

**Debate Issues [11]**

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## I N D E X

1. Abortion
2. Campaign Contributions
3. A Carter Administration
4. Cities
5. Crime
6. Drugs
7. Achieve Economic Goals and Budget Dividends
8. The Economic Recovery: Hasn't Ford Done a Good Job?
9. Employment and the Humphrey-Hawkins Bill
10. Environment
11. Ethnic Purity
12. Federalism
13. Ford's General Record as President
14. Fuzzy on the Issues
15. Health
16. Mondale
17. Pardons
18. Paying for Democratic/Carter Programs
19. Populist
20. Presidency
21. Republican Party Future
22. Reorganizing Government
23. Being Specific
24. Tax Reform
25. Vetoes and Deficits
26. Welfare Reform

## I N D E X

1. Agriculture, Rural Development
  2. Cities -- Urban Policy
  3. Cost of Democratic Platform and a Balanced Budget
  4. Crime
  5. Dangers of One-Party Government
  6. Defense
  7. Domestic Surveillance
  8. Education
  9. Energy
  10. Environment
  11. Examples of Waste and Mismanagement
  12. Executive Mismanagement
  13. Federalism
  14. Government Reorganization and Reform
  15. Health
  16. Housing
  17. Inflation
  18. Morality in Government; Trust
  19. Over-promising
  20. Presidency
  21. Social Issues
  22. Tax Reform
  23. Unemployment
-

## T A B L E O F C O N T E N T S

- Debate Format
- First Debate, September 26, 1960
- Preliminary Comment Section
- Themes (Carter/Ford)
- Budget and Economic Overview (to be supplied)
- Most Likely Questions (to be supplied)
- Closing Statement (to be supplied)
- Carter Subject Matter Areas

### Index

1. Agriculture, Rural Development
  2. Cities -- Urban Policy
  3. Cost of Democratic Platform and a Balanced Budget
  4. Crime
  5. Dangers of One-Party Government
  6. Defense
  7. Domestic Surveillance
  8. Education
  9. Energy
  10. Environment
  11. Examples of Waste and Mismanagement
  12. Executive Mismanagement
  13. Federalism
  14. Government Reorganization and Reform
  15. Health
  16. Housing
  17. Inflation
  18. Morality in Government; Trust
  19. Over-promising
  20. Presidency
  21. Social Issues
  22. Tax Reform
  23. Unemployment
- Likely Ford Questions, Answers and Carter Comments  
(to be supplied)
  - A Look At the Ford Record
  - Ford Flip-flops
  - Miscellaneous  
1977 Budget in Brief

SUPPLEMENTARY TABLE OF CONTENTS

- Ford's Economic Record/Budget Outlook
- Most Likely Questions and Answers
- Specific Questions on Different Subject Matter Areas
- ~~Most~~ Likely Ford Questions, Ford Answers, and Carter Comments on Ford Answers
- Closing Statement

## SUMMARY OF BOB DOLE'S VOTING RECORD

For further information, contact Claudia Miller 202/225-2758

### AGRICULTURE

#### Agriculture Programs Funding:

On July 30, 1974, Dole voted against the conference report on the fiscal 1975 agricultural, environmental and consumer protection appropriations bill which was approved by the Senate by a vote of 67-26. Dole was one of only two farm belt Senators to vote against this bill which appropriated funds for all farm programs (soil conservation programs, Rural Electrification Administration programs, emergency disaster loans for farmers, rural water and sewer grants, Farmers Home Administration programs, and agricultural research and extension programs--to name a few). Dole had voted for this appropriations bill on July 22, 1974; it appropriated \$13.567 billion; the conference report Dole voted against eight days later appropriated \$4 million more--\$13.571 billion.

On April 12, 1976, Dole voted against an amendment to the resolution setting fiscal 1977 budget targets which sought to increase budget authority for the agriculture category from \$2.3 billion to \$2.4 billion and outlays from \$1.9 billion to \$2.05 billion. Rejected 30-55.

On March 16, 1972, when the Senate Agriculture Committee marked-up the Rural Development Act, Dole voted for an amendment which sought to delete the \$500 million Rural Revenue Sharing program (new money)--rejected 4-9; and Dole voted for an amendment which sought to decrease the rural revenue sharing authorization level from \$500 million to \$300 million--rejected 6-7.

On June 7, 1972, a time when the executive branch was withholding \$800 million in REA funds, Dole moved in the Senate Agriculture Committee that S. Res. 232, to express the sense of the Senate that the remainder of the 1972 fiscal year appropriation for the REA program be released, be passed over, the intent of such motion being to kill the resolution.

**Agriculture Department Dismantlement:** On April 19, 1971, Dole co-sponsored bills to implement President Nixon's reorganization proposal that seven Cabinet departments and five executive agencies be merged into four departments. Farm groups throughout the nation strongly opposed this plan because the Department of Agriculture would have been eliminated and its rural programs scattered among the four new Departments. Dole was the only member of the Senate Agriculture Committee to co-sponsor these bills.

**Milk Price Supports:** On February 4, 1976, Dole voted to sustain President Ford's veto of a bill to provide quarterly adjustments in the support price of milk until March 31, 1978, and to increase the support price to a minimum of 85% of parity. Sustained 37-51.

**Grain Inspection:** On April 26, 1976, Dole voted against a bill to require direct federal grain inspection at all export elevators and major inland terminals, establish a separate Federal Grain Inspection Agency within the Department of Agriculture, and strengthen civil and criminal penalties for knowingly violating the act. Passed 52-18.

Butz Nomination: On November 2, 1971, Dole offered the motion that the Senate Agriculture Committee approve the nomination of Earl Butz as Secretary of Agriculture; the motion was approved 8-6, with Dole voting Yes. On December 2, 1971, Dole voted to confirm Earl Butz' nomination; confirmed 51-44.

#### CIVIL RIGHTS

Voting Rights Act Extension Amendments, July 24, 1975:

Dole voted not to table an amendment which sought to change the coverage trigger after November 1976 so that no state would be covered by the act if it did not have a literacy test in effect on November 1, 1976, and if more than 50% of its voting age citizens had voted in the 1976 or subsequent presidential elections. Tabled 66-20.

Dole voted for an amendment which sought to allow states and localities to appeal to their local federal district courts for escape from coverage and for preclearance of election law changes, rather than to the federal district court in the District of Columbia. Rejected 37-58.

#### COMMUNICATIONS

Public/Educational Television:

On March 7, 1962, Dole voted against a bill to authorize \$25.5 million in matching grants to states for planning for educational television development and the construction of educational television transmission facilities. Passed 339-68.

On September 21, 1967, Dole voted against the Public Broadcasting Act of 1967, a bill to extend the Educational Television Facilities Act of 1962 for three years, to create a Public Broadcasting Corporation, and to authorize a study of instructional television. Passed 266-91.

On April 24, 1968, Dole voted against a bill to carry forward from fiscal 1968 to fiscal 1969 the \$9 million authorization for initial funding of the Corporation for Public Broadcasting. Passed 241-133.

On June 22, 1972, Dole voted for an amendment which sought to provide a one-year rather than a two-year authorization for the Corporation for Public Broadcasting. Rejected 26-58.

CONSUMER AFFAIRS

Consumer Protection Agency:

1970: Dole voted for final passage on December 1, but his votes on three amendments indicated a desire to hamper the effectiveness of the Agency.

1972: Dole voted three times against cloture (September 29, October 3, and October 5); the bill was killed because of an inability to end debate.

1974: Dole voted two times against cloture (July 30 and August 1), but on August 20 voted to invoke cloture.

1975: Dole voted for a bill to set up an independent Agency for Consumer Advocacy, after voting for a weakening amendment in the nature of a substitute which sought to set up an Office of Consumer Counsel in each of 24 major federal departments and agencies to represent consumer interests in agency proceedings and court cases. Rejected 22-70.

No-Fault Automobile Insurance:

On May 1, 1974, Dole voted against a bill to establish minimum federal no-fault automobile insurance standards that would have to be enacted by the states within a specified time period to avoid the imposition of more stringent federal standards. Passed 53-42.

On March 31, 1976, Dole voted to recommit a bill to establish federal standards for no-fault motor vehicle insurance, to require states to adopt no-fault plans or accept a federal plan, and to make no-fault insurance coverage mandatory for all drivers. Motion to recommit approved 49-45.

Consumer Products Warranty:

On July 1, 1970, the Senate approved the Consumer Products Warranty and Guarantee Act by voice vote; Dole's votes on two amendments were efforts to weaken the bill:

- Dole voted against an amendment to delete a provision to limit products covered in the bill to products with electrical, mechanical, or thermal components. Passed 44-30.

- Dole voted not to table an amendment raising the minimum cost of items covered by the bill from \$5.00 to \$25.00. Tabled 47-26.

CRIME AND DRUG ABUSE

Public Safety Officers:

On September 18, 1972, Dole voted against an amendment to make it a federal crime to use interstate commerce to assault, injure or kill a state or local public safety officer because of his official position, or to transport a weapon in interstate commerce for such a purpose. Passed 46-23.

On September 18, 1972, Dole voted against a bill, as amended by above amendment, to authorize the attorney general to provide group life insurance for state and local public safety officers. Passed 61-6.

Gun Control:

On August 9, 1972, Dole voted for a bill to outlaw the sale of cheap, domestically produced handguns commonly called "Saturday Night Specials." Passed 68-25.

On March 13, 1974, Dole voted to table an amendment to the death penalty legislation which sought to ban the manufacture in the United States of cheap handguns commonly known as "Saturday Night Specials." Tabled 58-31.

Drug Abuse: On October 14, 1970, Dole voted against an amendment to the Comprehensive Drug Abuse Prevention and Control Act. The original bill contained a strictly law enforcement approach to drug abuse. Dole voted against an amendment in the nature of a substitute which offered a preventive and rehabilitative approach. Passed 44-23.

