagers off the street and reduce the incentives for criminal conduct.

--I also support an employment incentive to encourage the private sector to hire and train approximately 500,000 persons now unemployed.

--We should consider the creation of a domestic development bank that would make low interest loans to businesses and state and local governments for the purpose of stimulating private sector investment in chronically depressed areas.

Fiscal Assistance

--I support extension of General Revenue Sharing with an inflation factor and stronger provisions for civil rights and citizens participation. But I would prefer that the funds go directly to localities.

--As part of my plan to reform welfare, I intend to support federal takeover of the local share of welfare as fast as budget realities permit. This will provide relief to urban taxpayers, who are currently shouldering so much of the welfare load. In addition, I intend to work toward a uniform national standard for welfare benefits so that there is no longer an incentive for poor people to reside in the urban areas of the Northern states.

The Role of Private Sector

--In an era of scarce resources, the federal government must use public sector funds as a catalyst for attracting large amounts of additional resources from the private sector. The public sector must develop incentives and new structures for joint public-private development mechanisms.

Housing

To make our general housing situation worse federal assistance programs have been suspended or poorly administered and the Department of Housing and Urban Development has been rocked by its worst scandal in history. Over 500 HUD officials have been indicted and over two hundred officials, some of them political appointees, have been convicted of corruption and bribery. HUD has lost over \$2.16 billion of the taxpayers' money as a result of mismanagement and outright criminal behavior.

This nation needs a housing policy, and despite our commitment to a decent home in a decent environment for every American, we have not and do not have one.

The best policy we can have is one that insures a high and stable level of housing production. This can be assured by a healthy and growing economy. Low rates of inflation, a steady supply of credit to the housing industry, and low interest rates can revive and stabilize housing production. We must accelerate our production if we are to bring decent housing back within the reach of all Americans.

Housing is one area where a trickle down program works. As President Kennedy said: "A high tide floats all the boats." Abundant housing of all kinds means lower prices and lower rents. This must be the foundation of our housing program.

To further assist Americans in reaching their goal of home ownership I support mortgage guarantees and mortgage interest rate subsidies, particularly for middle income families.

Housing

For other groups in need I support carefully targeted programs. For example, the Section 202 direct loan program for the elderly is an effective program when properly administered, and it is not costly. Any such programs must undergo a thorough review of costs and benefits, and it may well be that some programs are not affordable, or their objectives can be attained more effectively by pursuing other economic and social policies.

Transportation

Our urban transportation policy must be reconsidered to be sure that we are really meeting the needs of the people in our cities. Instead of building exotic \$110 million dollar "personal rapid transit" systems in West Virginia, we need to be dealing forcefully with the transit problems of our major cities. Instead of spending billions to build systems that only serve well-to-do suburban commuters we need to provide more assistance to those who are trapped without automobiles in our central cities. Instead of dictating spending priorities, we need to be more flexible in allowing urban areas to decide for themselves how they wish to spend their transportation money--whether they want to build highways or mass transit, whether they want to support capital investments or operating subsidies. Most importantly, we need a firmly established transportation policy for our cities that balances environmental, energy, mobility and human needs.

Questions Eliciting Urban Policy Response

--Recently, we have witnessed an outbreak of gang warfare in Detroit--this is the most recent example of what has happened to our central cities in the north and midwest. What would you do to solve these problems?

--During the 1960's, we tried to solve the problems of poverty and urban decay. It seems that the Great Society programs just did not work. Can we do anything to aid our cities and is it affordable?

--Recently New York City was on the brink of bankruptcy. Aren't many of our other cities close to bankruptcy and what would you suggest as a solution to this problem?

--Governor, you have said that America's number one economic problem is our cities. In your address to the U.S. Conference of Mayors you spell out economic, housing, transportation, and welfare policies for our cities. If you are going to balance the budget by 1980, how is any of this national urban policy affordable?

ECONOMICS -- UAW SETTLEMENT

QUESTION

Governor, during the campaign you have expressed concern about inflation and the inflationary consequences of wage and price decisions. Recently the UAW reached an agreement with Ford Motor Company that provides for an average wage increase of 10 percent per year for the next three years. Don't you think this settlement is inflationary?

ANSWER

Due to the Republican economic failures, during 1973-75 the average hourly earnings of all groups of workers did not keep pace with inflation and real earnings fell. It should also be pointed out that over the last ten years real wages have risen approximately in line with productivity. I think that labor has shown both restraint and a sense of responsibility.

I hope that this trend will continue, but it is unlikely when we have a President that chooses to pit labor against business rather than seeking cooperation to solve difficult problems.

This wage increase points up the need for the development of voluntary wage and price guidelines, worked out between labor and management, so that the working man will not have to play catch-up football with his salary.

Big Spender Charge

QUESTION: The Republicans charge that the new programs you and the Democrats propose could cost \$100 to \$200 billion when fully implemented and that this spending will increase deficits and fuel inflation. What is the cost of the new programs in the Democratic platform, which you have said you support? How do you propose to pay for these new programs?

ANSWER:

Denial of Figures. There is absolutely no validity to the numbers being circulated by the Republicans, and in fact they themselves do not agree on these numbers. Budget Director James Lynn has thrown around a \$100 billion number, while Treasury Secretary Simon says it's \$200 billion. In fact, these numbers represent a traditional Republican political effort to oppose solutions to our problems proposed by the Democrats. Alfred Landon said we could not afford social security in 1936. Richard Nixon said we could not afford aid to education in 1968. Today, Mr. Ford is saying we cannot afford any of the proposals advocated by the Democratic Party. It is a tradition of negatives.

The Record. The record shows that the Democrats have been responsible and able to pay for their programs through careful management of the economy and steady economic growth. During the Kennedy-Johnson peacetime years when we had steady economic growth, the average annual deficit was about \$4 billion. The average deficit over the last eight years, on the other hand,

Limits on Government Spending. I feel so strongly about the need to control federal spending that I would place a lid on the proportions of our national income that can be spent by the federal government. We ought not to fall into the trap of increasing spending as a cure-all for our economic problems. That proportion has recently swelled. Last year, largely because of the recession, that proportion increased to over 23 percent. It would be my long-term objective to hold federal spending to a range of 20 to 22 percent of our national income. I believe we need a better federal government, not a bigger one.

Kennedy Debates. It is interesting that the Republicans' arguments about spending we are hearing today are a rerun of what they have said in the past. In the 1960 debates, Mr. Nixon said that we could not afford any of John Kennedy's initiatives, that Kennedy would break the budget, and increase taxes. At the time, John Kennedy said:

"I believe in the balanced budget, and the only conditions under which I would unbalance the budget would be if there was a grave national emergency or a serious recession. Otherwise, with a steady rate of economic growth, and Mr. Nixon and Mr. Rockefeller in their meeting said a 5-percent economic growth would bring by 1962 \$10 billion extra in tax revenues. Whatever is brought in I think that we can finance essential programs within a balanced budget if business remains orderly."

The Kennedy Record. What John Kennedy promised he delivered. Once his policies took hold, our country had an average growth rate of about 5.5%, one of the highest, sustained growth rates in our country. The budget deficits were small, inflation was only two percent, and we reduced unemployment to four percent. (1962-66 was 5.4%). We can do the same again, if we get the country moving again.

when we had economic growth of only 2%, has been about six times larger. The \$230 billion in deficits, accumulated during these low-growth Nixon-Ford years, are the largest in the history of the United States.

How to Pay for Programs. The way to end these deficits and pay for what this country needs is to put our people and plants back to work and to make government more efficient. I believe the increased tax revenues and decreased welfare payments from full employment and steady economic growth, combined with a tough zero-based budgeting system that reviews all major federal programs and eliminates those that are wasteful, will be more than sufficient to balance the budget and provide the funds necessary to phase in the new initiatives I support. My economic advisors believe that such a program can generate a budget dividend of about \$60 billion by my first term.

The Overall Cost of Programs. The cost of the proposals I support will be no greater than the \$60 billion budget dividend generated by steady economic growth. I have no intention of going to the White House with a long and expensive bill for new federal programs. Only in conjunction with these budget earnings will our new initiatives be phased in. If there are insufficient funds, new initiatives will have to be more modest or phased in over a longer period of time. Because I believe we should promise only what we can afford, I will not propose any new programs that cannot be paid for within the context of budget responsibility. I do not intend to raise taxes to pay for any new programs.

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Most of this money was for jobs -- putting people to work, where they can become tax paying citizens, contributing to a reduction of our deficit and taking them off of welfare and unemployment compensation, which drains our Treasury. The cost of recession related welfare expenditures and increased unemployment last year alone was about \$17 billion. I'm for saving money but you don't do it by paying people not to work. That's penny wise and pound foolish. You don't do it by blocking aid to our Vietnam War veterans or stopping aid to nurses or impounding health care funds.

- Mr. Ford's deficits are directly due to Republican economic mismanagement. The fiscal 1975 budget deficit, for example, soared from a \$9 billion deficit when proposed to a \$43 billion deficit, with the increase largely due to the recession. Each additional point of unemployment adds about \$16 billion to the deficit because of increased welfare and unemployment expenditures and falling tax revenues. You cannot balance the federal budget by unbalancing the budgets of American families.
- Many of Mr. Ford's vetoes cannot be justified when you look at the merits of the case. Today we have 7.5 million people unemployed - that's a national crisis. The recent jobs bill vetoed by Mr. Ford (The Public Works Employment Act of 1976) will target aid money for 300,000 jobs for teachers, firemen, and policemen in Detroit, Miami, Buffalo and across the nation. The President's judgment

VETOES AND DEFICITS

Q. Governor Carter, you've been very critical of President Ford's vetoes. The President, on the other hand, has taken the position that his vetoes have protected the public against big deficits and inflationary spending by the Democratic Congress. Isn't this true?

A. Mr. Ford's vetoes show a misunderstanding of our economic problems and how to save federal dollars. He represents the Republican party's negative stance of opposing, rather than proposing solutions to the nation's problems.

- We know what Mr. Ford's against, but we don't know what he and his party are for. Every major social advance of the last fifty years has been preceded by a Republican charge that it shouldn't be done. Mr. Landon was opposed to Social Security. Mr. Nixon said we couldn't afford aid to education. Mr. Ford voted against Medicare as a Congressman.

- The Ford vetoes have saved little money relative to the tax dollars wasted on recession - related expenditures for welfare payments and unemployment compensation. The Senate Budget Committee has estimated that the dollar savings from the Ford vetoes is only \$ 3.8 billion.

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was so bad in this case that his own party deserted him and the veto was overridden. (Senate: 15-Y, 21 N; House: 57-Y, 81 N)

- And there are questionable Ford vetoes that did not involve funds, such as the amendments to the Freedom of Information Act, which would have allowed citizens to obtain more information from government bureaucracies.
- You cannot oppose, you cannot veto, and you cannot say no to all the problems this nation faces. As Governor, I vetoed many bills and would not hesitate to veto bad bills passed by a Democratic Congress. But we must have some positive solutions offered to our problems - some vision and purpose of what we should do in this country to get it moving again.

*Mr. Ford likes to say that the people can't afford a tax legislation
he has vetoed, even though some of the bills didn't
even ~~cost~~ call for spending money. ~~But~~ Best
what the country really can't afford is a continuation of the
policies of debt & stagnation that have produced the budget*

5) The vetoes haven't "saved" much money.

Now, Mr. Ford has been claiming his vetoes have saved our citizens a lot of money. But the Administration's own office of management and budget has made a study which shows that if Mr. Ford had been sustained in every single one of his vetoes, the total amount of reduced spending would only have been \$ _____ billion; and the Congressional budget office has estimated that that amount would only have been \$ _____ billion. Now, I'm for saving every penny we can on inefficient government programs and I'm not going to get into the middle of the argument between Mr. Ford and the Congress as to who's right on every single one of these vetoes. But when you compare the amount of money involved to the \$150 billion in lost production that we've had this year alone because of high unemployment and the \$210 billion of additional federal debt we've had under Mr. Ford's 3 budgets, you can see that the Republicans have gone a little overboard in trying to make this a big reckless spending issue. And, as I have said before, these reckless spending charges are nothing new for the Republicans -- they bring out this kind of exaggerated rhetoric every campaign year.

(6) The cause of the deficits

Most knowledgeable economists agree that the cause of the record deficits and debt we have been experiencing is not that Congress wants to spend money for veteran's benefits or for jobs or for better mental health programs and that Mr. Ford doesn't, but that when the economy is operating with such a high level of unemployment and such a low level of plant capacity, we're not going to get the kind of federal tax revenues we need

Unemployment & the highest inflation ~~in the~~
since the Great Depression. It is not
enough simply to obstruct what Congress
~~is~~ tries to do. A President is obligated to
come forward with imaginative & forceful
plans of his own. This Mr. Ford has not done.

The only solution, to my mind, is
not to continue this stalemate for four more
years, but ~~to elect~~ it is to elect new
leadership with the vision, and strength,
and imagination, and toughness to get
Congress moving in the right direction,
in cooperation with the Pres, for the
benefit of all the people.

to balance the budget. And the government's going to have to pay people unemployment compensation and welfare. Each 1% in unemployment cost the federal government at least \$16 billion in lost tax revenues and increased welfare payments. It's this, and not putting policemen and firemen and construction^{workers}/back to work and giving the Vietnam veterans extra job training that I regard as being real waste.

(7) We know what Ford's against, but what is he for?