No-Knock:

On October 14, 1970, Dole voted against an amendment which sought to delete the "no-knock" authorization in the Comprehensive Drug Abuse Prevention and Control Act. Rejected 20-42.

On July 11, 1974, Dole reversed his position and voted for an amendment to repeal the "no-knock" provisions of the 1970 Drug Abuse Prevention and Control Act and the DC Court Reform Act. Passed 64-31.

DEFENSE

Indochina War: Dole consistently supported President Nixon on votes regarding the Indochina War. The votes over several years are too numerous for this summary. A compromise was signed into law by President Nixon on July 1, 1973 which provided that no funds for the Indochina War would be available after August 15, 1973; Dole voted for this compromise. HOWEVER, Nixon had vetoed on June 27, 1973 a bill containing a provision calling for an immediate end to funding for military activities in Cambodia and Laos; Dole voted against this legislation on June 26, 1973; passed 81-11.

War Powers Act: In 1973, Dole voted for the War Powers Act which limits the President's powers to commit U. S. forces abroad without Congressional approval and he voted to override Nixon's veto. HOWEVER, on April 13, 1972, Dole voted against the 1972 version of the War Powers Act. Passed 68-16.

Troop Reductions: Dole has consistently voted against amendments to reduce the number of U. S. troops stationed overseas (see: May 19, 1971; November 23, 1971; September 26, 1973; June 6, 1974).

Weapons Funding:

ABM: Dole has consistently voted against attempt to reduce funds for the ABM (see: August 6, 1969; December 15, 1969; August 12, 1970; September 29, 1971; June 5, 1975).

B-1 Bomber:

On June 5, 1974, Dole voted against an amendment which sought to reduce by \$255 million the \$455 million authorized for development of the B-1 Bomber. Rejected 31-59.

On May 20, 1976, Dole voted against an amendment to bar obligation of funds authorized in the military procurement authorization bill for production of the B-1 bomber before February 1, 1977.

F-14 Fighter Aircraft:

On September 29, 1971, Dole voted against an amendment which sought to terminate the Navy's F-14 program. Rejected 28-61.

On September 25, 1973, Dole voted for an amendment which restored \$495 million for procurement of 50 F-14 fighter jets. Passed 66-26.

Trident Submarine:

On July 27, 1972, Dole voted against an amendment which sought to delete \$508.4 million of the \$906.4 million requested for development and procurement of the Trident submarine. Rejected 47-49.

On September 27, 1973, Dole voted against an amendment which sought to reduce by \$885 million the authorization for development and procurement of the Trident submarine. Rejected 47-49.

Defense Spending Ceilings and Reductions: Dole generally votes against amendments which seek to reduce defense spending by a specified dollar figure or percentage (see: August 28, 1970; September 27, 1972; August 21, 1974; November 18, 1975; August 12, 1976). HOWEVER, on June 11, 1974, Dole for the first time in his Congressional career voted to cut something from defense spending: Dole voted for an amendment which sought to set a ceiling of \$21.662 billion (instead of \$21.835 billion) for the military procurement and research and development authorization; rejected 38-52.

Military Procurement: On August 1, 1975, Dole voted against the conference report on a bill to authorize \$31 billion for weapons procurement and research and development in fiscal 1976 and the transition quarter. Rejected 42-48.

Civilian Employees: On June 4, 1975, Dole voted for an amendment to reduce by 17,000 the 962,000 Pentagon civilian manpower ceiling set by the Armed Services Committee. Passed 42-40.

1974 South Vietnam Military Assistance Ceilings:

On June 11, 1974, Dole voted against an amendment which sought to reduce from \$900 million to \$750 million the ceiling on military aid to South Vietnam. Rejected 45-46.

On August 21, 1974, Dole voted against an amendment which sought to reduce from \$700 million to \$550 million funds for military assistance to South Vietnamese forces. Rejected 44-47.

## EDUCATION

### Education Funding:

On August 18, 1970, Dole voted to sustain President Nixon's veto of a bill to appropriate \$4.4 billion for the Office of Education. Overriden 77-16. (Note: Dole had voted for the conference report on this bill on July 28, but switched to support the President's veto.)

In 1972, Nixon vetoed the Education Appropriations bill. Dole voted for the bill which passed the Senate on June 27, 1972; HOWEVER, Dole voted against the conference report which passed the Senate on August 10, 1972 by a vote of 62-22--even though the conference report appropriated \$587.6 million less than the bill which originally passed the Senate.

### Vocational Rehabilitation:

On April 3, 1973, Dole voted to sustain President Nixon's veto of the Rehabilitation Act of 1973 which authorizes funds to assist states in providing vocational rehabilitation services to handicapped individuals. Overriden 60-36. (Note: Dole voted for the bill when it passed the Senate on February 28, 1973, but switched to support the President's veto.)

On November 20, 1974, Dole voted against an amendment which sought to increase the appropriation for grants to the states for education of the handicapped from \$125 million to \$150 million.

### School Lunch:

On February 23, 1970, Dole voted against an amendment to authorize \$150 million through fiscal 1973 for the school breakfast program and to determine eligibility on the basis of family income under \$4,000. Passed 38-32.

On February 24, 1970, Dole voted against an amendment which limited to 20¢ the cost of reduced price lunches and providing that children from families with incomes under \$4,000 would be eligible for free lunches. Passed 41-40.

On September 24, 1973, Dole voted against an amendment which increased the basic federal payment for each meal served under the national school lunch program from 10¢ to 12¢. Passed 52-34.

**Discrimination by Educational Institutions:** On October 1, 1970, Dole voted for an amendment to the Equal Employment Opportunities Enforcement Act which sought to exempt educational institutions from coverage of the Act with respect to their teaching personnel. Rejected 30-38.

### Elementary and Secondary Education:

On March 26, 1965, Dole voted against the Elementary and Secondary Education Act of 1965, to provide a three-year program of grants to states for allocation to school districts with large numbers of children from low-income families, grants for purchase of books and library materials, funds to improve educational research, and grants to strengthen state departments of education. Passed 263-153.

On October 6 and 20, 1966, Dole voted against the Elementary and Secondary Act Amendments of 1966 and the conference report on the bill to authorize \$2.4 billion in fiscal 1967 and \$3.7 billion in fiscal 1968 for school aid programs. Passed 237-97/ 185-76.

On May 24, 1967, Dole voted against a bill to authorize \$3.5 billion in fiscal 1969 for programs under the Elementary and Secondary Education Act. Passed 294-122.

**Higher Education/Student Financial Assistance:**

On December 12, 1963, Dole voted for a motion which sought to recommit the conference report on a bill to authorize new funds for an expanded vocational education program, with instructions to delete authorizations of \$150 million over four years for work-study programs and residential vocational education schools. Motion to recommit rejected 180-192.

On October 20, 1965, Dole voted against the conference report on the Higher Education Act of 1965, to authorize scholarships, loan insurance and interest subsidies for college students, fellowships for elementary and high school teachers, programs of aid to colleges, and a Teacher Corps for schools with children principally from low-income families. Passed 313-63.

On August 12, 1969, Dole voted for an amendment which sought to eliminate increases in authorizations for the National Defense Student Loan, Educational Opportunity Grant, and College Work-Study programs. Rejected 38-56.

**Library Services:** On January 21, 1964, Dole voted against a bill to amend the 1956 Library Services Act to extend federal aid for library services to urban as well as rural areas, increase to \$25 million in fiscal 1964 federal grants for library services, and authorize \$20 million in fiscal 1964 for grants to the states for construction of public libraries. Passed 254-107.

**Disaster/Impact Aid:** On August 30, 1965, Dole voted against a bill to authorize federal financial aid to public elementary and secondary schools affected by a major disaster, and to make more cities eligible for school aid to federally impacted areas. Passed 305-37.

**ELECTION AND CAMPAIGN FINANCING REFORM**

**Electoral College:** On September 17 and 29, 1970, Dole voted not to invoke cloture on a proposed Constitutional amendment to abolish the electoral college and to provide for the direct election of the President. Motions rejected 54-36/ 53-34.

**Election Day/National Holiday:** On August 10, 1972, Dole voted against an amendment to the American Revolution Bicentennial Act to make federal election days national holidays and to set uniform polling hours across the country. Passed 52-33.

**Tax Credits and Deductions for Contributions and Dollar Checkoff:**

On December 9, 1969, Dole voted to table the Kennedy-Pearson amendment to add a provision to the Tax Reform Act of 1969 to allow a tax credit for one-half of a taxpayer's contributions up to a \$25.00 maximum. Tabled 50-45.

On November 22, 1971, Dole voted against an amendment to the Revenue Act of 1971 to allow a credit of \$12.50 (\$25 for a married couple filing a joint return) or a deduction of \$50 (\$100 for a married couple filing a joint return) for political contributions to candidates for local, state, or federal offices. Passed 82-17.

On November 22, 1971, Dole voted against an amendment to allow each taxpayer to designate one dollar of his/her annual tax payment to the campaign of an eligible Presidential candidate or to a public campaign fund to be shared by eligible Presidential candidates. Passed 52-47.

On June 27, 1973, Dole voted for an amendment which sought to repeal the 1971 law allowing federal taxpayers to designate \$1 of their annual income tax payments as a contribution to a federal Presidential campaign financing fund. Rejected 30-62.

On June 27, 1973, Dole voted for an amendment to place all Presidential campaign contributions designated by federal taxpayers on their income tax returns in one campaign fund to be shared by eligible Presidential candidates (rather than allowing taxpayers to designate party recipients), and to require the Internal Revenue Service to put the checkoff box on the first page of each federal income tax return. Passed 61-31.

#### Public Financing and Contribution Limits:

On July 26, 1973, Dole voted against an amendment which sought to prohibit any person from contributing more than \$3,000 to a candidate in a federal election. Passed 54-39.