So I think it all comes down to this question of leadership. We know what Mr. Ford's against, but we don't know what he and his party are for. For example, inflation today is 6% -- that's higher than its been any time between the Korean War and the inauguration of Richard Nixon. Besides a program of engineered recession and unemployment, we don't know what the Republicans' program to control inflation is, if they have one. Unemployment today is higher than its been under any president since the Great Depression. We haven't heard any program from the Republicans during this campaign to reduce unemployment. Apparently they think we can have a strong and decent society with 7 1/2 million people who want to work and can't find jobs. I don't.

(8) Carter has a program for the future

During this campaign I've put forward a program that will get this country moving again and that looks to the future. Now I know perfectly well that it's easier to criticize something than nothing and so I expect criticism of my programs and policies. But I would rather accept that criticism than not stand for anything.

THE ECONOMIC RECOVERY: HASN'T FORD DONE A GOOD JOB?

Q. Governor Carter, President Ford said in his acceptance speech that the economy was in the midst of a strong recovery from the time he took office and that his policies are largely responsible. Aren't you being unfair to him by constantly referring to the Republican Administration of the last two years? Didn't President Ford inherit a pretty poor economic situation and hasn't he done a pretty good job with the economy in the last two years?

A.

-- Mr. Ford should be judged on his own record, but this record includes support for the Nixon policies, and the retention of Mr. Nixon's principle economic advisors. His economic policies reflect those of Republican Presidents and candidates of the past 50 years as the people of this country know, the impact of Republican policies on their jobs and pocketbooks have been awful.

-- Unemployment. When Ford entered the White House there were 5 million people unemployed and today there are 7.5 million unemployed -- a 50% increase. Unemployment has risen in the last 3 months from 7.3% to 7.9%. There has been no progress against unemployment because the 7.9% rate of unemployment today is the same as it was 20 months ago. Is this what Mr. Ford considers a recovery?

-- Inflation. The 6% inflation rate today is higher than any rate under Presidents Eisenhower, Kennedy or Johnson. Mr. Ford has cut the rate of inflation from the highest in 50 years to the highest in 25 years. During the entire period from 1949 through 1969 -- war years and peace years -- the inflation rate averaged only 2% a year. Ford's 6% today is three times higher than this historical average. Is this what Mr. Ford considers good performance?

-- Private Employment. There are fewer private non-farm jobs today (64.2 million in August 1976) than there were when Ford took office (64.5 million in August 1974). Where are all the private jobs Mr. Ford says he is going to create?

-- Deficits. Mr. Ford's budget deficit last year of \$65 billion (FY 1976) was the largest single deficit in our 200-year history. Mr. Ford's proposed deficit was \$5.2 billion, and the additional increase in the deficit was largely due to economic stagnation. This single deficit was larger than all the deficits accumulated under Kennedy and Johnson. Is this what Mr. Ford considers good budget management?

-- Paycheck. The real value of the worker's paycheck is less today than it was in 1968 (\$103.39 in 1968 to \$102.94 in July, 1976). Is the American worker better off today, Mr. Ford?

-- We have a situation in which the average price of a General Motors car is now going to be over \$6,000; the average

price of a new house is going to be about \$46,000. The result is that the average American consumer is being priced out of the market for essential goods.

-- That was the national picture. Let's look at the picture in just one city -- Philadelphia, where we are this evening -- over the past two years.

Unemployment:

Mortgage foreclosures:

Small business failures:

Inflation:

Hamburger prices:

Bread prices:

We have seen Mr. Ford's recession. If this is his idea of a recovery, I don't want any part of it. To be satisfied with this kind of economic performance is to give up. I believe we can do much better in getting this country moving again.

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ACHIEVING EMPLOYMENT GOALS

QUESTION: You have indicated that full employment is a top priority and that you intend to reduce unemployment to 4% by 1980. How do you intend to achieve that goal and how much will it cost?

ANSWER: The Republicans say it is too expensive to put people to work. I say it is too expensive not to put people to work.

The unemployment record under the Republicans has been the worst since the Great Depression:

- from an unemployment level of 5.5% when Ford took office, unemployment rose to 8% in the first 6 months, an unemployment increase of 2.4 million people;
- unemployment has risen four months in a row to 7.9%, *~ 7,500,000* the highest rate this year;
- the level of unemployment today is higher than any time between the Great Depression and the inauguration of Gerald Ford;
- no progress has been made in reducing unemployment in the last 20 months, and the unemployment situation and other economic indicators show that the current economic recovery is faltering, sputtering, and too weak to put our people to work;

The employment record also does not show the strength claimed by Mr. Ford. Over the last two years, the period when Mr. Ford was in office, there has been no increase in private non-farm

*in 1968 unemployment was 2,817,000
in Aug 1976 unemployment was 7,500,000*

employment. There were 64 million employed in private non-farm jobs in August 1976 - - and there are 64 million employed today. For the same period, there has been a decline in the number of jobs in manufacturing. The private employment picture is weak, just like the unemployment picture is weak.

This high unemployment is an enormous economic and social cost to our people and the country:

- unemployment has contributed to the economic stagnation of the last eight years, which has slowed economic growth to a 2% annual average, compared to the historic 4% annual average;
- unemployment has been the principal cause of the highest deficits in the history of the U.S. Mr. Ford's deficit last year of \$65 billion was larger than the total deficits under Kennedy and Johnson. Each one percent point of additional unemployment adds over \$16 billion to the federal deficit because unemployed people cannot pay taxes and must be supported by welfare or unemployment compensation. A return to full employment would balance the budget;
- unemployment increased federal expenditures by at least \$17 billion last year; and
- unemployment is a social cancer that increases crime, alcoholism, breaks up families, and takes away a person's personal dignity.

The first step in ending high unemployment is to rededicate ourselves to the work ethic and the tradition that all able people

should be working. Over the last eight years, the Republicans have consistently accepted policies designed to destroy the work ethic in this country, by not providing jobs and by encouraging people to accept welfare. Welfare & unemployment compensation expenditures have risen from \$ to \$ between 1968 and 1976. Mr. Ford says we can't avoid the growth in such expenditures because he and his advisers cannot design job programs that will work. I think it is absurd to say we can't pay people to work instead of paying them not to work. I challenge Mr. Ford to tell the American people why he and his economic advisers cannot substitute work for welfare.

Our general economic policies must focus on steady economic growth that provide good jobs in the private sector. By doing this we can reduce unemployment to 5 to 5 1/2 percent without accelerating inflation:

- we must end stop-go policy mistakes of the last eight years, such as the engineered recession of 1970; the election economics of 1972; the tight money and high interest rate policies of 1973; and the WIN program tax increase of 1974;
- we must improve coordination of national economic policies, particularly with respect to Federal Reserve, so that interest rates can be reduced;
- we did achieve high, steady economic growth of about 5 1/2% during the Kennedy-Johnson years of 1962-66, and we can again.

We must supplement these general policies with employment programs that are targeted to pockets of high unemployment in the economy. We cannot reduce unemployment by just pumping up the economy, without accelerating inflation. We have to have some priorities about where we invest our money in employment. Such job programs can largely be financed through a reallocation of the \$17 billion in recession-related expenditures I mentioned earlier~~s~~. Specifically:

-- I would not have vetoed the Public Works Employment Act of 1976. This bill authorizes about \$4 billion to build schools, and libraries, and to put teachers, and firemen back to work - and the money is targeted to areas of highest unemployment. This action would create about 300,000 jobs, reduce expenditures on unemployment compensation, and eventually increase taxes paid to the Federal government. The net cost of this measure as it has its impact will be about half of the original investment. The merits of this bill are so clear that Republicans joined with Democrats to override Mr. Ford's veto.

(Senate: 15-Y, 21-N; House: 57-Y, 81-N)

-- I would propose a youth employment program that takes at least 500,000 of our teenagers off the streets, improves their basic education, and puts them into jobs cleaning up our recreational areas and cities. By using some of the existing funds we now spend on the Neighborhood Youth Corps, which has not been an especially effective

program, we could do this at an initial cost of about \$, or \$ per job. When you realize that it costs society an average of \$12,000 a year to put people in prison, which is where many of these unemployed youth will go, you can see the stupidity of keeping our young people unemployed.

- I would also propose an employment incentive to encourage the private sector to hire and train approximately 500,000 persons now unemployed. Such a program would enable us to both put people to work and improve their career skills so that they will become permanently employed. The skills they develop will aid in the fight against inflation by increasing the supply^s of trained people. By creatively using Federal dollars as leverage to encourage the private sector to train people, the cost of this program can be held to \$1 billion, or a cost per-job of about \$2,000. This is half the cost of keeping people ^{ON} ~~and~~ unemployment compensation. Why don't we substitute work for welfare?
- there are other actions we can take and I would do so as we carefully developed the programs I have mentioned and improved existing employment programs.

ACHIEVE ECONOMIC GOALS AND BUDGET DIVIDENDS

QUESTION: You have proposed a very ambitious set of economic goals, achieving full employment, reduced inflation, a balanced budget, a \$60 billion dollar budget dividend, and the initiation of major new social programs. I find this package hard to believe. How are you going to achieve a \$60 billion budget dividend and all of your other somewhat conflicting goals?

ANSWER: There is great strength in the American economy and we can achieve a great deal if we have a sense of direction, confidence in our own abilities, and competent national policies. We did it before under Democratic Presidents like Harry Truman and John Kennedy -- we can do it again.

-- We will not do it with the stop-go economic mismanagement of the Republicans that have led to economic stagnation and record unemployment. Mr. Ford's proposal to increase taxes, just as we were entering the worst recession since the Great Depression, is an example of this stop-go economics. These policies have given us an eight-year average 2% growth, half our historical average, and 5 million more people unemployed than in 1968.

-- We must put the American economy back to work to end this waste.

-- We can put the economy back to work by making government work. The confusion and crisis -- the overlapping and conflicting authority -- the failure to look ahead -- and the fact that no one is taking charge -- must end. The Congress, the President, and the Federal Reserve must have a consistent set of economic policies.

-- It is particularly important to encourage strong economic growth through the proper use of budget and credit policies. We need a budget policy that targets spending to priority areas that will increase employment and productivity. And I believe that credit policies could be more liberal in order to lower interest rates, stimulate housing and investment, and strengthen economic growth.

-- And we can make great progress in restoring economic growth by just putting our people to work. With the staggering unemployment we have today, everything else goes wrong with the economy: the unemployed people suffer directly, wages decline, productivity declines aggravate inflation, welfare and unemployment payments rise, and we are stuck with huge budget deficits. Only by putting our people our people and plants to work can we stop such waste and restore economic prosperity.

-- I believe we can achieve the 5½% growth necessary to achieve a budget dividend of \$60 billion because we have done so in the past under Presidents Kennedy and Truman. President Truman achieved an average growth rate of 7% for the three-year period 1950 through 1952. Presidents Kennedy and Johnson achieved an avg. growth rate of 5.5% for the 5-year period 1962 through 1966.

-- By achieving high growth and employment we can reduce welfare and unemployment expenditures and return to a balanced budget. Each additional point of unemployment adds \$16 billion to the Federal deficit, as welfare and unemployment compensation expenditures rise, and tax receipts decline. The major cause of the record budget deficits under Republican economic policies is economic stagnation

and high unemployment. We could have a balanced budget today if we were at full employment.

-- And by putting the economy back to work, restoring growth and productivity, and moving toward a balanced budget, we can make real progress in reducing inflation. The economic stagnation of recent years has only made inflation worse -- we have had the highest combination of inflation and unemployment of any administration in 50 years.

-- So you can see that efforts to reduce unemployment, inflation, and balance the budget work together and not against each other. They all must be part of a modern economic policy. We must fight inflation and unemployment simultaneously. We will balance the federal budget only when we have enough jobs for our families so that they can balance their budgets.

CAMPAIGN CONTRIBUTIONS

QUESTIONS

1. Why did you first deny the existence of a 1970 contributions list and then say it was found and would be released?
2. If openness and trust are such important themes in your campaign, why did you not focus on this contributions question more carefully and why did it take so long to get the list out?

ANSWERS

Positive Points

1. I understand that over the summer requests have been made by reporters for the 1970 list of contributors. In response to such requests, the press has been informed that no formal list of contributors was ever prepared. The reason for this is important -- in 1970, there was no campaign law covering contributions or requiring the maintenance or filing of a contributions list. As a result, there was never a formal list of contributions as such.
2. I was successful in my 1970 campaign because of the tremendous support I received from working men and women all across Georgia. My success was not dependent upon large contributions. It was my firm policy as Governor to make decisions and gubernatorial appointments on the basis of merit. Since there has never even been a suggestion that my decisions as Governor were affected by whatever contributions were made in 1970, it is fully understandable to me why the electorate has expressed no interest in these contributions.
3. In view of press inquiries and to avoid any suggestion that I am anything but proud of the support I had in my 1970 campaign, I asked my staff in September to review whatever records that could be located on 1970 contributions and to prepare a list of contributors and their contributions -- even though this was not required by law.
4. Because no formal records were kept in 1970, this was no easy task. The following records were located. First, in 1970, records (cards, sheets, notes, etc.) were kept in Atlanta and Plains, and in some cases at the county level, listing contributors and their contributions. Second, following the 1970 election, names and addresses of supporters and contributors were computerized. This list did not contain any financial information and did contain many names of supporters who had not made financial contributions. The list did not draw a distinction between contributors and supporters. At the end of 1974, this list was merged into a list of Georgia supporters for my Presidential campaign.

5. Over the last two months, my staff has attempted to re-construct a list of 1970 contributors. This new list has now been made public, and I am confident that will dispose of any questions which have arisen.