On July 26, 1973, Dole voted to table an amendment to provide funds from the federal treasury to finance general election campaigns for federal office beginning in 1976. Tabled 53-38.

On July 27, 1973, Dole voted against an amendment which sought to prohibit any person from contributing more than \$1,000 to a candidate in a federal election. Rejected 33-55.

On November 27, 1973, Dole voted against an amendment to provide for federal financing of House and Senate general election campaigns and to limit campaign contributions and expenditures. Passed 52-40.

On November 27, 1973, Dole voted against an amendment to provide for federal payments for individual contributions of \$100 or less to Presidential primary campaigns. Passed 54-38.

On March 17, 1976, Dole voted for an amendment to end the public financing of Presidential election campaigns effective January 1, 1979, unless reenacted by Congress. Rejected 34-54.

On March 18, 1976, Dole voted for an amendment which sought to raise the contribution limits for individuals from \$1,000 to \$5,000 per candidate per election, and to raise the contribution limits for political action committees from \$5,000 to \$25,000 for Presidential and Senate candidates and to \$10,000 for House candidates. Rejected 23-69.

On March 18, 1976, Dole voted for an amendment which sought to bar political contributions by corporate and union political action committees and permitting only contributions by individuals. Rejected 43-52.

#### 1974 Campaign Financing Reform Legislation:

On April 11, 1974, Dole voted against a bill which provided that instead of relying on large private contributions to finance their campaigns, candidates for the House, the Senate and the Presidency would be limited to a hybrid system of small private contributions and matching grants from the federal government to pay for their primary contests and to full public financing to cover their general election campaign costs. Passed 53-32.

On March 28, 1974, Dole voted for an amendment which sought to eliminate from the public financing provisions of the bill candidates for the House and Senate. Rejected 39-51.

On March 28, 1974, Dole voted for an amendment which sought to eliminate from the public financing provisions of the bill candidates for President. Rejected 35-53.

On April 10, 1974, Dole voted for the DOLE Amendment in the nature of a substitute which would have completely rewritten the bill and deleted its public financing provisions and substituted a doubling of the tax credit and deduction for contributions. Rejected 31-55.

Federal Election Commission: On March 24 and May 4, 1976, Dole voted against a bill and the conference report on the bill to reconstitute the Federal Election Commission and to revise the 1974 campaign finance law. Passed 55-28/62-29.

Voter Registration:

Postcard Voter Registration:

On March 15, 1972, Dole voted to table the postcard voter registration bill. Tabled 46-42.

On May 9, 1973, Dole voted against the postcard voter registration bill. Passed 57-37.

During Senate consideration of the Tax Reform Act of 1969, Dole voted against an amendment to allow tax exempt foundations to finance non-partisan voter registration drives carried on in more than one state and providing other conditions which foundations must meet in supporting this type of activity. Passed 53-35.

ENERGY

Oil Depletion Allowance:

On December 1, 1969, Dole voted for an amendment which sought to restore the oil and gas depletion allowance to 27.5% (the Committee bill reduced the allowance to 23%). Rejected 30-62.

On December 1, 1969, Dole voted against an amendment which sought to reduce the depletion allowance on oil and gas from 23% to 20%.

On March 20, 1975, Dole voted to table an amendment to repeal the 22% oil and gas depletion allowance retroactive to January 1, 1975, except for independents producing natural gas under federal price regulations, until July 1, 1976, or producing natural gas sold under fixed price contracts, or producing not more than 1,000 barrels of crude oil daily; to deny a credit against U. S. taxes for foreign taxes paid on overseas oil and gas income, allow foreign oil taxes to be deducted as a business expense and tax foreign oil and gas income at a special 24% corporate tax rate; to require that all foreign income by a U. S. multinational corporation be taxed in the year earned, thus ending the deferral of U. S. taxes unless that income was transferred to the United States. Motion to table rejected 29-67.

Intangible Drilling Costs: On December 10, 1969, Dole voted for the DOLE Amendment which sought to remove oil and gas well intangible drilling costs from the list of tax preference items taxed under the minimum income tax.

Emergency Petroleum Allocation Act of 1973:

On June 5, 1973, Dole voted against an amendment which urged the President to take further action as necessary to effectively stabilize prices on crude oil and petroleum products. Passed 63-27.

On June 5, 1973, Dole voted for an amendment which sought to provide that compensation paid for fuel allocation under the Act shall not be less than the price obtained or lawfully obtainable in a free competitive market (such amendment having the effect of removing price controls which currently apply to major oil companies). Rejected 21-71.

Public Hearings: On November 19, 1973, Dole voted against an amendment to the National Emergency Energy Act which provided for additional administrative procedures, including public hearings on rules and regulations, which were likely to have a substantial impact on the nation's economy or large numbers of people and businesses. Passed 79-7.

Second National Emergency Energy Act; On February 19, 1974, Dole voted against a bill and on March 6, 1974 voted to sustain the President's veto of a bill to give the President the authority to ration gasoline, to give Congress veto power over Presidential energy conservation actions; to establish a \$500 million unemployment compensation fund for workers who lost their jobs because of the energy shortage, and to provide a ceiling on domestically-produced crude oil prices (price rollback). Passed 67-32/Veto sustained 58-40.

On December 19, 1973, Dole voted to table an amendment which sought to limit price increases of crude and refined oil to the actual increases in the cost of producing them. Tabled 47-44.

Oil Price Control/Standby Energy Authority legislation, 94th Congress:

On April 10, 1975, Dole voted against a bill to provide the President with standby emergency energy powers; to prohibit any increase in the price of "old" domestic oil without a 10-day Congressional review of such action and the right of either House to veto such action; to mandate a national energy conservation program; and to require the President to establish a ceiling price for domestic oil. Passed 60-25.

- Dole voted against an amendment to require the President to set a ceiling price for "new" domestic oil at a level no higher than the price generally prevailing for such oil as of January 31, 1975. Passed 54-31.

- Dole voted to table an amendment to provide for congressional review, and the power to disapprove, federal energy conservation standards. Motion to table rejected 26-59.

- Dole voted for an amendment to provide for a two-step phase-out of price controls on "old" domestic oil. Rejected 23-62.

- Dole voted for an amendment which sought to delete the provision directing the establishment of a nationwide energy conservation program. Rejected 25-60.

On May 1, 1975, Dole voted against a bill to give Congress the right to review any Presidential proposal to deregulate prices and to disapprove them within 30 days, and to require the President to set maximum prices for all domestic crude oil that was not currently under price controls. Passed 47-36.

- Dole voted against an amendment which sought to require the Federal Energy Administration to prohibit pricing practices of regulated energy products, primarily natural gas and electricity, that permit the per unit price to vary inversely with total consumption (i.e., prohibiting the practice of charging more per unit of gas or electricity to the consumer who used less). Rejected 25-60.

On July 15, 1975, Dole voted against a bill to extend the Emergency Petroleum Allocation Act from August 31, 1975 until March 1, 1976; to extend the coal conversion authority of the Federal Energy Administration from June 30, 1975 until December 31, 1975; and to require the FEA to report on coal price trends. Passed 62-29.

On September 10, 1975, Dole voted to sustain the President's veto of a bill to extend from August 31, 1975 to March 1, 1976 the President's authority to control the prices of oil and oil products under the Emergency Petroleum Allocation Act of 1973. Veto sustained 61-39.

On December 17, 1975, Dole voted against a motion to concur in the House amendments to the conference version of a bill to set up a national energy policy which includes standby emergency powers for the President, creation of a national strategic oil reserve, mandatory fuel efficiency standards for automobiles, and continuation of oil price controls (this being only Senate recorded vote on conference report). Passed 58-40.

Oil Import Fees: On December 19, 1975, Dole voted against a bill to suspend for 90 days the President's authority to adjust imports of petroleum and petroleum products and to negate the \$3 per barrel (\$1 a month for 3 months) increase in oil import fees proposed by the President. Passed 66-28.

#### Energy Conservation in Buildings:

On March 9, 1976, Dole voted against a bill to set federal minimum standards for energy conservation in new commercial and residential buildings and to provide \$55 billion a year in grants to states and community action agencies to insulate low-income dwellings. Passed 52-35.

On June 15, 1976, Dole voted against an amendment to set mandatory federal energy conservation standards for new buildings and provide federal financial incentives for energy saving investments in existing buildings. Passed 57-37.

#### Solar Energy:

On July 31, 1975, Dole voted against an amendment to the energy research authorization bill which sought to increase the authorization for solar energy research and development from \$96.2 million to \$158 million in fiscal 1976 and from \$24 million to \$42 million in the transition quarter. Rejected 34-59.

On June 23, 1976, Dole voted against an amendment to increase fiscal 1977 appropriations for Energy Research and Development Administration solar energy programs by \$16.4 million. Passed 54-41.

#### Motor Vehicle Energy Efficiency:

On July 15, 1975, Dole voted against a bill to direct the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new cars and light duty trucks in model years 1977-85, and establish a research and development program aimed at creating a prototype car with high fuel efficiency that met pollution and safety requirements. Passed 63-21.

On June 14, 1976, Dole voted against a bill to authorize \$155 million in fiscal 1977-78, plus \$175 million in loan guarantees for a federal program under the Energy Research and Development Administration to promote development of cars that use nonpetroleum-based fuels. Passed 63-27.

Strategic Energy Reserves: On July 8, 1975, Dole voted against an amendment to the Strategic Energy Reserves legislation which authorized the FEA administrator to require importers and refiners to maintain certain readily available inventories of oil and petroleum products. Passed 60-32.

Natural Gas:

On October 22, 1975, Dole voted for a bill to provide for emergency 180-day exemptions from federal price regulations on natural gas for high-priority curtailed customers and to provide for eventual deregulation of new natural gas prices. Passed 58-32.