6. (If pressed on the delay, suggest the following: The list was made available as soon as it was completed. The delay resulted from the time it took to pull together the relevant information. It must be realized that compilation of the 1970 list was only one of many, many matters to which my staff had to give attention during this busy campaign season.)

CAMPAIGN CONTRIBUTIONS

Q.: Governor, you have been a strong proponent of sunshine laws, of campaign reform, and of truthfulness in politics. Yet there seem to be conflicting stories about your 1970 contributors list, whether or not it still exists, and whether you have any personal knowledge of its contents. Your principal campaign finance officer from that campaign has said the entire list was computerized, full records kept, and that you were fully cognizant of its contents. Yet you have denied most or all of this. Who is telling the truth and why will you not release the names and amounts from that list? Were there corporate contributions in it?

ANSWER:

There's no secret about it.

--The list did exist in 1970: There were some corporate contributions on it. They were perfectly legal and traditional in Georgia at the time. I did have a general knowledge of the list in 1970, but would not even then have had a knowledge of each contributor and precisely how much he gave. I had able and honest people running my fund-raising and I trusted them to accept no contribution which might possibly compromise my independence as governor.

--It does not exist today: In 1974 the individual names on the list were merged into a general mailing list for my Presidential campaign that was much larger. The corporate names were not mentioned since corporate contributions could not be solicited for my Presidential campaign under the new

campaign law. Then the original list was discarded. There was no practical or legal requirement to keep it, since I was not running for Governor again.

A CARTER ADMINISTRATION

Q.: How would government be different under a Carter administration than it would under a Ford administration? What would you do that Mr. Ford hasn't done?

ANSWER

There is a clear choice in the election. Mr. Ford and I---and certainly our parties---have outlooks that are greatly different from each other. The two party platforms make that clear. So do the public statements of Mr. Ford and myself.

--Difference in Party: The Democratic and Republican Parties, especially in 1976, approach the Presidency from sharply-contrasting directions. Going back to the 1930's, the central theme within the Democratic Party has been that of concern for the ordinary citizen...for jobs...economic growth... and for social justice for all. The central theme within the Republican Party has been that of concern for the big business community and for the idea that prosperity that begins at the top---that is, with business---will finally trickle down to the rest of the country and that government has little responsibility beyond that. That theme hasn't changed from the days of Herbert Hoover, Tom Dewey and Richard Nixon. As Republican minority leader and a party loyalist, this is a position my Republican opponent subscribes to completely. The party platforms this year again emphasize this difference.

--Differences in Personal Outlook: Mr. Ford and I clearly take sharply differing approaches to our work. As a Naval officer, as a farmer, small businessman, engineer, school board chairman, state senator and governor, my experience has led me to the conclusion that problems must be directly addressed; that leaders, and not events, should be in control; and that laissez-faire, big business economic philosophies will not substitute for decisive leadership in assuring that social and economic benefits reach everyone in our society. I am an active man. I enjoy problem-solving.

--My opponent is a Republican Party regular who has spent many years in adhering to minority-party positions in the Congress. Beyond reflecting the mainstream Republican philosophy, this passive tendency reinforces his approach to the Presidency. He clearly believes that inaction, rather than action, is a preferable course in addressing such problems as unemployment and inflation and that market forces will in time solve them. I judge that approach rather severely, but am sure that it is one that Mr. Ford sincerely believes in. So we are clearly different men.

Our differences, then, are that I am a man who believes in strong, direct action to accomplish what I think should be done.

--These differences in party affiliation, personal outlook, and background would have produced many differences in presidential decisions during the past two years. For example: (select best examples)

--I would not have proposed decontrolling the price of crude oil and natural gas in the midst of a recession, an action that would have added \$400 to the direct energy costs of every American family. Mr. Ford did.

--I would not have set out as did the Republicans to create unemployment to control inflation, but would have attacked it directly.

--I would not have imposed a \$2/barrel import tariff on crude oil, an action that increased the price of home heating oil for families in New England. Mr. Ford did.

--I would not have proposed a tax increase for individuals in the midst of an accelerating recession. Mr. Ford did in 1974.

--I would not have ignored the growing scandal in the administration of the Medicaid program that has cost taxpayers an estimated \$5 billion. Mr. Ford did.

--I would not have invoked executive privilege to hide the list of those firms cooperating with the anti-Israeli boycott by Arab countries. Mr. Ford did, until Congress cited his Secretary of Commerce for contempt.

--I would not have appointed a host of former White House aides during the Nixon Presidency to high diplomatic and governmental posts. Mr. Ford did.

--I would not have kept on the job all of Mr. Nixon's key economic advisers. Mr. Ford did.

--I would not have vetoed the amendments to the Freedom of Information Act that guards against government secrecy. Mr. Ford did.

--I would not have fought against the creation of a Consumer Protection Agency that, at long last, would provide a voice in government for the average consumer. Mr. Ford did.

--I would not have supported the firing of Special Prosecutor Archibald Cox. Mr. Ford did.

--I would not have vetoed legislation to increase educational benefits for post-Vietnam veterans. Mr. Ford did.

--I would not have permitted a cost overrun of 3000% on the renovation of the Vice President's house, especially when the Vice President refused to live in it. Mr. Ford did.

--I would not have vetoed the strip mining bill that would have permitted the orderly development of our coal resources in a manner that preserves our natural environment. Mr. Ford did.

--I would not have worked to block the House Banking Committee's investigation of Watergate prior to the 1972 Presidential election. Mr. Ford as minority leader did.

A CARTER ADMINISTRATION

QUESTIONS

1. How would government be different under a Carter Administration than under a Ford Administration?
2. How would the last two years have been different?
3. Your views and Mr. Ford's appear to be similar on a number of issues. What are the real choices the voters have?

ANSWERS

A. Attack Points

1. There are many differences. Everything we want to do depends on a strong economy.
2. Would not have permitted this country to have worst recession since Great Depression, high unemployment, high inflation, and almost 26 million Americans in poverty, as compared to 24.2 million when Mr. Ford took office -- 1 out of 8 Americans.
3. Would not have vetoed jobs bills, or veterans bills, or proposed tax increase or decontrol of crude oil and natural gas prices in middle of a recession.
4. Would not have watched country fail to develop a coherent energy policy, permitted us to become more dependent (over 40%) on foreign oil, so this country would fall to its knees when threatened by the Arabs or sanctioned placing energy policy-making throughout the federal government with no real means of control or accountability.
5. Would not have ignored ineptness, insensitivity and abuses in federal bureaucracy, contributed to the pro-industry bias of regulated industries, drawn a large number of my regulatory appointments from the industries concerned, ignored the growing scandal in the Medicaid program, vetoed amendments to the Freedom of Information Act, or invoked executive privilege to hide from Congress list of firms cooperating in Arab boycott.
6. Would not have brought about a stalemate with Congress on strip mining legislation, tax reform, anti-boycott legislation, legislation giving consumers a voice in Washington and other measures.

B. Positive Points

1. Need an America on the move again, after eight years of scandal, recession, economic stagnation and stalemate. Need vision of an America confident again, tackling our problems again. Over last eight years, government has drifted and faltered, reacting to each crisis with no clear direction.

2. Specific goals for my Administration:

-- Cut unemployment to 4% by 1980 and stabilize prices at an annual increase of around 4%.

-- Top-to-bottom reorganization and reform of Federal government.

-- Decisive action to address our continuing energy crisis.

-- Comprehensive tax and welfare reform.

-- Move toward comprehensive national health program.

-- Development of a constructive, working relationship with Congress.

-- Balanced budget by the end of my first term.

3. There are distinct differences between candidates -- differences between a Democratic and a Republican President. Some Presidents believe their function is merely to preside, while bureaucracy and economy go their own way. Other Presidents (Roosevelt, Truman, Kennedy) have aimed to govern, reaching out to the people to learn and solve their problems. If elected, I intend to provide strong and decisive leadership, in contrast to the timid and passive role my opponent has played.

C. Likely Ford Responses

1. In two years, I have turned the economy around and restored peace, national confidence and respect for the integrity of the Presidency. Appointments have been highly qualified, strict code of conduct issued for White House, and strict instructions given to Cabinet on conduct of their departments.

2. I am experienced and have been a strong leader, keeping Congress under control.

3. Presidency has been open -- many press conferences and visitors; Cabinet has access to President.

4. Mr. Carter is an unknown, cannot be trusted (in view of flip-flops, evasiveness, and discrepancies) and will move with Congress to implement new Democratic programs costing over \$100 billion.

D. Rebuttal

1. See above. Also, Four years as Chief Executive of Georgia and two years of talking with the people gives voters reliable basis for evaluation. Never had a deficit. Ford himself proposed record deficits.

2. With all problems we face, government cannot continue to drift; stalemate with Congress must end.

3. Argument that Democratic President cannot control Democratic Congress was made in last Presidential debate by Richard Nixon against John Kennedy. Wrong then; wrong now. President Kennedy worked with Congress, kept inflation at around 2%, unemployment was extremely low and deficits were microscopic compared to today's.

4. Trust has not been restored in government; Ford has failed to take aggressive action to restore trust.

5. Gross misrepresentation and scare tactics to add up costs of programs, many already in existence, many not to be fully implemented for 5 to 10 years, and get ridiculous figure of \$100 billion. Pledge to implement new programs only as revenues permit. Same tactic Nixon used against JFK -- who proved we could have social progress, economic growth and balanced budgets.

III. BIG-SPENDING PROGRAMS, COST OF DEMOCRATIC PLATFORM

Despite conservative rhetoric, Jimmy Carter is a traditional big-spending liberal Democrat, as indicated by the cost of his proposals, such as national health insurance and welfare reform, and the price tag of the Democratic Platform which would add \$100 to \$200 billion to the federal budget.

Basic Statement

-- That's a misstatement and the Republicans know it. We can move forward. We can have a balanced budget by 1981. The average budget deficit over the last eight Republican years is four times larger than the average deficit during the Kennedy-Johnson years. The last three budgets submitted by Mr. Ford have had deficits greater than all the accumulated deficits from World War II to 1974.

-- During these Republican years economic growth averaged only 2% each year, compared to the 5.5% annual growth rates we achieved in the mid-1960s after President Kennedy's economic policies took hold. The plain fact is that the \$230 billion in budget deficits accumulated during the low-growth, recession, high-unemployment Republican years are the largest in the history of the United States.

-- Republican charges are exaggerated political scare rhetoric and they know it. It's exactly the same as Franklin Roosevelt's opponent in 1936, saying that we couldn't afford social security. Or Mr. Dewey telling President Truman we couldn't have health care. Or Richard Nixon saying in 1968

that we couldn't afford aid to education. Every major social advance of the past two generations has been preceded by a Republican charge that it couldn't be done. The people know better.

-- My campaign is based on the belief that new leaders with new perspectives and new ideas can get America moving forward once again. There is simply no reason to settle for this mediocre Republican record.

-- The Democratic Platform makes it very clear, and I have stressed this fact repeatedly, that our goals in the areas of human need, such as health and cleaning up the welfare mess, cannot be accomplished immediately. This means carefully phasing in programs as revenues permit and consistent with our goal of a balanced budget by 1981. This means holding government expenditures to 20% to 22% of our total national income, which is less than the proportion today.

-- Last year alone we spent \$17 billion, or roughly \$300 for each family in the land, for unemployment benefits and welfare costs brought on by the Republican recession. With a positive program to get our economy moving again, we can dramatically reduce these recession-related expenditures and obtain substantial additional revenues by putting our unemployed back to work. With these extra revenues we can begin on an orderly, careful, balanced and non-inflationary basis to phase

in national health insurance, to clean up the welfare mess, and get the country back to work.

-- As a farmer, businessman and Governor, I've always had a balanced budget.

-- Zero-base budgeting and the sunset concept will assure careful review of each program.

-- We've been losing up to \$3.5 billion in revenue per year in Medicaid through fraud. Waste in government is incredible.

-- The standard Republican response, whether the year is 1936, or 1960, or 1968, is that it can't be done. My answer is to look at what John Kennedy achieved after he took office . . . in the face of exactly the same Republican charges. Once President Kennedy's economic policies took hold, our country had an average growth rate of 5.5%, one of the highest, sustained growth rates in our country's history. Budget deficits were small (down to \$1.5 billion in 1965) inflation was held to 2%, compared to present rate of 6% to 7%, and we cut unemployment to 4%, down from the 6% when Kennedy took office. In 1960 John Kennedy promised to get America moving again and he delivered on that promise. I make the same pledge in 1976 and I intend to deliver.

QUESTIONS ON BIG SPENDING

Possible Question #1

"Mr. Carter, one of the basic Republican themes of the campaign is that your conservative rhetoric is just for political purposes and that, in reality, you are little different from the big-spending Democrats in Congress. They also point to the Democratic platform and charge that implementation of its proposals would cost between \$100 and \$200 billion and that this would trigger huge budget deficits and a new wave of inflation. How do you respond to this charge? How do you propose to pay for all these new programs without busting the budget and setting off a new round of inflation?"

(See basic statement):

- GOP deficit record
- Usual GOP charge
- Democratic accomplishments under Kennedy-Johnson
- Phasing-in as revenues permit
- Saving recession-related costs
- Zero-base and sunset savings

Possible Follow-up Question #1

"Mr. Carter, to blunt the charge of your being a big spender, you've said you would phase-in big new programs and that you would hold spending to a level that would be consistent with a balanced budget by the end of your first term. But what you haven't told us is what these beginnings would cost. The Republicans charge that national health insurance would cost \$80 to \$100 billion. You seem to suggest that it would cost a great deal less because you would begin the program more slowly. Can you tell us exactly what you plan to do in the area of national health insurance and what this would cost?"

--The average American is now paying \$550 per year for medical care. But many parts of the country have inadequate facilities of care. And each American family lives with the knowledge that doctor and hospital bills could bring bankruptcy.

--The vital first step in a workable national health care system is to get control of waste and hold down runaway costs by implementing present laws to abolish duplication of services, to eliminate expensive services of little or no

benefit, and to make certain that health services are provided by appropriate personnel in the least expensive and most humane setting. We would then phase-in the program as revenues permit, in order of priority and need.

--For the past eight years the Republican Administration has done next to nothing in stopping this outrageous scandal in the Medicaid program. So we would start with this essential period of preparation by enforcing existing regulations and by implementing the cost controls and hospital-auditing contained in the legislation sponsored by Senator Talmadge.

Possible Follow-up Question #2

"Please define the first steps and priority in phasing-in a national health insurance program."

(To be answered only if pressed hard and escape is impossible).

--We would combine parts A (Standard hospital) and B (optional physician) in the Medicare program and eliminate the monthly premium payments of \$7.20 for the elderly. (This can be accomplished for about \$2 billion).

--Next, assuming that our economic policies were on track, and revenues permitted, we would probably proceed to universal catastrophic coverage. (A cost of between \$5 and \$6 billion).

--I would then give the most serious consideration to moving toward substantial health benefits for mothers and children (up to 18 years of age). This is a very cost-effective program that will cover 67 million children and 4 million expectant mothers. (N.B.: A completely comprehensive program for mothers of children would cost \$15 billion, counting Medicaid savings, with less cost for a lesser program).

--I believe this general outline supports my position that it is possible to make a good solid beginning in building a national health care system within the goal of a balanced budget by the end of my first term. The 60 billion extra dollars that I have forecast will give us the fiscal leeway we need to move forward in this area.

--Finally, I believe from the bottom of my heart that we must begin. I believe that we can and that my program will cost what we can responsibly spend on health care within the strict confines of a balanced budget. The Republican Administration has not done enough to correct the scandal in the Medicaid program, to contain health costs (hospital costs up 18% last year...121% since GOP took office in 1969), and to make a responsible beginning toward a national

health care system that will improve the health and security of our people. (Don't use the dollar numbers at all unless pressed directly).

Possible Follow-up Question #3

"All well and good, Mr. Carter, you've given us the broad outlines of your plan to hold spending within the confines of a balanced budget. But what about the specifics of welfare reform? We've been talking about welfare reform for years, everyone promises to do it, but nothing ever happens. What are your specific plans and what are the costs?"

--First, the present welfare system is a mess and an outrage. It encourages people not to work. It demeans recipients. It destroys families. And it wastes enormous amounts of money. We cannot continue as a country to live with the current welfare mess which is wasteful to taxpayers.

--Despite these recognized problems, the Republican Administration has done next to nothing to reform the present system. Its efforts to eliminate efforts have failed. Administrative costs have doubled since 1972. A quarter of all welfare payments go to people who are ineligible for the program, or who should receive smaller payments. At present there are 400,000 middle level bureaucrats who process forms for over 100 welfare programs. These administrative costs drain off 1 dollar out of every 8 dollars intended for the poor. One welfare worker for each six recipients. If our

welfare system was administered only as efficiently as our social security system, we could save more than \$2 billion per year from lower administrative costs.

--As President, I would propose to solve the welfare mess by first consolidating the maze of programs we now have, ending duplication and overlap. Some families now participate in multiple programs, illegally pyramiding benefits, so that some people receive up to \$10,000 or more, tax free, as a result of getting welfare, food stamps, housing assistance, and Medicaid.

--These reforms would put people to work who can work -- with emphasis of job development on the private sector, through tax incentives and other subsidies.

--No one who can work should be permitted to remain indefinitely on welfare. But now about 1.3 million welfare recipients have nothing wrong with them physically or mentally. We need a requirement that they be trained and then offered a job. If they don't take a job, I would not want to pay them any more benefits,

--The vast majority on welfare who cannot work should be treated with decency and respect. There should be a single

basic benefit that is uniform nationwide, adjusted area by area for variations in the cost of living. We should remove welfare expenditures from local units of government in order to relieve the local property tax burdens from our citizens. (This presently accounts for about \$2 billion). Thereafter, and as revenues permitted, I would phase down and reduce the state share of welfare costs. Tax credits for the working poor should be used to encourage the alternative of work instead of welfare (N.B.: There currently is a limited tax credit for the working poor provided by the Long bill). (Also note: The current local share of AFDC is \$1 billion; the state share is \$5 billion; federal share of Medicaid is \$7 billion; state share is \$6 billion, local share is \$1+ billion.)

--Most of these reforms can be funded by streamlining and cutting out waste and overlapping. A system as efficient as social security can save \$2.3 billion per year. Eliminating errors in the food stamp program can save \$23 million per month. The Supplemental Security Income (SSI) program has overpaid recipients by \$547 million in its first two years.

--As we move toward full employment, the costs of welfare, food stamps, and unemployment insurance will decline. Between 1974 and 1976 the costs of these programs rose by some \$23 billion and this will provide additional resources to implement my welfare proposals.

--In short, I believe that my proposals can be implemented for a maximum expenditure of \$2 billion. The bulk of the other changes that I have discussed can be paid for by tough, unrelenting reorganization of the existing system to eliminate fraud and waste. It all gets back to electing new leadership with new perspectives to take charge of a situation that the Republican Administration has permitted to get totally out of hand.

Possible Follow-Up Question #4

"Governor, isn't your welfare reform program simply a warmed over version of the McGovern \$1,000 'demogrant?'"

--No. My program is built around the idea of putting everyone to work who can work. As I remember McGovern's program, it was designed simply to pay each family a certain amount of money. I do not think that those who are capable of working should be paid not to work if they refuse jobs or training. My program would be based on a strong work test, coupled with education, training and employment for people who can work. For adults who were caring for children full-time, or who are disabled, and for the 8 million children who cannot be expected to work, I would propose a fair, compassionate benefit standard.

ARMS CONTROL

QUESTIONS

1. How is your SALT policy any different than the Republicans?
2. What do you think of the agreements already concluded?
3. The SALT talks seem stalled. What would you do to get them moving?
4. How can you keep the Soviets from cheating?
5. If SALT II fails would you increase defense spending?

ANSWERS

A. Attack Points

1. Drift -- the President cannot make his own government agree on a basic SALT position. Lack of leadership, and no progress since December 1974. Vladivostok has never been converted into a treaty.

a. negotiation timetable coincides with elections (The Republicans didn't get an agreement on "large missiles" in 1972 because the elections were coming on.)

b. Vladivostok Agreement of 1974 set ceilings too high to be meaningful. The Threshold Test Ban and Peaceful Nuclear Explosions Treaties are inadequate.

c. in 1976 Mr. Ford turned Soviet relations into a political football for the Republican primaries, was paralyzed by politics.

B. Positive Points

1. Any arms control agreement I sign will increase our security, not decrease it, and reduce chances of war. It's got to be verifiable, and it's got to maintain a rough equivalency in nuclear power. Those are essentials of any SALT agreement.

2. My Administration will stand by the principles that:

a. SALT is the best interest of the U.S. and the U.S.S.R.

b. SALT agreements can be verified by both sides, by satellites and by scientific detection devices.

c. We should attempt to negotiate a mutual freeze on new technology not yet on the drawing board, and work toward mutual reduction of Vladivostok levels.

d. if the Soviets try to overwhelm us, of course we'll spend whatever is necessary to maintain rough equivalence.

4. I am well aware of the component problems of SALT, the Backfire bomber, the SS-19 and SS-20 missiles, cruise missiles, the Comprehensive Test Ban, the Mutual and Balanced Force Reductions, and so on. But I can't comment on these issues because (a) I am not part of the negotiations, (b) no wish to jeopardize delicate negotiations.

5. In SALT I would attempt to bargain from a position of strength:
- a. strong economy by turning around this Republican recession
 - b. tough modern defenses
 - c. our allies supporting us
 - d. our people united behind leadership they can trust
 - e. a clear sense of purpose and resolve

MIDDLE/EAST BOYCOTT

QUESTIONS

1. How solve Middle East problem?
2. What done differently than Ford?
3. What do about boycott?

ANSWERS

A. Attack Points

1. Administration has given Arabs, Egyptians, and Palestinians inadequate incentive to seek peaceful settlement; its actions have encouraged belief that Israel will eventually be unable to sustain self:

--March, '75 - The reassessment weakened Israel needlessly.

--armed Arab countries with most sophisticated and missiles (Arab nations now get 60 percent of U.S. arm sales; Iran 25 percent; Israel 17 percent.)

2. When Israel has been helped, it has been only for domestic political purposes. Recent sale of arms to Israel -- weapons Israel had been seeking for over year -- had been repeatedly denied. Only after Ford unable to fulfill promise on boycott release was it felt necessary to mollify Jewish community.

*3. Tacitly encouraged Arab boycott of Israel by refusing to disclose list of corporations participating -- and still has not done it despite promise in last debate; opposed legislation to penalize those participating in boycott -- that was made clear last few weeks by those who sought the legislation -- Ford misled when he said his Administration supported anti-boycott legislation.

B. Positive Points

1. U.S. commitment to Israel should not be treated as domestic political question -- is moral commitment, unswayed by power of Arab oil.

2. Would work constructively and responsibly toward Arab acceptance of Israel's right to exist as a Jewish state -- must be reflected in full normalization of Arab-Israeli relations (including diplomatic recognition and open frontiers). Achieve this by:

--Insisting on face-to-face negotiations -- no imposed settlement.

--Providing dependable, constant flow of economic and military aid to Israel.

--Supporting Israel's right to secure, defensible borders

3. Within this country, would seek criminal sanctions for participating in Arab boycott -- which Ford clearly did not do -- and would take effective measures to reduce America's growing dependence on Arab oil -- again, something Ford has not done.

(NOTE: It would be useful for future relations if you could avoid additional direct slams at Saudi Arabia by name.)

(See attached your earlier statement on this subject.)

ENERGY/ENVIRONMENT

Note: Unlikely that strictly energy question will be asked in view of questions in first two debates. Any energy-related question likely to be tied to environmental issues.

QUESTIONS

1. You have said a lot about an aggressive energy policy, including creation of cabinet-level department of energy. But that proposal did not deal with environmental agencies, and you have said little about how you intend to balance energy policy with concerns of environmentalists. How do you intend to strike the balance?

2. Is the reason the environment has hardly been mentioned in this campaign because the Republican record has not been all that bad, as indicated by recently released statistics on air and water quality?

3. What new initiatives do you propose with regard to the environment?

ANSWERS

A. Theme

Environment does not have to be sacrificed at expense of energy and economic growth and development. Aggressive leadership with vision and determination can accomplish both.

B. Attack Points

1. Ford position on energy and environment coincides almost precisely with that of industry: concerned about environment as long as it does not interfere with business as usual.

2. Wants emission standards delayed to 1982. Provided no leadership on Clean Air Act amendments, frustrating both sides and causing bill to die.

3. Vetoed two strip mining bills, but has proposed no alternatives.

4. Provided insufficient environmental standards or proper federal-state relations for Outer Continental Shelf drilling.

5. No energy policy. Callous about environmental problems of bringing Alaskan oil to lower 48 states.

6. No long term approach to solving radioactive waste problems.

7. OSHA and mine safety have been mismanaged and ineffective, causing misfortune for thousands of miners and industrial workers.

C. Positive Points

1. With strong leadership, it is possible to have energy plan that protects jobs, balances energy development, and offers environmental protection. It is time we had leadership with the vision and determination to tackle all those things aggressively. Energy...environment...jobs--must and can be safeguard equally.

2. Environmental agencies not included with energy agencies in proposed reorganization because both should have equal status and emphasis, with irreconcilable conflicts decided at Presidential level.

3. Will push for coal development and research but also strip mining legislation and strong air quality standards.

4. Will seek long-term development of renewable and environmentally safe power sources, like the sun, with redirection of nuclear emphasis on safety and waste disposal.

5. Will push a parkland development program like the Georgia Heritage Trust, which will include state and local involvement and urban park emphasis.

6. Will seek strong and vigorous enforcement of existing air and water quality standards and toxic chemical control that will prevent such disasters as the kepone poisoning of the nearby James River and Chesapeake Bay.

D. Likely Ford Responses

1. As Congressman, supported Clean Air and Water Pollution Control Acts and EPA.

2. Signed Toxic Substances Act last week, perhaps "one of the most important pieces of environmental legislation that has been enacted by Congress" (statement made at signing).

3. Signed Safe Drinking Water Act.

4. Sought 60% increase in funding for wastewater treatment.

5. Proposed doubling of national parks and increased funding for parks improvement and maintenance.

6. Believe in balancing environmental matters with employment, why supported approach to allow plants to continue to operate while they install control devices and otherwise come into compliance.

E. Rebuttal

1. Signing Toxic Substances bill is another example of signing a bill out of political expediency. Opposed many of its major provisions, but at height of campaign tries to take credit for them.

2. Proposal to expand parks is another empty campaign gimmick. Has allowed parks to deteriorate to point where they are disgrace. Proposal to "double" parks amounts to taking credit for setting aside Alaskan land that Congress set aside 5 years ago in Alaska Native Claims Act, and rest of proposal simply asks for authority President already has.