- On October 1, 1975, Dole voted not to table an amendment which sought to remove federal price controls on the cost of new natural gas, effective July 1, 1975. Tabled 57-31.

- On October 2, 1975, Dole voted against an amendment to authorize the Federal Power Commission to conduct its own study of the nation's natural gas supplies and reserves. Passed 77-14.

- On October 20, 1975, Dole voted against an amendment to provide that lower-priced old natural gas should be allocated to residential and small users as long as it was available, channeling the higher-priced new natural gas to industrial and large consumers. Passed 43-25.

- On October 22, 1975, Dole voted against an amendment to require major oil producers within five years to divest themselves of their petroleum refining, transportation, and marketing interests. Rejected 40-49.

- On October 22, 1975, Dole voted for an amendment to require major oil companies to divest themselves within three years of their interests in alternative sources of energy. Rejected 39-53.

Nuclear Energy: On June 25, 1976, Dole voted against an amendment which sought to require the Nuclear Regulatory Agency to make a safety ruling before granting a construction permit for the Clinch River breeder reactor. Rejected 30-53.

## ENVIRONMENT

Clean Air Act:

On July 24 and December 10, 1963, Dole voted against a bill and the conference report on a bill to initiate and strengthen programs for the prevention and abatement of air pollution. Passed 273-102/273-109.

On September 22, 1970, Dole voted for the DOLE Amendment to the Clean Air Act which sought to provide for Congressional rather than judicial review of extensions of the deadline for producing low-pollution automobiles (such amendment being designed to weaken the impact of the 1975 deadline in the bill which required that engines of automobiles must meet certain auto emission standards).

Clean Air and Solid Waste Disposal: On September 24, 1965, Dole voted against the Clean Air and Waste Disposal Act which authorized the Secretary of HEW to set standards to control the emission of air pollutants from automobiles and to authorize \$92.5 million during fiscal 1966-69 for research on and development of methods to dispose of solid wastes. Passed 294-4.

Water Pollution: On May 3, 1961, Dole voted against the Federal Water Pollution Control Act Amendments of 1961, which increased the annual authorization for federal grants to help communities construct sewage treatment plants from \$50 million to \$100 million and the overall limit from \$500 million to \$1 billion. Passed 308-110.

Supersonic Transport:

On December 3, 1970, Dole voted against an amendment to the Transportation Appropriations bill to delete \$290 million in development funds for the SST. Passed 52-41.

On March 24, 1971, Dole voted for an amendment which sought to restore funds for continued construction of two prototype SST aircraft. Rejected 46-51.

On March 25, 1976, Dole voted against an amendment which sought to prohibit the use of federal funds for the operation of civil supersonic aircraft in air transportation in the United States. Rejected 31-50.

On July 25, 1975, Dole voted against an amendment which sought to prohibit the use of any appropriated funds for traffic control operations for SST landing or taking off at U. S. airports if those planes have a higher noise level than new subsonic aircraft. Rejected 44-46.

Outer Continental Shelf:

On September 18, 1974, Dole voted against a bill to assure maximum development of the energy resources of the outer continental shelf without undue environmental risk. Passed 64-23.

- Dole voted against an amendment to establish procedures by which a governor of an adjacent state could delay the issuance of offshore leasing permits which he determined would have adverse impact on his state. Passed 54-39.

- Dole voted not to table an amendment which sought to delete provisions that would establish a Coastal States Fund and permit citizens to bring civil suits for alleged violations of the Act. Tabled 61-29.

- Dole voted to table an amendment which sought to increase industry competition by prohibiting integrated energy companies from entering into joint ventures in offshore drilling. Tabled 56-35.

On July 16, 1975, Dole voted against a bill to set up three programs of financial aid to states whose coastal areas were adversely affected by Outer Continental Shelf development or the development of other major energy facilities. Passed 73-15.

On July 30, 1975, Dole voted against a bill to provide new guidelines for development of oil and gas resources on the Outer Continental Shelf and to provide federal aid to coastal states affected by that development. Passed 67-19.

FEDERAL EMPLOYEES

Federal Blue Collar Wages: On June 15, 1972, Dole voted against a bill (similar to a bill pocket-vetoed by President Nixon in January 1971) to establish a revised system for fixing and adjusting the pay rates of federal blue collar employees and to create a 4th and 5th step in the federal blue collar career ladder--to be paid at 108% and 112% of the prevailing wage rate at the surrounding industrial area. Passed 56-19.

1972 Federal Pay Raise Delay: On October 7, 1971, Dole voted not to disapprove President Nixon's order delaying from January 1 to July 1, 1972 the 5.5% pay raise for federal employees. Resolution to disapprove rejected 32-51. (On a similar resolution in 1974, Dole voted to disapprove President Ford's proposal to delay the proposed federal pay raise.)

Hatch Act: On March 11 and March 31, 1976, Dole voted against a bill and the conference report on a bill to give federal employees the right to participate in partisan political campaigns and to run for local, state, or federal office. Passed 47-32/54-36.

#### FOREIGN AID AND FOREIGN AFFAIRS

Rhodesian Chrome: On December 18, 1973, Dole voted against a bill to halt the importation of Rhodesian chrome by the United States, thus restoring the United States adherence to United Nations economic sanctions, established in 1966, against Rhodesia. Passed 54-37.

Genocide Treaty: On February 6, 1974, Dole voted not to invoke cloture on the resolution to approve ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide. Motion defeated 55-38.

#### 200-Mile Fishing Limit:

On December 11, 1974, Dole voted against a bill to extend on an interim basis jurisdiction over ocean areas adjacent to the United States from 12 miles to 200 miles. Passed 68-27.

On January 28, 1976, Dole voted for a bill to extend the 12-mile exclusive U. S. fishing zone off the nation's coasts to 200 miles to protect American fishing interests from foreign competitors. Passed 77-19.

Turkey: Dole voted consistently against military aid to Turkey until: On July 31, 1975, Dole voted for a bill to authorize funds for the Board for International Broadcasting and to provide a partial lifting of the embargo on arms shipments to Turkey. Passed 47-46.

Agricultural Foreign Aid: On November 4, 1975, Dole voted against an amendment to require that 80% of PL 480 commodities sold abroad be allocated to countries with a per capita gross national product of \$250 per year or less. Passed 52-39.

Chile: On February 18, 1976, Dole voted against an amendment to prohibit government cash sales or commercial sales of arms and military equipment to Chile, in addition to the prohibition on U. S. military grants and credit sales. Passed 48-39.

Controls on Arms Sales: On April 28, 1976, Dole voted against a bill to authorize \$3.2 billion in foreign military assistance in fiscal 1976, and to provide new congressional controls on U. S. arms sales (by allowing Congress to review and reject by concurrent resolution proposed government and commercial weapons sales). Passed 51-35.

GENERAL GOVERNMENT

Office of Management and Budget Director: On February 5, May 3, and May 22, 1973, Dole voted against a bill and the conference report on the bill and to sustain President Nixon's veto of a bill to require Senate confirmation of the Director and Deputy Director of the Office of Management and Budget, including the present occupants of those posts. Passed 63-17/73-19/62-22.

Anti-Impoundment: In 1974, Dole voted for the Congressional Budget and Impoundment Control Act. HOWEVER, on May 10, 1973, Dole voted against an amendment to require the President to notify Congress within 10 days after he impounds appropriated funds and to require the release of such funds within 60 days unless Congress by legislation approved their impoundment. Passed 66-24.

Subversive Activities Control Board:

On July 19, 1971, Dole voted against an amendment which barred use of SACB funds to carry out functions granted by a July 9 Executive Order giving SACB jurisdiction over the so-called Attorney General's list which was designed for making security checks for federal employment. Passed 51-37.

On July 19, 1971, Dole voted against an amendment which sought to delete the entire \$450,000 appropriation for the SACB. Rejected 41-47.

On June 15, 1972, Dole voted against an amendment to delete all funds for operations of SACB. Passed 42-25.

Supreme Court Nominations:

On November 21, 1969, Dole voted to confirm the nomination of Clement F. Haysworth as an Associate Justice of the Supreme Court. Confirmation refused 45-55.

On April 8, 1970, Dole voted to confirm the nomination of G. Harrold Carswell as an Associate Justice of the Supreme Court. Confirmation refused 45-51.

HEALTH

Health Professions Schools and Health Professions Students:

On April 24, 1963, Dole voted against the Health Professions Educational Assistance Act of 1963, a bill to authorize a three-year program of matching grants for construction and rehabilitation of teaching facilities for medical, dental, and related professional schools and providing a six-year loan program for students of medicine, dentistry, and osteopathy. Passed 288-122.

On September 1, 1965, Dole voted against a bill to extend for three years and expand programs of federal grants for construction of teaching facilities for training health personnel and loans for students in specified health fields, and to authorize new four-year programs of grants for improvement of teaching programs in the health professions and scholarships for needy students of medicine, osteopathy, dentistry, and optometry. Passed 340-47.

Hospital Construction: On June 30, 1970, Dole voted to sustain President Nixon's veto of a bill to extend for three years the Hill-Burton program of grants for hospital construction and modernization and to create a new program of federally guaranteed loans for such projects. Veto overridden 76-19. (Dole voted for the bill when it originally passed the Senate on April 7, 1970, but switched to support the veto.)

Health Planning: On November 25, 1974, Dole voted against a bill to authorize \$990 million in fiscal 1975-77 for new federal health planning and resource development programs. Passed 65-18.

DES: On September 9, 1975, Dole voted against a bill to suspend the use of the drug diethylstilbestrol (DES) for livestock intended for human consumption, to tighten controls on prescription drugs containing DES, and to establish the Food and Drug Administration as a formal legal entity within the Department of Health, Education, and Welfare. Passed 61-29.

- Dole voted against an amendment to suspend the use of DES for livestock intended for human consumption until HEW determined that such use was not a health hazard (instead of allowing continued use of DES for livestock while research on its health effects was underway). Passed 54-35.

## HOUSING

### Housing Acts:

On June 22 and June 28, 1961, Dole voted against the Housing Act of 1961 and the conference report on this bill to authorize \$4.9 billion for housing programs over four years. Passed 235-178/229-176.

On August 13 and August 19, 1964, Dole voted against the Housing Act of 1964 and the conference report on this bill to authorize \$992 million/\$1.1 billion to fund new and existing housing and urban renewal programs through September 30, 1965. Passed 308-68/310-70.

On June 16 and June 30, 1965, Dole voted against the Housing and Urban Development Act of 1965 and the conference report on this bill to provide rent supplements to low-income families and to extend and amend laws relating to public housing, urban renewal, and community facilities.

On October 14, 1966, Dole voted against a bill to provide "demonstration city" grants for community renewal; incentive planning grants for orderly metropolitan development; a variety of new Federal Housing Administration home mortgage insurance programs; and a broadening of numerous other programs providing housing and urban aids. Passed 178-141.

On April 27, 1976, Dole voted against a bill to authorize fiscal 1977 funding for public housing construction, federal rental and homeownership subsidy programs, and a number of other federal housing programs. (The bill required HUD to place more emphasis on new construction of federally subsidized housing units and to provide renewed support for conventional public housing programs.) Passed 55-24.

Urban Renewal:

On November 10, 1969, Dole voted against an amendment which sought to increase funds for Urban Renewal by \$587.5 million. Rejected 34-36.

On July 7, 1970, Dole voted against an amendment which increased funds for Urban Renewal programs by \$400 million, to \$1.7 billion. Passed 49-22.

HUD: On June 16, 1965, Dole voted against a bill to establish a Cabinet-level Department of Housing and Urban Development to be headed by a Secretary appointed by the President with confirmation by the Senate. Passed 217-184.

Middle-Income Housing Assistance:

On April 24, 1975, Dole voted against a bill to provide temporary subsidies for purchase of homes by middle-income families, to provide federal loans to jobless homeowners unable to meet mortgage payments, and to authorize a federal program of mortgage credit assistance during periods when production of new housing fell below certain levels. Passed 64-26.

On June 11, 1975, Dole voted against the conference report on a bill to provide temporary subsidies for purchases of homes by middle-income families and to provide federal loans to unemployed homeowners unable to meet mortgage payments. Passed 72-24.

Redlining Disclosure: On September 4, 1975, Dole voted against a bill to require lenders in 265 metropolitan areas to disclose the exact amount of mortgage money they lend for a three-year period after enactment within each zip code area in a city. Passed 45-37.

- Dole voted for an amendment which sought to limit mortgage lending disclosure to lenders in 27 cities selected by the Federal Home Loan Bank Board for a three-year demonstration survey. Rejected 40-41.

LABOR

Minimum Wage: When Dole went to the House in 1961, the minimum wage was \$1.00 an hour. Dole voted against every effort to increase the minimum wage until March 7, 1974 (when he was involved in a reelection campaign):

On March 24, 1961, Dole voted against a bill to raise the minimum wage for about 24 million people covered under the FLSA from \$1.00 to \$1.15. Passed 341-78.

On May 3, 1961, Dole voted against the conference report on a bill to raise the minimum wage to \$1.25 an hour in two steps over two years. Passed 230-196.

On May 26, 1966, Dole voted against a bill to increase the federal minimum wage for non-farm workers in stages from \$1.25 to \$1.60 an hour, effective February 1, 1969 for presently covered workers, and by February 1, 1971 for non-farm workers brought under minimum wage coverage for the first time by the bill; to extend coverage to an additional 7.5 million workers; and to extend existing overtime protection to certain employees not previously covered. Passed 303-93.

On July 20, 1972, Dole voted against a bill to increase the minimum wage for workers covered prior to 1966 to \$2.00 an hour 60 days after enactment and to \$2.20 two years later; and to include federal, state, and local government employees, domestic household workers, and others. Passed 65-27.

On August 2, 1973, Dole voted against the conference report on a bill to increase the minimum wage to \$2.00 an hour 60 days after enactment and to \$2.20 on July 1, 1974 for workers covered prior to 1966, and to make other changes as in the 1972 bill above. Passed 62-28.

On March 7 and March 28, 1974, Dole voted for a bill and the conference report on a bill to increase the minimum wage to \$2.30 an hour in three steps by January 1, 1976, and to make other changes in the law. Passed 69-22/71-19. BUT, note Dole's voted on weakening amendments:

- On March 5, 1974, Dole voted for an amendment which sought to delay increases in minimum wage rates. Rejected 30-65.

- On March 5, 1974, Dole voted for an amendment which sought to delete the provision extending overtime coverage to policemen and firemen. Rejected 29-65.

Manpower: On December 21, 1970, Dole voted to sustain President Nixon's veto of a bill to authorize \$915 billion in fiscal 1971-74 for federal manpower training and public service employment programs. Veto sustained 48-35. (NOTE: Dole voted for the bill that originally passed the Senate on September 17, 1970, such bill containing \$2.5 billion more than the vetoed bill, and Dole voted for the conference report on December 10, 1970, but switched to support Nixon on the veto.)

#### Public Service Jobs:

On April 1, 1971, Dole voted against the Emergency Employment Act which created 150,000 public service jobs to alleviate unemployment. Passed 62-10.

On July 14, 1971, Dole voted to sustain the President's veto of a \$5.7 billion public works acceleration and regional development bill (containing \$2 billion to create public service jobs). Veto sustained 57-36.

On July 29, 1975, Dole voted against a bill to authorize \$2.1 billion for acceleration of work on state and local public works projects and to authorize open-ended appropriations for grants to assist state and local governments with high unemployment rates. Passed 65-28.

On February 19, 1976, Dole voted to sustain the President's veto of a bill to authorize \$6.1 billion for job-creating public works projects and anti-recession aid to state and local governments. Veto sustained 63-35.

On April 13, 1976, Dole voted against a bill to authorize up to \$2.5 billion for job-creating public works programs, \$1.38 billion to help state and local governments maintain services, and \$1.42 billion for the construction of wastewater treatment facilities. Passed 54-28.

On June 16 and July 21, 1976, Dole voted against the conference report and to sustain the President's veto of a bill to authorize funding through fiscal 1977 of \$2 billion for job-creating state and local public works projects, \$1.25 billion for anti-recessionary aid to help state and local governments maintain services, and \$700 million for wastewater treatment facilities. Passed 70-25/73-24.

#### Unemployment Compensation:

On November 11, 1971, Dole voted against an amendment to the Revenue Act of 1971 which provided up to 26 weeks of additional unemployment compensation financed by the federal government to persons who had exhausted available benefits and were living in states where the unemployment rate exceeded 6%.

On November 11, 1971, Dole voted against an amendment to the Revenue Act of 1971 which reduced from 7.5% to 6% the minimum state unemployment percentage required to make unemployed persons in that state eligible for up to 26 weeks of additional unemployment compensation. Passed 51-27.

On October 13, 1972, Dole voted to table an amendment allowing states to repeal the provision in existing law which authorized payment of an additional 13 weeks of unemployment benefits to persons who had exhausted their regular 26 weeks of benefits, provided the insured unemployment rate of the state was at least 120% of the average jobless rate during the previous two years, thereby preventing disqualification of states whose unemployment rates had persisted at a high, but unchanging, level for more than two years. Motion to table rejected 22-50.

On June 27, 1973, Dole voted against an amendment which sought to allow workers to be eligible for an additional 13 weeks of federal unemployment benefits in states where the unemployment rate had leveled off, but not fallen. Rejected 36-57.

On March 1 and March 22, 1961, Dole voted against a bill and the conference report on a bill to authorize federal grants to the states for the temporary extension of unemployment benefits to workers who had exhausted their benefits from regular state programs. Passed 392-20/ 363-31.

Legal Services Trust Funds: On May 16, 1973, Dole voted for an amendment which sought to provide that bargaining on legal services be a permissive subject of bargaining, rather than mandatory. Rejected 26-66.

NLRB Coverage for Hospital Employees: On May 7 and July 10, 1974, Dole voted against a bill and the conference report on a bill to remove the exemption from coverage under the National Labor Relations Act of all non-profit, non-governmental hospitals, and to establish certain labor relations procedures for all non-governmental health care institutions including the right to strike only if 10 days notice were given. Passed 63-25/64-29.

Hazardous Work: On September 16, 1968, Dole voted against a bill to authorize federal government agencies to cancel contracts or financial assistance to such contracts if the contractor or subcontractor were operating under conditions which were unsanitary, hazardous, or dangerous to its construction employees, and further authorize that contractors in violation be excluded from receiving government contracts for three years. Rejected under suspension of the rules 197-136.

Davis-Bacon: On May 20, 1976, Dole voted for an amendment to the military construction authorization which sought to make provisions of the Davis-Bacon Act inapplicable to wages paid for military construction projects. Rejected 17-66.

#### Common Situs Picketing:

On November 19, 1975, Dole voted against a bill to allow common-site picketing on construction sites and to establish a government sponsored committee to stabilize collective bargaining in the construction industry. Passed 52-45. (Note: Dole also voted for numerous weakening amendments.)

On December 15, 1975, Dole voted against the conference report on a bill to make it legal for a construction union with a grievance against one contractor to picket all the other contractors on the same construction site, and to establish a Construction Industry Collective Bargaining Committee. Passed 52-43.

MISCELLANEOUS

Lockheed Loan: On August 2, 1971, Dole voted for a bill to authorize a federal guarantee of \$250 million in bank loans for the Lockheed Aircraft Corporation. Passed 49-48.