3. Refer to other attack points, particularly those attacking leadership.

PANAMA CANAL

Questions

1. The Foreign Minister of Panama has accused both you and President Ford of "vacillation and confusion" over the question of control of the Panama Canal. The Panamanian Ambassador of the U.N. says that you and President Ford are in a race to see who will be the most like Ronald Reagan. The head of government of Panama, Omar Torrijos, accuses you of "grave irresponsibility." Referring to your statement that you would never give up practical control of the Canal, Torrijos said that "never" is a word that has been wiped out of the political dictionary.

Do you stand by your statement that you would never give up practical control of the Canal?

What do you mean by "practical control?"

Answers

A. Attack Points

1. Leadership vacuum -- because of Reagan, treaty talks were recessed from May until after the election. Ford backed away from agreement his own Secretary of State entered with Panama relinquishing sovereignty over the canal.

2. Panama uses the U.S. dollar. There's unrest in Panama now because its economy is in a slump, and that's because our economy is in a slump, and that's because of Republican economics.

3. The Republicans are waiting for Panama to blow up in our faces, because the treaty is a tough decision.

4. Kissinger can't be everywhere at once. He only discovered Latin America last year.

5. The Republicans have created fear and distrust among Americans by not bringing the Panama issues out in the open, and by not consulting more with Congress.

B. Positive Points

1. Practical control is only arrangement that has the effect of giving us control. We have to protect our interest in an open, efficient, and neutral canal.

2. But I am sensitive to Panamanian feelings.

-- I have said I would continue negotiations.

-- Panama retained sovereignty over the Panama Canal Zone under the original 1909 Treaty. But we must insist that our shipping can never be blocked through the Canal and this would then give the U.S. practical control over the Canal.

--I have said we would share with Panama the responsibility for running the canal.

-- I have said we might pay Panama more for our rights there.

-- I have said we might reduce our military emplacements in Panama.

3. To make sure the Congress and the American people know what's going on, I might ask a committee of Senators and Congressmen to meet with me and the treaty negotiators to make sure we write a treaty that will protect American interests.

PAYING FOR DEMOCRATIC/CARTER PROGRAMS

QUESTIONS

1. Mr. Carter, one of the basic Republican themes is that your conservative rhetoric is just for political purposes and that, in reality, you are little different from the big-spending Democrats in Congress. They charge that the Democratic platform will cost taxpayers anywhere from \$100 billion to \$200 billion. How much would your programs cost and how do you propose to pay for all these new programs without busting the budget and setting off a new round of inflation?

Theme: Republican charges that I favor big spending and deficits are a smokescreen to hide their own record of waste, huge deficits, and unbalanced budgets. Mr. Ford has had the highest spending and biggest deficit record in the history of this country. I have never been a bigger spender and I am totally opposed to the huge deficits and waste we have in the federal government today. As Governor, I always had a budget surplus. As a businessman and farmer, I have always had to balance a budget and meet a payroll. I would balance the federal budget in my first term.

A. Attack Points

1. Mr. Ford's figures are total figments of his imagination. They are completely untrue and mean to appeal to the fears of people. Let's look at the facts on two party platforms. The Senate Budget Committee has estimated that full implementation of the two platforms is about the same--\$50 billion over 4 whole years. In fact, the study shows the Republican platform would be more expensive than ours, by several billion dollars.

2. The difference between the two parties is not in the cost of the promises made but rather to whom the promises were made. As you might expect, the Democratic Platform promises to help the working man, state and local governments, and to close tax loopholes. As you could also expect from their history, the Republican promises were made to corporations and higher income persons. Their platform provides approximately \$30 billion in special tax breaks, primarily for corporations and for taxpayers in the upper income levels.

3. Mr. Ford is the greatest budget deficit President in history. He tries to mask that fact by using the same false arguments Nixon used against JFK in 1960--and JFK showed we could have economic growth, social progress, and low deficits. The real cause of the deficits is the stagnate economy and high unemployment caused by Mr. Ford's misguided economic policies. The recession and high unemployment Republican years have produced \$240 billion in budget deficits--the largest deficits in our history. We've had more deficit in these 8 Republican years than in the prior 192 years of this country's history. The deficits will continue and they will be paid for by the average working American, as long as we continue to pay people not to work instead of putting them to work. This Administration is creating a welfare state in this country.

4. Every major social or economic advance of the past two generations has been preceded by a Republican charge that it was too expensive and that it couldn't be done. Mr. Hoover opposed job creation. Mr. Dewey opposed health care. Mr. Nixon opposed aid to education in the debates with John Kennedy in these same debates 15 years ago. Mr. Ford voted against Medicare. In all these cases the Republicans were wrong -- and they are wrong today.

B. Positive Points

1. I am not a big spender and never have been. As Governor, I always had a budget surplus. As a businessman, I have had to balance a budget and meet a payroll. We can put the economy to work and balance the budget by increasing production and putting the economy to work. We can pay for the essential needs of our people for jobs, housing, and health if we restore strong economic growth such as the growth achieved in the Kennedy-Johnson years (5.5% in 1962-66)--before the War. Mr. Ford and Mr. Dole are incorrect in saying that it took the Vietnam War to reduce unemployment.

2. Last year alone we spent about \$17 billion, or roughly \$300 for each family in the land, just for increased unemployment benefits and welfare costs brought on by the Republican recession. As we put our people back to work, they will join the ranks of taxpayers instead of receiving welfare payments and unemployment compensation. This will cut the deficit by increasing tax revenues and reducing the need for welfare payments and unemployment compensation. The Republicans say it is too expensive to put people to work -- I say it is too expensive not to.

3. We can also pay for new programs by eliminating the waste in government that comes from mismanagement, such as the \$3 billion annual loss from the Medicaid scandals. If I am elected President, I will institute zero base budgeting as a device to eliminate waste and inefficiency.

4. The Democratic Platform makes it very clear...and I have stressed this fact repeatedly...that our goals in the areas of human need, such as health care and cleaning up the welfare mess, cannot be accomplished immediately. This means carefully phasing-in programs as revenues and budget savings permit and in a way consistent with our goal of a balanced budget by the end of my first term. This also means holding government expenditures to the historical average of 21% of our total national income, which is less than the proportion today.

5. A growing economy produces more revenues and will enable us to meet our people's needs just like growing family income permits you to afford a new house or car. A sound and balanced attack against both unemployment and inflation, that puts our people and plants back to work, coupled with cleaning up the welfare mess, will result in lower unemployment, lower inflation, a balanced budget by the end of 1980, and long-ovdue initiatives in areas of human need. That is the opportunity before us.

VOTER ALIENATION

Questions

1. Why, according to a recent Harris poll, are such a high percentage of Americans disenchanted with the establishment in this country?
2. Why do over 60% of Americans of voting age believe that the people running this country don't care about the average individual?
3. Why do so many voters feel left out of the mainstream of American life (45%) and taken advantage of by people with power (62%)?

Answers

Theme: Government must serve the people, not the other way around.

A. Attack Points

1. Nation and its citizens have been jolted in recent years. I have found in my campaign travels that they have been deeply hurt by the deterioration in the quality of governmental processes.
2. The Vietnamese and Cambodian Wars, CIA and FBI revelations, our role in Angola and -- most tragically -- Watergate have stunned people. And it should not be in the least surprising that trust in our government declined drastically when in a short span of time a President and Vice President are forced to resign, two Attorney Generals are convicted, and virtually the entire White House leadership is forced out in disgrace.
3. Ford has not had his own Watergate. But he failed to provide the strong leadership needed to change our government and restore faith in it.
4. To the contrary, Ford has permitted many business-as-usual practices to continue and they only serve to erode further confidence in government. People's views will not change.

--as long as government continues to be disorganized and irresponsible (Medicaid, HUD scandals, FBI abuses.)

--as long as government decisionmaking continues to reflect a pro-industry bias (FEA trying to lift all price controls or phase them out as soon as possible; ineffective antitrust enforcement; Defense Department giveaways on cost overruns).

-- as long as 50 percent of recent Presidential appointments to regulatory agencies are persons previously employed by regulated industry.)

-- as long as consumer representatives are out numbered 100 to 1 and Mr. Ford strongly opposes any legislation designed to give consumers a voice in Washington. (In fact, unlike warm relationship with big business and Washington lobbyists, Ford has not met with major consumer groups in two years in office.)

5. Government today cannot serve the people when it is grossly mismanaged, unresponsive, overly secretive, and pro-special interest.

B. Positive Points

1. The federal government needs a thorough overhaul. To accomplish this task, it will require strong leadership and deep commitment. It will require leadership from a person who is independent of, not a product of, the Washington buddy system.

2. As Governor of Georgia, I took many steps to make government responsive to people's needs. I am committed to many of the same reforms for the Federal Government. Specifically,

-- Government must be simplified and well organized so the average individual can understand and participate in decisionmaking. If government isn't effective and efficient, it does not deserve to be.

-- Government decisionmaking should be in the open, allowing the public to be involved and informed.

-- Regulatory agencies, in the words of FDR, must "indeed be tribunes for the people." We must end sweetheart arrangements in Washington, appoint major government officials strictly on the basis of merit, require full disclosure of all financial interests and implement stringent conflict of interest rules.

-- There must also be access to the President. The White House has too long been open to the powerful and influential, but not the average citizen. I will change this.

C. Ford Responses

1. Committed to open presidency (news conferences, visitors, etc.). Signed sunshine law for regulatory agencies.

2. Committed to high standards, good appointments (Levi, etc.), no scandals, and stringent conflict regulations for White House staff.

3. Consumer representation plans will make agencies more responsive to needs of average citizen.

4. Am studying various ways of reforming and reorganizing government. Will take appropriate steps.

5. Voters will be interested in the election if the candidates discuss the real issues.

D. Rebuttal

See above. Also, stress that Ford's consumer representation plans are cosmetic and will not be effective (doesn't cover regulatory agencies; consumer advisers lack independence and can't subpoena documents or cross-examine witnesses; adviser, as subordinates, will not have meaningful impact on decisionmakers; funding inadequate for plans.)

KOREA

QUESTIONS

1. Stand by your earlier pledge to remove our troops within 5 years?
2. Doesn't withdrawal proposal signal a lack of American commitment and threaten Japan?

ANSWERS

A. Attack Points

Our objective is to help South Korea develop its own ability to work out its own future, without being subject to military blackmail by North Koreans.

1. Administration taken no steps toward eventual solution of Korean situation, which remains a dangerous flashpoint.
2. With 25 years of our help, and billions in aid, South Korea is strong and healthy military power -- one of world's most well-equipped armies; Park himself has said publicly by 1980 his country will no longer need our ground forces.
3. I would undertake no unilateral action which might weaken Japan's security or lead to uncertainty about our intention to maintain a strong relationship with Japan.

B. Positive Points

1. I would seek to remove our last ground troops from Asian mainland within about 5 years; consult closely with Korea and Japan about the phase out, maintain air and sea-based American forces nearby; and begin withdrawing as soon as possible our nuclear weapons--for local war, they serve more as danger than deterrent.
2. This proposal fully honors our Treaty commitment to Korea. Would mention our air support in Korea, which is most important facet for Korea and Japan.
3. Proposal does not signal lack of American commitment; it merely reaffirms what should be our policy--to use our limited troops where they are most needed. After 25 years, they are not needed in South Korea; but they are needed in Western Europe because of the greater threat (31 Soviet divisions in Eastern Europe). For that reason, never recommended unilateral withdrawals from Western Europe; reductions only with context of Mutual and Balanced Force Reductions talks in Vienna, which have been stalled.
4. Encourage human rights in Korea, as part of our efforts to strengthen that country for the long-term.
5. Withdrawal is consistent with President Park's understanding of South Korea's security.

POLITICAL REFORM

Questions

1. All the new election reforms--campaign finance disclosure, limits, and subsidies--new primaries--party reforms--have they really produced any meaningful improvements in the way we select a President?
2. Have the new reforms endangered the nation by leaving the Presidency more open to capture by unknown, inexperienced, and demagogic candidates?
3. Would you make any significant additions to, or subtractions from, the new reformed structure of our national election system?
4. The reforms have produced a petty, unenlightening campaign, and an electorate repelled by the candidates. Is that the fault of the system or the candidates?

Attack Points

1. Silver lining in the cloud created by Watergate--popular awareness of capture of government by special interests and political elite, and need for reform. Republican administration resisted as long and hard as possible, never offered leadership and has continued to let the people into the process of election and government only to the extent required by public pressure.

--Ford vetoed 1974 Freedom of Information Act (after pledge of openness when he took office)--gave no support for Watergate Reform bill which died in House because of lack of support from White House--gave no support to sunshine bill and permitted administrative leaders to lobby against it.

--Ford and his administration have neglected and actively fought effective enforcement of conflict of interest statutes and executive order, FOIA, Privacy Act. His Attorney General failed to support constitutionality of campaign finance reforms in the Supreme Court--He has already stated his intent to control disposition of the records of his administration and not leave them intact with the government, as I did in Georgia.

2. Ford's political managers have violated at least the spirit of new laws--and old--by permitting misuse of White House and other Executive Branch personnel, paid by taxpayer funds, for campaign.

Positive Points:

1. New election reforms may prove the most important changes of our time--the aim was to put the people all across America--not just the special interests and the political elite in Washington--in control of our government.

2. I think these reforms have worked amazing well--they may make it possible for a President to enter the White House owing nothing to any special interests or wealthy pressure groups, and everything to the voters.

3. Because that is true, it is now possible to think realistically about achieving things we have never been able to deliver--tax reform, government reorganization--and to restore things we knew in the past but have lost--integrity and respect for justice throughout the government.