Freedom of Information: On November 21, 1974, Dole voted to sustain President Ford's veto of a bill to amend the 1966 Freedom of Information Act to guarantee broader access to government information and documents; the bill allowed federal judges to review decisions of the government to classify certain material, set deadlines for agencies to respond to inquiries for information under the law, and made other changes in the law. Veto overridden 65-27. (Note: Dole voted for the bill as originally passed by the Senate on May 30, 1974.)

- On May 30, 1974, Dole voted against an amendment which limited the grounds under which investigatory records compiled for law enforcement purposes could be withheld from the public and to place the burden of justifying non-disclosure of such records on the government. Passed 51-33.

Aid to New York City: On December 6, 1975, Dole voted against a bill to authorize federal loans of up to \$2.3 billion a year through June 30, 1978 to help New York City meet its seasonal cash flow needs. Passed 57-30.

Administrative Lobbying: On June 14, 1976, Dole voted against an amendment which sought to require logging of all communications with the executive branch by persons seeking to influence administrative decisions. Rejected 35-50.

Anti-Trust: On June 10, 1976, Dole voted against a bill to authorize state attorneys general to bring triple damage anti-trust lawsuits on behalf of citizens, to require large companies to notify the government of planned mergers, and to broaden the Justice Department's investigative powers. Passed 65-19. (Note: Dole also voted for numerous amendments designed to weaken the bill.)

International Women's Year: On May 11, 1976, Dole voted against an amendment to increase from \$3 million to \$5 million funding for the National Commission on the Observance of International Women's Year, 1975. Passed 46-45.

Labor/HEW Appropriations: On September 26, 1976, Dole voted against a bill to appropriate \$36.3 billion in fiscal 1976 for the Department of Labor, the health and welfare portions of the Department of Health, Education, and Welfare, and related agencies, and to prohibit HEW from using any funds in the bill to require a school district to bus its students. Passed 60-18.

Arts and Humanities:

On September 15, 1965, Dole voted to recommit a bill to establish a National Foundation on the Arts and Humanities to provide federal assistance to the visual and performing arts and the humanities. Rejected 128-251.

On February 27, 1968, Dole voted against a bill to extend the National Foundation on the Arts and Humanities for one year and to authorize \$11.2 million in fiscal 1969. Passed 273-122.

On June 5, 1968, Dole voted against the conference report on a bill to extend the National Foundation on the Arts and Humanities for two years, and to authorize appropriations of \$16 million in fiscal 1969 and \$18 million in fiscal 1970 plus additional sums--up to a maximum of \$13.5 million over two years--to match private gifts. Passed 194-166.

OLDER AMERICANS

On April 20, 1961, Dole voted against a bill to increase minimum benefits for retired workers, permitting men as well as women to retire at age 62 with reduced benefits, increasing widows' benefits, liberalizing requirements and providing an increased payroll tax. Passed 400-14.

On April 8, 1965, Dole voted against a bill to provide a basic compulsory health insurance program for the aged, financed mainly by a payroll tax; a supplementary voluntary health insurance program financed by general revenue and contributions from participants; increases in Social Security benefits; and expansion of the Kerr-Mills program, child health care program, and other federal-state public assistance programs. Passed 313-115.

On July 27, 1965, Dole voted against the conference report on this bill, the Social Security Amendments of 1965 (Medicare). Passed 307-116.

On December 4, 1969, Dole voted against an amendment to the Tax Reform Act of 1969 which provided that the 3% floor on medical expenses and the 1% floor on medicine would not apply to persons 65 years of age and older (i.e., for older Americans, these expenses would be fully deductible). Passed 46-41.

On December 5, 1969, Dole voted against an amendment to the Tax Reform Act of 1969 to increase Social Security benefit payments by 15% beginning January 1970. Passed 73-14.

On December 5, 1969, Dole voted against an amendment to the Tax Reform Act of 1969 to provide a minimum Social Security payment of \$100 for individuals and \$150 for married couples, and increasing the Social Security tax base from \$7800 to \$12,000 beginning in 1973. Passed 48-41.

On June 30, 1972, Dole voted for an amendment to increase Social Security benefits by 10%, rather than by 20%. Rejected 20-66.

On September 29, 1972, Dole voted against an amendment which provided that eyeglasses, dentures, hearing aids and foot care be made available under Medicare to individuals with adjusted gross incomes under \$3,000 and couples under \$5,000.

POVERTY

Office of Economic Opportunity:

On August 8, 1964, Dole voted against the Economic Opportunity Act of 1964 which authorized for three years a variety of programs to combat poverty, including an authorization of \$947.5 million in fiscal 1965. Passed 226-185.

On September 29 and October 20, 1966, Dole voted against the Economic Opportunity Act Amendments of 1966 and the conference report on this bill to authorize \$1.75 billion in fiscal 1967 for the "War on Poverty."

On November 15 and December 11, 1967, Dole voted against the Anti-Poverty Amendments of 1967 and the conference report on this bill to authorize funds for anti-poverty programs in fiscal 1968-69. Passed 283-129/247-149.

On June 26, 1968, Dole voted for an amendment to cut \$100 million from the Office of Economic Opportunity appropriation. Rejected 181-220.

On December 20, 1969, Dole voted against the conference report on the Office of Economic Opportunity Authorization bill. Passed 54-21.

On December 10, 1971, Dole voted to sustain President Nixon's veto of a bill to provide a two-year extension of OEO programs, to create an independent legal services corporation, and to establish a comprehensive child development program. Sustained 51-36. (NOTE: Dole voted for Senate passage on September 9, 1971 and for the conference report on December 2, 1971, but switched to support the President's veto.)

- On September 8, 1971, Dole voted for an amendment which sought to delete the section which provided that no new transfers or delegations or programs administered by the Director of OEO could be made to other government agencies during fiscal 1972 or 1973 without prior Congressional approval. Rejected 26-31.

- On September 8, 1971, Dole voted for a motion which sought to recommit the bill to the Labor and Public Welfare Committee with instructions to delete provisions relating to child development programs. Rejected 17-46.

#### Food Stamps:

On June 8, 1967, Dole voted against a bill to authorize \$195 million in fiscal 1968 for the food stamp program. Passed 230-128.

On July 30, 1968, Dole voted against a bill to provide an open-ended authorization for the food stamp program for fiscal 1969-72, to prohibit college students or strikers from buying stamps unless they were eligible for them before striking or entering college, and to require an annual report on the program. Passed 315-83.

#### Headstart/Child Development:

On November 20, 1970, Dole voted against an amendment to the Labor/HEW appropriations bill which increased by \$59 million funds for headstart.

On June 20, 1972, Dole voted for the Headstart, Child Development and Family Services Act of 1972, but voted for weakening amendments:

- Dole voted for an amendment which sought to provide that only communities with populations of at least 50,000 would be eligible for federal grants as prime sponsors of child development programs (instead of 25,000). Rejected 36-49.

- Dole voted for an amendment which sought to decrease the authorization from \$1.2 billion to \$950 million in fiscal 1974 and from \$1.6 billion to \$1.25 billion in fiscal 1975. Rejected 25-61.

Legal Services Corporation: On June 26, 1972, Dole voted for an amendment which sought to delete the section of the Economic Opportunity Act Amendments of 1972 which provided for the establishment of a private, non-governmental National Legal Services Corporation, but to retain the existing OEO Legal Services Program. Rejected 37-46. (Note: Dole voted for the creation of an independent Legal Services Corporation on January 31 and July 18, 1974.)

Child Care Tax Credit: On March 21, 1975, Dole voted against an amendment to allow a taxpayer to either 1) deduct from gross income as a business expense the cost of obtaining care for a child under 15 or a disabled spouse to free the taxpayer to work, or 2) take a tax credit of half of the amount of such expenses (such amendment repealing existing law which allows a deduction of up to \$600 only if the taxpayer itemizes deductions). Passed 56-39.

Day Care Staffing Standards: On March 24 and May 5, 1976, Dole voted against the conference report and to sustain President Ford's veto of a bill to provide \$125 million through September 30, 1976 to help states comply with health, safety and staffing standards for federally supported day care centers serving low-income families. Passed 59-30/ sustained 60-34.

#### TAX REFORM

Following is a very brief summary of Dole's votes on tax reform, not including votes on the tax reform bill of the 94th Congress:

On March 29, 1962, Dole voted against the first omnibus tax revision bill since 1954. Passed 219-196.

On September 25, 1963, Dole voted against the Revenue Act of 1963. Passed 271-155.

On February 25, 1964, Dole voted against the conference report on the Revenue Act of 1964. Passed 326-83.

On February 23 and March 15, 1966, he voted against the Tax Adjustment Act of 1966 and the conference report on that bill. Passed 246-146/ 288-102.

On December 11, 1969, Dole voted against the Tax Reform Act of 1969. Passed 69-22.

On November 22, 1971, Dole voted against the Revenue Act of 1971. Passed 64-30

On March 21, 1975, the Senate rejected the DOLE Amendment which sought to allow corporations to carry losses incurred in the years 1970-1975 rather than only in 1974-75 to offset profits earned in the eight previous years, thus reducing federal taxes owed in those years. Rejected 24-70.

#### TRANSPORTATION

##### Mass Transit:

On March 14, 1973, Dole voted against an amendment to the Federal Aid Highway Act of 1973 which sought to authorize the use of \$2.2 billion per year for three years in federal urban and rural highway funds from the highway trust fund for bus or rail transit programs as well as for highways. Rejected 23-70.

On March 14, 1973, Dole voted against an amendment which gave to states and cities the option of using \$850 million a year of federal urban highway funds in the highway trust fund for buses, or rail transit construction programs, as well as for highways. Passed 49-44.

On September 10, 1973, Dole voted against a bill to authorize \$800 million over two years for distribution to cities, according to population, number of persons who use mass transit, and the number of miles serviced by the system. Passed 53-33.

On September 19, 1972, Dole voted against an amendment which permitted the use of up to \$800 million allocated for urban system funds from the highway trust fund for rail transportation facilities. Passed 48-26.

On March 2, 1972, Dole voted for an amendment to the Housing and Urban Development Act of 1972 which sought to delete provisions authorizing subsidies for urban mass transit operating expenses. Rejected 26-53.

Rail Reorganization: On December 4, 1975, Dole voted against a bill to authorize \$8.6 billion in federal grants and loans to the nation's railroads and to ease regulation of the railroads by the Interstate Commerce Commission. Passed 53-48.

- Dole voted for an amendment which sought to reduce from \$3 billion to \$1 billion the authorization level provided to upgrade passenger service in the Northeast corridor between Boston and Washington, D.C. Rejected 28-61.

#### VETERANS

On two occasions, Dole has voted against amendments to appropriate additional funds for the Veterans Administration Medical School Assistance and Health Manpower Training Act (December 12, 1972 and June 30, 1973).

- On June 30, 1973, Dole voted against an amendment which sought to appropriate an additional \$55 million. Passed 61-18.

On May 9, 1968, Dole voted for a bill to shift observance of Washington's Birthday, Memorial Day and Veterans Day to Mondays, and to establish Columbus Day as a new national holiday. Passed 212-83.

Govt  
Reorganization

Insert  
From 1964 to 1975 the total number  
of civilian employees in the DOD Department of  
Defense was 13%. But ~~at~~ while lower  
level employees (GS 1-11) increased only  
8 percent, GS 12's were up by 38%,  
13's by 47%, 14 by 22% and 15's by 25%.  
One Pentagon official estimates in departmental  
could save \$1 billion per year if it could  
return to the 1964 grade structure.

add to Defense

## Add in Defense

The Pentagon spends \$2.5 billion annually just moving servicemen, their families, television sets, and furniture from one base to another. Simply extending the tour of duty by 4 months could ~~save \$300 million~~ <sup>more than \$300 million</sup> per year.

The Department of Defense estimates that cost overruns on the 645 weapons systems now under development will total ~~\$13~~ <sup>over \$13</sup> billion dollars - exclusive of inflation.

The ratio of students to instructors and ~~educational support personnel~~ <sup>over average</sup> is only one and a half. ~~At now have fewer than two students per instructor~~ in military education and training programs. Simply increasing the ratio to 3:1 could save a billion dollars a year.

seventh for ~~top military brass~~ <sup>hundreds</sup> of generals and admirals cost taxpayers \$75 million per year, until Congress abolished the practice this year.

~~The~~ Five ~~executive~~ executive dining rooms in the Pentagon cost taxpayers a million dollars a year. ~~The~~ Though the generals and admirals pay only \$1.50 for a typical meal, the cost to the taxpayers is an addition \$12.00.

Veterinary care for private pets is provided to high ranking officers at a cost of almost \$1 million per year.

Fishing and hunting ~~and~~ <sup>taxpayers</sup> camps ~~provided to~~ <sup>for</sup> high ranking officers are costing \$70 million a year to maintain and operate.

Inflation

FEDERALISM  
BASIC STATEMENT

~~QUESTION~~ How well is the present relationship between the federal government and state and local government's working?

~~ANSWER~~ The unwieldy, expensive, rigid system we have today has little similarity to the balanced federalist partnership that James Madison foresaw.

I. Carter As Consumer

My background is not as a Washington policymaker, so ~~maybe~~ I have a different perspective than most people. After experiencing the frustration of dealing with a chaotic federal government as a businessman, as a local school board member, and as a Governor, I believe two things. There is some amount of waste and inefficiency at every level, but basic responsibility for the morass of red tape lies with the federal bureaucracy.

Overhauling the bureaucracy will be a difficult task requiring strong Presidential leadership built on several fundamental principles.

II. Freeing States and Localities from Federal Mismanagement And Red Tape.

We have to meet national priorities <sup>with</sup> a federal government that gives state and local government the greatest possible flexibility in deciding what they are going to do and how they are going to do it.

- 2) Thornton, Colorado, with 29,000 people, is a new town with few houses more than 20 years old. They were forced to develop a program for rehabilitating deteriorated housing to be eligible for federal community development money.
  - 3) Once Iowa City rejected all its federal aid because they concluded the red tape cost of administering the aid exceeded the dollars they'd get from the grants.
  - 4) The Virginia Department of Welfare has determined that 38 forms must be filled out to make one person eligible for welfare.
  - 5) Dealing with the bureaucracy is no easy matter. Twenty-four programs have set up 4000 administrative regions with no regard for local boundaries.
- b. We have created a welfare system for a bureaucracy extending from Washington to every town in America; without it, towns, cities and states would be unable to conform to federal red tape which only the bureaucrats can understand and even they could not justify.

Partially as a result, state and local government employment has increased by 1.7 million people in the last five years. State and local payrolls have mushroomed to \$10 billion, hiking local property taxes.

1) Example: welfare. Nine-tenths of the bureaucrats who administer the system are on state and local payrolls. The administrative costs of welfare have doubled in the past four years. It is not surprising that property taxes have risen by more than 70% since Mr. Nixon assumed office.

c. Waste and ineffectiveness - HUD: ~~200<sup>+</sup> indictments~~ <sup>under HUD programs,</sup>  
~~But less than half~~ <sup>only</sup> the national housing goal of 2-1/2 million units per year is being met;  
Medicaid - while the government wastes up to 7-1/2 billion a year, the poor receive inadequate services; LEAA - while police are being laid off, federal government, over objections of police, spends \$500,000 building ten police cars that fail to meet police needs.

C. Remedies

1. Federal government out to impose real performance standards -- states and cities not doing the job must be penalized -- and worry less about telling states and localities how to do their job.
2. Review involving state and local officials to determine where consolidation of categorical grants would be appropriate. We are not cutting back on our commitments; we simply want the money to go to those truly in need.
3. A one-stop federal clearinghouse, ~~so that~~ <sup>with the use of computers,</sup> ~~and computerized~~ <sup>local officials can find out where to go for help.</sup>

III. Federal Fiscal Support

Federal government must provide predictable and adequate financial support to assist communities in meeting their legitimate fiscal needs, so that localities can avoid excessive service cutbacks and inordinate property tax increases.

When economic conditions sour, the federal government can simply borrow more money and go further into debt. But most states and localities don't have that option -- they can only respond to adverse conditions by hiking taxes, usually property taxes, or by reducing services and laying people off at a time when such policies are least acceptable. *Here's what we can do to help: [BUDGET]* *counter-cyclical assistance,* *is necessary* *revenue sharing* *typing note* which Mr. Ford vetoed, ~~was so important~~ - because the program meant that when local economic conditions were bad, federal support would increase to avoid higher taxes and layoffs; but when conditions were good again, the federal money would stop.

*use of revenue sharing funds for education and social services, unlike*  
It made no sense for the federal government to stimulate the *republicans,* national economy with a tax cut, while it cut state and local aid, *proposed* forcing local taxpayers to use money they saved through the income *who wish* tax cut to pay for higher property taxes. *to cut back,* *and in their* *platform belted* *about implied*

In short, we need to balance the federal partnership, so that *abolishing,* it reflects our support of strongstate and local government, and *Fed aid* so that we meet national priorities with a system that is efficient, *to* flexible and competent. *education*

FOLLOW UP QUESTION #1 - President Ford recommended that 59 social service categorical grant programs be consolidated into 4 block grants, but his recommendations were rejected by Congress. If the interlocking relationships between Congress, the special interests and the agencies stopped President Ford, why should you do any better?

*John*  
*Wilson*  
ANSWER: The Administration's consolidation program was really an excuse to cut out vital programs, such as <sup>health services for the elderly, preventive health care,</sup> assistance for the handicapped, and vocational education. Consolidation should never and will never succeed if it is used to hurt the people most in need. There is wide support in Congress for a consolidation of programs, so long as the new programs are fair.

Secondly, if a President wants legislative support for his program, and if he wants it to be effective once enacted, he will do what this Administration has failed to do: involve the mayors and governors in a full consultative relationship in developing new approaches.

Reorganization and elimination of wasteful programs will not be easily accomplished. It will require strong Presidential leadership, based on a cooperative relationship with Congress. The Administration has met neither of those conditions.

*The Administration's proposed cuts in aid would mean deep reductions in critical local services or even higher local property taxes for millions of Americans.*

FOLLOW UP QUESTION #2 - Most of the categorical grant programs that create so much red tape for state and local government were Democratic initiatives; the movement toward revenue sharing and more local control has been a Republican thrust. Can you really turn this around and make this a Democratic issue? Aren't you running against the history of your own party?

ANSWER: *First, two prominent Democrats initially proposed the concept of revenue sharing, which is the strongest action Washington has taken to restore return decision-making power to the states.*  
The Democratic Party can take pride in its history of providing for those truly in need. The Republican position has simply been that important programs benefitting millions of Americans should be cut out. The answer is not a wholesale repudiation of our commitments, but rationalizing our government, trimming and eliminating in areas of overlap and waste.

In many cases, the problem is not so much the program itself - Medicaid is an example - but the fact that programs have been wastefully administered.

Democrats, like Republicans, have made mistakes. What's important is a commitment to leadership to take advantage of our experience, including the mistakes, to make the system work again.

*State and local govt has improved dramatically over the last fifteen years - they are more professional & more representative - must be treated now as full partners.*

Finally, conditions have changed. State and local government has improved ~~been~~ a great deal over the last fifteen years; they are more professional and responsive than ever before, and there is a real need for the federal government now to treat them as full partners.

FOLLOW UP QUESTION #3 - The purpose behind the categorical grants, which were Democratic programs, was to meet critical national objectives. Aren't you really talking about cutting back on our social commitments -- commitments which have always represented what the Democratic Party stood for?