4. By taking big money out of the general election campaign, reforms have had a beneficial impact on policy--Republicans cannot accept big business contributions like in 1972 and previously and during primaries--desire of the public for legislative reforms like sunshine legislation, antitrust improvements, toxic substances control, the tax reform act has had more sway.

5. We need dedicated, all-out enforcement and certain additional new laws:

--public financing of Congressional campaigns

--full financial disclosure for Congress and Executive (would have been provided by Watergate reform bill)

--provision for a truly independent special prosecutor

--new executive orders to strengthen requirements for financial disclosure and prevention of conflicts of interests, which I will issue immediately upon assuming office

5. Electoral College abolition (direct popular vote)

--advantage--assure rule of one-man, one-vote--remove possibility of popular vote loser becoming electoral vote winner (has not happened since 1888)

--disadvantages--lose fact that candidates are obliged to seek the votes of individual states--travel there--get to know the people and needs of all parts of the country--with direct popular election would be easier to sit back in Washington or anywhere and campaign on national television.

NOTE:

Standing by themselves, attack points on these issues are weak. We suggest that positive points be emphasized, with attack points interwoven and given secondary emphasis.

FUZZY ON ISSUES

Q. I know you feel that you're unfairly charged with being evasive or misleading on a number of issues. But why does this charge arise so frequently? What would cause people to reach such a conclusion? Aren't you fuzzy on the issues?

A. From the announcement of my candidacy and throughout this campaign, I have set out the essential goals and priorities to which I would dedicate my administration. These goals provide a clear picture of what a Carter administration will be like. It would be very different from the current situation.

First, we will have thorough, top-to-bottom reorganization and reform of the federal government. Everyone knows that the government has become bloated, wasteful, faltering, and in many areas downright corrupt. The first aim of my administration will be to make our federal government worthy of the people's trust once again. This is my program as I have said before:

--I will end the imperial role of the White House and restore responsibility to cabinet and agency heads;

--I will impose tight new management and budgetary systems, through the use of zero-based budgeting and sunset legislation. These systems worked in Georgia, and they are working in a number of the more progressive large corporations. I am convinced they will work in Washington;

--I will impose airtight new rules to assure that the entire bureaucracy is held to rigid standards of honesty and openness. The President himself, without legislation, can outlaw all forms of corruption, gross or petty. I will do that.

--I will restructure the bureaucracy along functional lines. This will permit the people to understand where responsibility lies. It will also enable federal officials to serve the public in a rational and efficient manner.

That is my first goal--government reform and reorganization. When Mr. Ford listed his idea of the major issues in this campaign, he did not even mention government reform as one of them. So there is a clear difference between us.

My second goal, is to restore our economy to the kind of sustained steady growth with stable prices which we enjoyed under Presidents Kennedy and Johnson. The way to do that is through active management of the economy. That is not the philosophy of the current administration. There is another clear difference.

My third goal is comprehensive reform of our tax system. I want people with equal incomes to pay equal taxes. I want a simple system, with forms which the average citizen can fill out himself or herself. I want a progressive system, in which the bulk of the tax burden is borne by those most able to afford it.

My fourth goal is to move as fast as new revenues permit to establish a national health care program, to end the welfare mess, and ultimately to deal with other areas of social need.

I do not pretend that these goals will be easy to achieve. But in my mind and heart there is no doubt that I will devote every resource at my command to achieving them.

I know my opponents have made the fuzziness charge to which you refer. I would expect that. I have never changed my basic goals. Although I try not to be rigid, I believe that the only adjustments I have made on particular matters have been relatively rare and minor.

The problem may be that my answers to reporters' questions are sometimes complicated because the problems we face are complicated. Government reorganization is complicated. Tax reform is complicated. You can't solve problems with slogans. For example, "Whip Inflation Now" may have a clear-cut ring. It may not sound fuzzy. But it hasn't done anything to help explain our economic problems. And it didn't do anything to solve them either.

I don't have a simple, easily defined ideology of the right or the left.

What I do have is goals. I know the major results I want to achieve. It is up to the voters to judge the depth and the force of my personal commitment to achieving these goals.

1

ACHIEVE ECONOMIC GOALS AND BUDGET DIVIDENDS

Q. You have proposed a very ambitious set of economic goals, achieving full employment, reduced inflation, a balanced budget, a \$60 billion budget dividend, and the initiation of major new social programs. I find this package hard to believe. How are you going to achieve a \$60 billion budget dividend and all of your other somewhat conflicting goals?

A. My economic program is to reduce unemployment and inflation to 4% or less in my first term. We can do that, generate budget resources to pay for what our people need and balance the federal budget, by achieving the 5½ percent economic growth rate we had under the Democratic economic policies initiated by President John F. Kennedy (the five years 1962-66).

--In the climate of pessimism, and economic stagnation generated by Nixon-Ford economic policies, there are those today who doubt that we can do this -- including Mr. Ford. I reject defeat in the battle to solve our economic problems. Building on the strength of the private sector, we can restore the prosperity we have had in the past under Democratic economic policies. Here is my program to put the American economy back to work.

--Government economic decisionmaking must be made more efficient, consistent and businesslike. The confusion and crisis--the overlapping and conflicting authority--the failure to look ahead--and the fact that no one is taking charge--must end. The Congress, the President, and the Federal Reserve must have a consistent set of economic policies.

--Our budget and credit policies must encourage strong economic growth. We need a budget policy that targets spending to priority areas that will increase employment and productivity. And I believe that credit policies should be used to lower interest rates, stimulate housing and investment, and strengthen economic growth.

--Our employment policies must be made more efficient and targeted to groups and areas of the country where unemployment is the highest. We spent \$17 billion "extra" federal dollars last year to keep people unemployed. I believe it is a better investment to spend this money to put people to work.

--With high growth and employment we can reduce welfare and unemployment expenditures and return to a balanced budget. Each additional point of unemployment adds \$16 billion to the Federal deficit, as welfare and unemployment compensation expenditures rise, and tax receipts decline. The major cause of the record budget deficits under Republican economic policies is economic stagnation and high unemployment. We would have a balanced budget today if we were at full employment.

--And by putting the economy back to work, restoring growth and productivity, and moving toward a balanced budget, and with policies to directly fight inflation, we can make real progress in reducing inflation. The economic stagnation of recent years has only made inflation worse -- we have had the highest combination of inflation and unemployment of any administration in 50 years.

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--I believe our efforts to reduce unemployment, inflation and balance the budget work together and not against each other. They all must be part of a modern economic policy. We must fight inflation and unemployment simultaneously. We will balance the federal budget only when we have enough jobs for our families so that they can balance their budgets.

--We will not achieve any of these goals with the stop-go economic mismanagement of the Republicans that have led to economic stagnation and record unemployment. Mr. Ford's proposal to increase taxes, just as we were entering the worst recession since the Great Depression, is an example of this stop-go economics. These policies have given us an eight-year average 2% growth, half our historical average, and almost 8 million people unemployed. We must and we can do better.

BEING SPECIFIC

Q.: Governor, you have talked a lot during this campaign about tax reform, government reorganization, welfare reform, and health insurance plans, but you have provided very few specifics. Those who judge you harshly might call this the equivalent of Nixon's secret plan to end the war. Can't you provide the American people with specifics?

ANSWER:

I will be glad to outline my views in these areas with as many specifics as my 3 minutes permit.

--First, on tax reform, I want to move toward a simplified, truly progressive tax system, with loopholes for the wealthy removed, and with lower effective tax rates across the board. This will be a long and difficult process, but it cannot be done piecemeal. We need comprehensive reform. Our tax system must be simpler, fairer, and more progressive. I would remove such loopholes as the deferral of tax on income from foreign profits of American companies, which causes a loss of jobs in this country; deductions from artificial tax shelters such as hobby farming; and tighten up business expenses such as entertainment on yachts, which only serve the very wealthy. I would also propose stiff minimum taxes on millionaires, so we don't have the spectacle of our richest citizens paying no taxes.

--Second, on welfare reform, we cannot continue to afford a system which is wasteful to our taxpayers, demeaning to our recipients, encourages the breakup of families, and fails to encourage productive work. We have one welfare worker for every 12 recipients--an enormous bureaucracy. Under the program I have suggested, those 1.3 million persons on welfare who can work should be provided job training and a job. If they do not accept either their welfare payments should be terminated. For those who truly cannot work because of their age or their disability we should provide a uniform payment, varying from area to area only for cost of living, substantially funded by the federal government.

I believe that the federal government can immediately remove the local share of welfare, and, as revenues permit, gradually phase-down the state share from its current 50% level.

--Third, on national health insurance, I believe that we must first go through a preparatory stage and adopt the suggestions contained in the Talmadge legislation, to tighten up cost controls and begin prospective rate making in our hospitals. We can then, as revenues permit, begin to phase in on an orderly and careful basis, various phases of our plan, based on priorities of need.

TAX REFORM

Q.: Governor, you have talked a lot about tax reform but have given us few specifics. Will you share with us some of the details of your tax reform plan which you say will return fairness to the tax code?

ANSWER

To begin with, I think we must recognize that the American people have a remarkable record of tax honesty. They file full returns. And they file them on time. This is one of the few nations in the world with an honor system for paying taxes. We must ensure, however, above all, that the abuses of the Internal Revenue Service discovered in the last few years under Mr. Nixon do not recur. Harassment, audits for political reasons, and the like, undermine the public confidence in our tax system essential to the maintenance of our method of paying taxes.

This confidence is likewise undermined by the accurate public perception that our tax system is unfair and paralyzes the middle class and the poor. The tax code is filled with a number of unfair provisions which distort the system and discourage the average wage-earning family unable to take advantage of breaks and loopholes in the code.

-- In 1974 there were 244 Americans with incomes over \$200,000 who paid not one cent of federal income tax. This happened because a whole industry has grown up around ways to avoid taxes through

investing in such things as luxury high-rises, movies, oil and gas ventures, and artificial farming operations.

-- Business deductions have also been distorted beyond reason. There are perfectly legitimate business-expense deductions. But the big businessman who has a three-martini \$50 lunch . . . who schedules so-called business meetings in the Caribbean or in Europe . . . who travels first-class on airplanes . . . who writes off the cost of a yacht for business-entertainment purposes is being subsidized by the average citizen who works for wages. These deductions should be sharply limited.

-- There are, in addition, a number of questionable provisions elsewhere in the tax code which stifle competition or penalize the average citizen. The code itself runs thousands of pages and requires accountants and lawyers to decipher it.

-- The Republicans have never advocated comprehensive tax reform or a thorough review of all special interest provisions. Their "reform" proposals specialize in new tax breaks for upper income taxpayers. Mr. Ford's tax proposal of early 1975 is typical -- heavy tax cuts for the rich, light tax cuts for the low and middle-income taxpayer -- for the stated reason that only upper-income taxpayers buy the home freezers and automobiles the Republicans wanted everyone to buy.

-- To clean up this mess, I want comprehensive tax reform that makes the tax system simple, fair, progressive and efficient.

-- The tax code has been constructed over many years, its provisions are interrelated and touch every part of the economy. I want a comprehensive tax reform proposal so I won't have to fight a series of regular monthly battles with special-interest groups who have a stake in specific, individual provisions. By putting forth a comprehensive proposal, I believe I can get clear majority support from people around the country who want overall reform because such reform would have the following benefits:

-- I would propose a fair tax system, based on the principle that people with the same income would pay the same tax. As it is now, one person can make the same amount of money as his neighbor but pay much lower taxes, depending upon how they earn their living.

-- I would propose a simple tax system that people can understand and with forms that the average citizen can fill out himself;

-- I would propose a progressive tax system so that the wealthy consistently pay more taxes than the average worker.

-- And I would propose a tax system that fosters business expansion and encourages strong economic growth.

-- I believe such comprehensive reform can succeed because I would tie the elimination of any special tax provision to cutting individual income tax rates across the board.

-- Although some of the special provisions in the tax code are justified, I will carefully review all special tax provisions to determine whether they can stand on their own merits.

-- I would eliminate or phase-out those provisions that do not work and cut individual income tax rates at all levels of income. At the present time, we have hypothetical tax rates that run from 14 to 70 percent. But these rates are a joke because of all the loopholes now in the tax law. It would be my objective to eliminate as many of these special provisions as possible and cut tax rates at all levels of income, but particularly at the lower levels to make the system more progressive.

-- I realize that this is an ambitious proposal, and it will be difficult to achieve. When I was Governor of Georgia, I faced the same difficulties in reorganizing the state government. I found that the only way to do it was to get the best advice I could, draw up a complete package of reform, and then let the people of the state and their elected representatives decide whether they agreed or not.

-- Some members of Congress and others may disagree with some of my tax reform proposals and cooperation and some compromise may be necessary. But it is my view that the general public will be supportive if they have a President who is willing to fight for tax reform. We have not had that kind of leadership during the last 8 years.

POPULIST

Q. Governor, you have sometimes been described as a populist. Would you define that term for us? Is it an accurate description of you and your philosophy of government?

A. Populism has historically been a movement identified with the problems of the average citizen rather than an economic social elite.

While I do share a philosophy of concern for the problems of the average working man in America, I don't believe labels like "liberal", "conservative", or "populist" have any real significance to the new problems confronting the American people. I've avoided these outmoded labels. People want results not slogans and labels.

I have tried to take the best from liberalism and conservatism -- the compassion, concern and activism of liberalism, and the tough management and fiscal responsibility associated with conservatism.

I believe we can have social progress --and live within our means.

I believe we can make government a constructive instrument to help our people -- and do so without running up the enormous deficit we have had during the Republican Administrations.

I believe we can make our government responsive and end the waste and mismanagement we have had for too long in our government.

We did these during the Presidency of John Kennedy -- we can, and must do it again.

TAX REFORM: CARTER'S TAXES;

THE INVESTMENT TAX CREDIT

Question: Governor Carter, you've been campaigning for almost two years now and one of your principal platforms has been the need for comprehensive tax reform. Now it turns out that for last year on an income of \$136,000 you paid only about \$17,000 in tax. In that connection, you said that your own tax return illustrates vividly the need for tax reform and that the investment tax credit, which enabled you to reduce your taxes to such a small amount, should be geared to the number of jobs it creates rather than to the value of the equipment installed which is now the case. Now, I have several related questions: (a) how can you be arguing for tax reform when you took advantage of so many loopholes in your own tax return; (b) do you really think your own tax return illustrates the need for tax reform; and (c) are you for repeal of the investment tax credit and its replacement by an investment credit which would be geared to the number of jobs created?

ANSWER:

(1) I know we need tax reform and so do our people.

(go into basic answer on need for tax reform)

(2) When we are talking about the need for overall tax reform effecting the millions of tax payers in this country, I don't see how my personal tax return is relevant one way or the other. I

think that if anyone checks my income tax returns for the last ten years or so and they have all been made public, he would find out that I've paid roughly 25- 30% of my annual income in taxes. Last year was a special case because we installed a substantial amount of new machinery and equipment in our business and we were entitled to take the investment tax credit on the value of that machinery.

(3) Now the investment tax credit has been part of our tax law for about 15 years. It's been approved by both Democratic and Republican administrations. It's purpose is to encourage new capital investment in plant and equipment which will in turn increase labor productivity.

(4) The effect of putting that new machinery and equipment into our business will be to increase employment in Plains and, we hope, increase the profit in our business, which of course will be fully taxable. The theory behind investment credit is to encourage businessmen to invest in their businesses because this will increase productivity and jobs and have a positive effect on the economy.

Follow-up question: But Governor Carter, do you stick to your statement that the investment tax credit should be changed to be based on the number of jobs created rather than the value of the equipment?

ANSWER: We are going to be looking at ways to stimulate employment in this country either through direct expenditures or tax incentives to encourage job creation. The investment tax credit presently has

that effect indirectly because it encourages capital formation and increased productivity and thereby stimulates employment and the overall economy. Capital formation is essential to our policies of steady growth and I think the investment incentive is an important and useful incentive in that connection. As I've said, I would be interested in looking at the tax code to see if we can find efficient tax incentives to spur employment. But that would be in addition to the investment tax credit and not in place of it.

(If directly pressed or accused of a flip-flop, Carter should support the investment tax credit as currently structured and should say that he was suggesting a look at the tax code for employment incentives and did not mean to suggest repeal or replacement of the investment tax credit.)

NATIONAL HEALTH GOALS

(4 and 8 years)

- I. Better Health for Americans
 - A. Reduce infant mortality rates
 - 1. Improve rates relative to foreign countries.
 - 2. Improve rates for blacks relative to whites.
 - B. Improve the health status of children (e. g. hearing, sight, teeth, nutrition).
 - C. Reduce differentials between male and female longevity and non-white and white longevity.
 - D. Increase the proportion of the health dollar spent on chronic illness, prevention and rehabilitation relative to general hospital acute inpatient care.
 - E. Increase the use of cost effective preventive measures such as immunization and hypertension testing.
 - F. Decrease occupational death rates through more adequate prevention programs.
 - G. Increase the levels of implementation of anti-pollution programs.
 - H. Increase public knowledge of health hazards (to include lifestyle) and ways to minimize the effects of such hazards.
 - I. More adequately protect the public from harm done to them by health care providers.
- II. More Effective Control of Health Care Costs
 - A. Decrease the rate of increase in health care costs to that for non-health care services.
 - B. Reduce the number of hospital days per 1,000 population.
 - C. Reduce the rates of surgery per 1,000 population.
 - D. Reduce the general hospital acute care bed capacity.

- E. Reduce the fragmentation of health care insurance coverages and carriers.

III. Better Financial Protection from Health Care Costs: Enact Comprehensive Universal National Health Insurance

- A. Eliminate economic barriers to preventive care, early diagnosis and treatment.
- B. Eliminate economic barriers to early access to treatment resources for emotional problems.
- C. Decrease the proportion of total health care expenditures paid by the elderly directly.
- D. Provide all Americans with a limit to catastrophic personal expenditures for health.

IV. Improve Equity in Health Care for Disadvantaged Groups

- A. Improve financial protection from health care expenditures for those who lack adequate health insurance (see also III).
- B. Improve the access to health care for rural Americans and those living in urban ghettos.
- C. Assure access and availability of training, education and rehabilitation of the handicapped.
- D. Increase the proportion of medical students with family incomes which are below the median for all medical students.
- E. Increase the proportion of American to foreign medical graduates.

V. Improve the Accountability and Effectiveness of Federal Health Care Administration

- A. Reduce the fragmentation among federal health care agencies and programs.
- B. Establish and implement performance standards for federal health care agencies.
- C. Establish national priorities for improvement in health care delivery and standards of health care provider performance.

- D. Adequately inform the public of health provider performance relative to national priorities and standards.
- E. Eliminate the fragmentation in data collection and billing systems.
- F. Increase the proportion of the federal health research dollar spent on health services research and demonstration programs.

FORD FLIP-FLOPS

CHANGES IN FORD'S POSITIONS

A. Domestic Policy

1. Pardon of Nixon

- a) At his confirmation hearings, Ford stated that he did not think the public would stand for a pardon of Nixon; at a subsequent press conference, he said that any decision on a pardon would have to await completion of the judicial process.
- b) Ford granted an unconditional pardon to Nixon only a month after assuming office; Ford said that his previous statements had been given too freely and fast and had been given merely to hypothetical questions.

2. Tax Reduction

- a) Ford stated in October, '74 that inflation was the nation's most important economic problem and that one of the cures would be a 5% tax surcharge ("Whip Inflation Now").
- b) Three months later, in his 1975 State of the Union Address, Ford asked Congress to pass quickly a one-year tax cut of \$16 billion.

3. Tax Cut Extension - 1975

- a) In October '75, Ford stated that he would support a tax cut extension only if: 1) the amount of the cut was \$28 billion in spending and 2) there was a corresponding spending cut of \$28 billion; he said any other type of cut would be vetoed.
- b) Ford agreed to and signed a tax cut extension of only \$8 billion for the first 6 months of '76, with no corresponding reductions in spending.

4. Common Situs Picketing

- a) Throughout 1975, the Ford Administration strongly supported and helped to draft a common situs picketing bill. Ford assured Labor Secretary Dunlop and major labor leaders that he would sign the bill.
- b) Ford subsequently vetoed the bill, stating that it had failed to gain the support of all parties to the common situs problem. Dunlop resigned as a result of the veto.

5. Con Rail

- a) Ford voted against legislation to establish a public rail corporation to take over the bankrupt eastern railroads (1973).
- b) Ford supported and signed legislation designed to accomplish the same objectives as the '73 bill (April '76).

6. Welfare Reform

- a) Ford co-sponsored and voted for Nixon Administration's plan (Family Assistance Plan) to provide a guaranteed minimum family income ('70 - '71)
- b) Throughout his administration, Ford has opposed any legislation to provide a guaranteed family income.

7. National Health Insurance

- a) In 1971, Ford co-sponsored Nixon's comprehensive National Health Insurance plan.
- b) In his '75 and '76 State of the Union Addresses, Ford stated that he would not support any type of comprehensive national health insurance plan.

8. Food Stamps

- a) Ford voted and worked against the establishment of the Food Stamp program (1964).
- b) In 1976, Ford proposed amendments to the Food Stamp program in operation (though to limit its coverage).

9. Medicare

- a) Ford voted against the establishment of Medicare (1965).
- b) Ford proposed in February of '76 to extend Medicare to include "catastrophic" coverage.

10. Consumer Protection Agency

- a) Ford voted in 1969 for the establishment of a consumer protection agency and against limiting such an agency to a purely advisory role in Federal policy making.
- b) Since assuming the Presidency, Ford has consistently opposed the establishment of a consumer protection agency.

11. No-Knock

- a) In 1970, Ford strongly supported and voted for legislation to give Federal Drug agents and D.C. police the authority to enter homes without knocking or identifying themselves to the occupants.
- b) In October '74, Ford signed legislation to repeal this type of "no-knock" authority.

12. Watergate Reform Act

- a) Ford opposed throughout 1975 and half of 1976 the establishment of any type of an independent permanent special prosecutor, as was provided for in the Watergate Reform Act.
- b) In July of '76, several days before the Senate was about to pass the Watergate Reform Act, Ford announced his support for a permanent special prosecutor.

13. Wilderness Increase

- a) Ford has said throughout 1976 that he would oppose any new programs requiring the expenditure of Federal funds and that he would attempt to reduce the size of the Federal bureaucracy.
- b) On August 29, '76, Ford proposed to spend \$1.5 billion over a ten year period to expand the nation's parklands and to increase the number of new park personnel.

14. Antitrust Bill (Parens Patriae)

- a) Throughout '75, the Ford Administration testified for and helped to develop an antitrust bill that would allow a State Attorney General to sue on behalf of consumers in his state for antitrust violations (parens patriae).
- b) Ford informed Congress in March '76 that he did not support the parens patriae concept and that he would veto a bill containing the concept.

15. Financial Assistance to New York City

- a) Ford repeatedly stated from May '75 through mid-November '75 that he opposed and would veto any bill designed to prevent a default by New York City.
- b) Ford subsequently asked Congress to approve Federal loans to NYC; he confirmed that he had always intended to seek such assistance but first wanted to force New York State and New York City to increase taxes and lay off employees.

B. Foreign Policy

1. Rhodesia

- a) In 1971, Ford voted to permit U.S. to import chrome from Rhodesia despite U.N. sanctions. (Byrd amendment).
- b) In April '76, Ford indicated that his administration would seek the repeal of the Byrd amendment.

2. Panama Canal

- a) While campaigning in the Texas primary, Ford said the U.S. would never give up its defense or operational rights to the Panama Canal.
- b) Ford subsequently admitted, upon returning to Washington, that he had previously instructed Ambassador Burkner to negotiate a treaty that would surrender, over a fixed period of time, both operational and defense rights.

3. Meeting with Alexander Solzhenitsyn

- a) When Solzhenitsyn visited the U.S. in mid-1975, the Ford White House said Ford did not have time to meet with Solzhenitsyn.
- b) When the refusal to meet Solzhenitsyn caused an uproar, from both liberals and conservatives, Ford announced that he did have time to meet Solzhenitsyn, and he extended an invitation for a White House meeting.

4. Cuban Policy

- a) Early in his Administration, Ford had U.S. vote to life OAS sanctions against Cuba and ordered the lifting of U.S. trading sanctions against Cuba.
- b) In the Florida primary, when Reagan began attacking Ford's softness on Cuba, Ford reversed course and declared Castro an "international outlaw," he also said the Pentagon was reviewing contingency plans for military action against Cuba.

5. Detente without the word

- a) From the time Ford became President, he often praised, and pledged a continuation of, the Nixon-Kissinger detente policy.
- b) When Reagan began continuously criticizing the policy early in 1976, Ford stopped his frequent praise of the policy and announced, in March, that while the policy would continue he would no longer use the word "detente."

6. Replacement of Moynihan as Ambassador to UN

- a) Ford repeatedly stated publicly that he fully supported Moynihan's actions as U.N. Ambassador and did not want him to leave that position.
- b) At the same time, Ford was privately claiming to journalists that Moynihan's strident defense of Israel was harmful to American diplomacy and did not have Administration support. Because those private statements were published, Moynihan felt he had no alternative to resignation.

C. Politics

1. Presidential Candidacy

- a) At his confirmation hearings, Ford repeated his earlier statements that he could foresee no circumstances under which he would run for President or Vice-President in 1976.
- b) Ford announced his candidacy for President in July of '75; he made no mention of his previous statements.

2. Attacking Ronald Reagan

- a) In an interview on December 31, 1975, Ford responded to a question about the differences between his candidacy and Reagan's by saying: "I have never, as a candidate, attacked an opponent. I don't intend to. . . I think (Reagan) will have to develop his policies. I am going to talk about my policies."
- b) Almost from the time he began campaigning in New Hampshire, Ford attacked Reagan and his policies: his record as Governor, his \$90 billion plan, his proposal for social security reform, his proposal for TVA reform, his Panama Canal policy, his Rhodesian policy, his inability to win the general election, etc.

3. Nixon Policy Without the Name

- a) As Congressman and Vice-President, Ford praised and defended Richard Nixon and his policies. As President, Ford has largely continued all of the major Nixon policies.
- b) While campaigning early this year, Ford admitted that he was intentionally no longer mentioning the name of Richard Nixon.

4. Dropping of Nelson Rockefeller as Running Mate

- a) Until Reagan entered the race for the Republican nomination, Ford has nothing but praise for Rockefeller; and he indicated in August, 1975 that he would not want to break up the Ford-Rockefeller team in 1976.
- b) However, as Reagan's strength became apparent and Rockefeller's liberal reputation became a liability, Ford allowed Calloway and Rumsfeld to make public and private statements about Rockefeller's harm to Ford. When Rockefeller took the hint and withdrew, Ford did not say a word trying to change Rockefeller's mind.

5. Justice Douglas

- a) In 1970, Ford began the movement in the House of Representatives to impeach Justice Douglas.
- b) In 1975, when Justice Douglas announced his resignation, Ford praised Douglas for his distinguished and unequalled service on the Supreme Court.

HEALTH

QUESTIONS

1. What, precisely, is the content of the vague commitment you have made to adoption of a national health care program, when do you expect to implement it, and how much will it cost? How can we possibly afford your health care program?
2. The cost of health care has risen, while indices of the state of the nation's health show little or negative progress. What can be done to attack the causes of disease which stem from the environment and life-style of modern society?

ANSWERS

A. Attack Points

1. State of health care is a shameful scandal -- sources of fear and physical and financial hardship for us all as individuals, and a discredit to the nation.

We are paying more and more for health care (total U.S. health costs up 250% under Republicans -- average worker works one month of every year just for health care -- \$600 per person more on absolute basis and on per capita basis than any country in the world.)

But we are not a healthier people. It is not safer to be born here, or to walk our streets, or work in our factories, or eat our food than it was for our grandparents and great grandparents, or than it is for people in other modern countries (U.S. is 15th in infant mortality, behind E. Germany, Australia, Finland, and 11 others; life expectancy of American males at age 45 increased only four years since 1900; over one thousand people die of cancer each day -- the rate is increasing -- the causes are partially in our environment; 100,000 people die from occupational disease each year.)

2. In first debate, Ford distorted testimony of Busbee -- federal Medicaid program was a shambles -- and is not a state program.

Over a month since a Senate committee (Senator Frank Moss) revealed \$3-\$5 billion lost to federal government alone annually through fraud in Medicaid -- but no response from Administration -- over \$2 billion is going to Medicaid mills -- phony, substandard clinics which rip the program off with what the committee described as "bushels full" of useless and unnecessary tests, x-rays, drug prescriptions, and the like.

3. As Congressman, Ford voted against establishment of Medicare. As President, he is watching while the program is crippled by mismanagement, and by policies which price its services beyond the means of beneficiaries.

-- Unprecedented 19% price rise in Medicare deductible, on top of 13% less than one year ago.

-- Ford's most recent legislative proposal -- have Medicare patients pay 10% of the cost of the second through the 59th day -- total \$1 billion on backs of elderly who most need care and can least afford it.

B. Positive Points

1. Rather than sit back and passively tolerate these tragic trends and permit profiteers to exploit the taxpayer and the beneficiary, we have to seize the initiative and move toward an adequate and affordable health care system on a gradual basis.

(NOTE: Do not use or cite specific dollar figures on any of following points 2, 3, or 4 unless pressed to do so.)

2. Phase 1 -- rectify mismanagement and eliminate fraud, so that NHI, when it comes, will not simply subsidize and increase current waste and injustice.

-- Reorganization -- Education out of HEW, one agency for Medicare and Medicaid, consolidation of 302 health programs.

-- Central fraud and abuse unit, adequately staffed, to investigate law violations aggressively (until recently there was exactly one person to investigate fraud in all of Medicaid).

-- Prospective reimbursement of hospitals -- (as in Talmadge bill).

3. Phase 2 -- Combine Part A (standard hospital) and Part B (optional physician) in Medicare and eliminate monthly premium \$7.20 payments for elderly -- \$2 billion.

4. Phase 3 -- either catastrophic care for all -- \$5-\$6 billion; or

-- Substantial health benefits for mothers and children, cost-effective, 67 million children and four million expectant mothers -- \$15 billion for complete coverage and less if not complete.

5. Then move to other areas as money is available and system can handle it.

6. Meanwhile, implementation of reforms in delivery system -- better cost monitoring and controls -- strict safeguards against duplication of facilities -- measures to increase availability of medical services in geographic areas where they are needed and away from areas where concentration is excessive.

--After six months of assurances that recovery was underway, Mr. Ford now admits a temporary "pause". Economists now predict new recession in '78.

DOMESTIC POINTS TO MAKE

1. Republican economic policies have failed; Ford-Dole ticket offers only more of the same; individual Americans simply can't take four more years like the last eight.

--Unemployment has increased by 50% since Mr. Ford took office, from 5 million persons to 7.5 million. . . direct result of Republican plan to fight inflation through high unemployment.

--But inflation has also skyrocketed. 1968's dollar is today worth ~~just~~ just 61¢. . . and if you spend it just on groceries, it's worth 57¢. Wholesale price index now points toward double-digit inflation.

--Average worker's weekly paycheck is worth less today than it was in 1968. . . and less than when Mr. Ford took office. Average worker's paycheck can't keep up with rising cost of living.

--Republicans offer welfare, not work. Last year the increase in unemployment compensation and welfare added \$17 billion to federal deficit. Together with lost tax revenues, these payments accounted for \$120 billion budget deficit proposed by Mr. Ford.

--Mr. Ford told U.S. News and World Report that he would continue to "study" the problem of unemployment if re-elected. Dramatic admission of stagnating, lackluster ^{Republican} leadership. Economics of inertia.

If elected, I would provide the new leadership that can move our economy forward once again

--New leadership that attacks unemployment and inflation at the same time. . . just as President Kennedy did following the Republican recessions of the 1950s.

--~~Use~~ Use some of \$17 billion now being spent on unemployment compensation and welfare to create jobs . . . 500,000 young people improving rural and urban areas. . . develop partnership with private sector to hire and train unemployed. . . anti-recession grant program to areas with highest unemployment . . . put housing industry back to work.

--With nearly 8% unemployed and only 75% of industrial capacity being used, we can expand production without touching off inflation.

--Employment programs targeted to geographic areas and groups with highest unemployment. . . get away from wasteful, blanket programs.

--Activist President not afraid to speak out against inflationary price or wage decisions, like JFK in '62. . . antitrust enforcement. . . ~~higher~~ higher worker productivity. . . selective controls only as a last resort.

--Economic growth rate of 5.5% annually ~~can~~ will produce balanced budget by end of first term.

. . . more competition through less government regulation. . . voluntary wage-price guidelines. . .

2/

2. Sustained economic growth is the key to making government work. . . balanced budget by end of first term while simultaneously moving forward on critical unmet domestic problems. . . jobs, welfare reform, health.

--Cause of present record deficits is stagnating economy and high unemployment. People who are out of work don't pay income taxes, but they do collect unemployment insurance and ~~other~~ welfare payments. \$17 billion just last year. . . . compare this to the \$4 billion that Ford allegedly saved by his vetoes (Senate Budget Committee)

--Cost of Democratic and Republican Platforms almost identical according to Senate Budget Committee. . . both around \$50 billion over 4 years. Big difference is who benefits. . . Democrats focus assistance on average working families, elderly, needy, state and local governments; Republicans help higher income people, corporations (\$30 billion in special tax breaks).

--Same Republican charges as in 1960 when Richard Nixon attacked John Kennedy in ~~almost~~ exactly the same way. Republicans always oppose social progress as too extensive. . . social security, jobs, Medicare, aid to education.

--Considerable sums lost due to fraud and mismanagement. . . \$3-5 billion in Medicaid fraud alone. . . and Mr. Ford has done nothing.

New leadership with a sense of purpose and direction. . . with a plan for moving America forward. . . can provide responsible, sound government that serves people.

--Just as a family with increased income can afford a better house, a vigorous, expanding national economy provides the government revenues to meet critical, unmet needs like jobs, health care, and welfare reform.

--Sustained economic expansion of 5.5% annually (as achieved under President Kennedy and Johnson) will lead to a reduction of unemployment to 4%, a balanced budget by the end of my first term, and responsible beginnings in health care and welfare reform.

--We will move forward in these areas only as fast as revenues are available.

--Money now spent on unemployment compensation and welfare can be diverted to ~~positive~~ more productive uses. . . work, not welfare, is the key.

--Everything we hope to do in America depends on a strong, expanding economy. . . just as the Republican recessions of the last eight years have ~~prevented~~ brought us stagnation across the board, in addition to record budget deficits.

3/ --Republican double standard: one set of rules for wealthy, privileged, Washington establishment; another set for average, middle-income family. . . taxes, justice, government services, ~~personal morality~~ morality of governmental officials.

3. New leadership for a fresh start. . . to get America moving. . . to make government responsive to people, not special interests.

--President Ford has been in office 800 days, nearly as long as President Kennedy, without cleaning house ~~cracking~~ cracking down on bureaucratic mess, no reorganization plans, no new policies to turn economy around, solve energy crisis, rescue housing industry, fighting crime. . . Why should first 100 days of a new Ford Administration be any different from last 800?

--Lack of affirmative leadership has produced stalemate with Congress. . . American people are the real losers for as long as this deadlock lasts.

--No sense of vision or national purpose, no sense of direction. . . instead, a series of last-minute campaign promises designed to win votes.

--Despite campaign speeches about new openness and high ethical standards, it's the same old business-as-usual approach. . . few press conferences. . . vetoed Freedom of Information Act amendments. . . fought sunshine legislation. . . mislead public on anti-boycott policies. . . secrecy in foreign policy . . . ~~xxxxxxx~~ not acted on financial disclosure and conflict of interest.

What's needed is a new broom to sweep the house of government clean.

--Serve as Temporary First Citizen, not as some imperial potentate. . . just as I did as Governor of Georgia. . . sunshine requirements, full financial disclosure, strict conflict of interest rules, "People's Days," met regularly with press, appointed ~~xxx~~ officials solely on basis of merit.

--Aggressive action to reform and reorganize government. . . zero-base budgeting, efficiency incentives, put Cabinet in charge, not White House staff, clean up fraud, as in ~~Medicare~~ Medicaid.

--Develop constructive, working relationship with Congress. . . nation simply can't afford another four years of deadlock, stalemate, and stagnation.

--Commitment to balanced budget by end of first term, phasing in new programs only as revenues permit. ~~Me~~ Everything not possible in four years but we can begin.

--Specific goals: cut unemployment to 4% by 1980; hold inflation to 4% annually; tax and welfare reform; a start on national health program; reorganization and reform of bureaucracy; balanced energy program.

4/

4. Many routes to the Presidency. . . my background and training, experience as Governor of Georgia, personal contact with American people, freedom from Washington buddy system offer best preparation for new leadership and a new start.

--President Ford followed a different path, represented a congressional district of less than ~~500,000~~^{one-half million} people for 25 years. . . . insular view of America and the world. . . . entire experience as part of Washington scene . . . minimum opportunity for administrative experience or leadership.

--Gross distortions ~~of~~ and misrepresentations of my Georgia record. . . . people have a right to know the facts.

--While President Ford has been secluded behind the White House fence, isolated in the oval office, I've been criss-crossing America, meeting average people. . . . in their living rooms, factory lines, listening, answering questions, learning what the people want and don't want from their government.

My record as Governor of Georgia shows what new leadership of vision and purpose can produce for the people.

--Left office with \$116 million surplus, despite greater government activity in behalf of people. I presided over period of Georgia's greatest economic growth, increasing State revenues because of larger tax base. Ford's charge that expenditures increased 50% neglects critical fact that people received more services, plus \$116 million surplus.

--Only gasoline and cigarette taxes increased to bring them in line with national average. Standard deduction and dependency allowances increased. Reduced and reformed property taxes. Shows how government services can be increased, tax reform accomplished, without tax increases.

--Prior to my administration, State employees were increasing 8-10% annually. By last year of my term, this increase cut to 2% annually. More efficient use of employees produced far more responsive government.

--Reorganized fiscal structure to allow general ~~obliga~~ obligation bonds for the first time, instead of bonding by separate state agencies. This change resulted in increased State indebtedness during first two years, decrease in last two years. Bond ratings improved from AA to AAA.

--Reorganization into 22 agencies; complete reappraisal of educational system; reformed drug abuse program; judicial reform; environmental "Heritage Trust"; welfare reform; Georgia Residential Financial Agency.

5. The need for new leadership has been demonstrated by the continuing series of last-minute political decisions by the incumbent Administration that are designed simply to cover-up for the absence of policy and action in the prior two years.

- Began during the Republican primaries when Governor Reagan started winning. . . reversed U.S. policy toward Panama Canal. . . reversed announced position on common situs picketing; vetoed bill. . .dropped use of word "detente". . .appointments of local Republican leaders to federal jobs. . . increased defense budget after firing Secretary Schlesinger.
- Increased price support loans for grains after polls disclosed Ford in deep trouble in farm states. . . and day after I called for such a loan increase.
- Sale of consussion bombs and night-fighting equipment to Israel even through State and Defense Departments were not consulted and opposed such sales. . . and after I pointed out in the last debate how the Administration was not standing firm in support of Israel.
- Announcement during last debate that names of firms cooperating with anti-Israeli boycott would be released after ~~appearing~~ scuttling Democratic legislation that would have prohibited ~~compliance~~ ~~xxxx~~ with boycott. . . and then backed down from that promise by releasing only names of future violators.
- Imposed import quotas on beef in early October. . . after I had called for such quotas and after the price of beef had dropped so low that ranchers were losing \$50-\$100 per head.
- Proposed doubling size of national parks after Administration had failed to use existing authority and grossly neglected existing parks.
- Signed sunshine legislation in the Rose Garden in carefully staged White House ceremony after doing everything possible to weaken the legislation as it was moving through Congress.

After the presidential campaign is over, what then? You can't run this country ~~xxxxxxx~~ by trying to patch up in the heat of a campaign all the errors and mistakes of prior two years. New leadership with vision, a sense of direction and purpose is the ~~only~~ only sure remedy for this kind of callous political behavior.

(need a sheet on tax reform)