ANSWER: No. When money is wasted in red tape and bureaucratic morass, it's not the poor that benefit. Efficiency means channelling more money to the poor. An efficient welfare system would save up to \$2 billion in administrative costs alone. Reducing waste in other programs would achieve similar benefits.

The Republicans have been using the rhetoric of efficiency as a cover for simply ignoring pressing national needs. We are committed to meeting those needs, but we can only do so if we are equally committed to making our programs more efficient.

Republicans have used rhetoric of Govt effie as a cover for simply ignoring pressing natl needs. We recognize that we can only meet these needs if Govt is made more efficient; money is better spent.

## UNEMPLOYMENT, GETTING AMERICA BACK TO WORK

The Republicans charge that Jimmy Carter's job program is too expensive, that it will lead to huge budget deficits, trigger a new round of inflation, and that it demonstrates once again how Carter is just another liberal, big-spender, big-government Democrat.

### Basic Statement

#### 1. Democratic vs. Republican approach

-- Republicans know only one way to fight inflation and that is to put people out of work. They don't understand our economy or our people. Their policy of stop and go economics has led us from one crisis to another. For example, at the beginning of the worst recession since the Great Depression, Mr. Ford proposed a tax increase that would have totally wrecked the economy. He now proposes an increase in the social security tax next January.

-- The Republicans believe it is too expensive to put people back to work. This is a striking example of why new leadership is desperately needed . . . because the facts prove that it is too expensive not to put people back to work. As long as our economy drifts and stagnates, all other efforts to move America forward are crippled.

## GOVERNMENT REORGANIZATION AND REFORM

Governor Carter has based his campaign on the restoration of trust, confidence, efficiency, and effectiveness ~~in~~ government. A major element of his program has been a promise to reorganize the federal government. But it just that - a promise. He has not been able to state specifically what he would do, what agencies he would abolish or why after his reorganization in Georgia the costs and size of government continued to increase.

Great Democratic Presidents are remembered for the energy and commitment they brought to the projects of their times. I will bring that same energy and commitment to the

GOVERNMENT REORGANIZATION

BASIC STATEMENT

present day task of making government work.

Reorganization is not shifting boxes on a chart. It is improving performance to serve our citizens better.

My goal is to make government responsive, to cut duplication, waste and inefficiency, to make regulatory agencies work for the public and not the special big interests, and to make governments more effective deliverer of services.

My goal is to make government deliver on its promises.

In Georgia, I tackled the vested interests, reduced the number of government entities from 300 to 22, instituted permanent audit of programs, and developed zero-base budgeting under which each program had to justify its existence each year.

to those who serve in government.

has ~~been~~ renewed of his authority to reorganize government.

A. Problem ~~by executive order~~. It lapsed three years ago.

(1) Government has grown beyond belief and the Republican Administration has done virtually nothing about it.

-There are now close to 1900 federal governmental entities in Washington, including 1267 advisory groups, costing \$52 million per year.

- ~~By the last 8 years, 10,000 employees have been added to the Department of Transportation and efficiency has declined. Delays in the procurement of~~

-This year alone there are ~~over 1500~~ over 1500 programs administered (over 1500 international grant)

by ~~the~~ federal agencies (259 community development programs; 189 income security and social science programs)

He has also failed to use his existing power as President to achieve government reform.

ptt (leave-in)

-From 1960 to 1974 329 new agencies, commissions, bureaus, and departments were created within the federal government.

-In 1974 alone, 85 organizations were created, and only 3 of these were subsequently abolished. In 1975, 272 advisory committees were created.

-The Federal Register, which publishes government

been unable to

the federal govt now spends about \$1 billion per day and our national debt grows at \$1 billion per week.

of highway construction  
have increased from 2-3 years to an average of 6-8 years in the past  
decade.

① ~~last year alone there were 300 new rules and amendments, over 6000~~

② The Gettysburg Address has 266 words. The Declaration of Independence has 300 words. But a recent U.S. Agriculture regulation setting guidelines for pricing cabbage has 26,911 words. regulations, increased in size from 29,000 pages in 1972 to more than 60,000 last year.

(II) Overlap Federal agencies spent \$15 billion in paperwork in 1973. There are ~~4500~~ <sup>nearly</sup> 5000 different types of forms - the official records they generate each year would fill 11 Washington monuments. Individuals and businesses spend 130 million person-hours filling out forms.

-The amount of overlap is mind-boggling (302 health programs administered by 11 separate federal agencies, with 17 of the 18 standing Congressional committees having jurisdiction over these health programs; 62 separate income-security programs scattered among 9 executive agencies, 11 House committees and 10 Senate committees.)

(III) Mismanagement and Waste

Senator Moss' recent study indicates

-The amount of waste is phenomenal. Each year we have been wasting up to ~~1/2~~ <sup>half</sup> of the ~~\$17 billion~~ <sup>federal Medicaid funds</sup> we spend on Medicaid. ~~(Note: \$15 billion includes state/local share).~~ <sup>up to \$3 billion dollars a year.</sup>

~~-The examples of waste are large and small. It took 3 years, 800 people and millions of dollars for the Consumer Product Safety Commission to write its first original safety standards, which are so obvious a 12-year old could have done them. Useless paperwork and requirements increased the cost of fire equipment for the Bureau of Land Management four-fold.~~

(IV) Unresponsive regulatory agencies have been used by the Republicans to ~~help~~ <sup>stimulate</sup> big business ~~rather than to~~ <sup>support</sup> promote competition and protect the public.

truth

-In spite of the fact that the work force of regulatory

Only one paperwork task remains incomplete.

That is the Federal Commission on Paperwork's task, which  
~~which~~ <sup>it</sup> has yet to file its report after many months of  
study. Apparently it has too much to read.

is a  
year  
behind  
schedule.

A

A

The Postal Service which in 1976 lost a race to the Pony Express in the delivery of first class letters to Philadelphia to Washington, has ~~more~~ 17 executives earning salaries higher than US ~~Senators~~ and Congressmen. As the <sup>mail</sup> service goes down, the salaries of its managers go up.

new route to stay alive,  
but not to make a profit.  
enough

agencies has exceeded 63,000 and their total budget for 1975 was \$2.2 billion, the current process has resulted in major delays. For example, 30 percent of electric utility rate increases decided in 1973 dragged on for more than one year. Regulatory lag in the Food and Drug Administration is now 2 1/2 years. -Despite its task to keep airline air fares at reasonable rates, for 37 years the Civil Aeronautics Board prevented any new firms at all from starting up in competition, <sup>and props up unprofitable companies by giving them enough</sup> In September, 1974, the CAB rejected an application by Laker Airways, a privately owned British airline, to fly regularly scheduled New York-to-London flights for \$125 each way--a little more than one-third the "economy" fare now charged by Pan Am, TWA, and other international airlines.

B. Criticism of Ford Inaction

Although the Reorganization Act which had given the President the authority to reorganize government on his own, subject only to Congressional veto, lapsed in 1973, Mr. Ford has <sup>been unable</sup> ~~never~~ asked to have this authority renewed so he could reorganize. (Important.)

C. Procedures to Follow for Reform

- Immediately after assuming office, ask Congress to reinstate President's reorganization authority.
- Act <sup>immediately</sup> whenever possible by Executive Order <sup>where</sup> ~~immediate standards~~ obvious, duplication and waste can be eliminated and <sup>administrative</sup> to establish tighter standards for official conduct.

~~(Do not)~~ These changes can make public administration a noble service ~~and~~ again.

-Submit any supplemental legislation within first 6 months in office (Do not say you're going to setup a study commission.) ~~Public Service~~ In President Kennedy's phrase, "Let the public service be a proud and lively career." once more.

D. Specific Suggestions

There are many actions which must be taken to reorganize government - to reorganize not only the way it looks in terms of numbers of agencies, but to reorganize the way it functions.

(1) White House Staff

We should drastically reduce the size and power of the White House Staff. Ford proposes to spend \$16.5 million for 485 White House staffers (plus \$4 million for consultants) compared to \$3.5 million in Nixon's first year. The entire Executive Office of the President, including the White House Staff, total over ~~1100~~ <sup>1500</sup> people and costs ~~973~~ <sup>866</sup> million - a 27% percent increase since 1968.

(2) Protect federal employees by specific legislation

so that will feel free to expose wrongdoing, waste or to refuse to follow illegal orders. Never again should an employee like ~~Ernie~~ <sup>Ernest</sup> Fitzgerald be fired for exposing a \$2 billion cost overrun on a C-5A cargo plane.

(3) Provide greater public access <sup>around the country</sup> ~~through regular~~ <sup>to the Presidency</sup>

"people's days" and televised news conferences with public questions.

(4) Adopt zero-base budgeting for the Executive

branch and support <sup>the concept of</sup> sunset legislation, so that useless

programs can be ended, and adopt long-range budget planning,

(5) Impose financial disclosure requirements, so we can identify the interests of key federal employees, and set up meaningful conflict of interest standards, so that we can never again have a federal official can negotiate a ~~business deal~~ for the U.S. in the Soviet grain deal while he simultaneously registers to join a private grain company, then joins the ~~company~~ company and then gets involved in the company's grain negotiations with Russia. The company ~~eventually~~ signed a \$243 million deal, but the ~~government~~ <sup>Republican Administration</sup> couldn't find anything the official had done wrong. See anything wrong.

(5) Specific suggestions on agencies: move toward functional reorganization as in Georgia

Abolish ~~useless~~ entities like: such as:

- (a) ~~Review Panel on Sunburn Treatment in HEW~~
- (b) ~~Advisory Panel for Anthropology~~
- (c) ~~Industry Sector Advisory Committee on Drugs, Soaps, Cleaners and Toilet Preparations~~
- (d) ~~Board of Tea Experts~~
- (e) ~~National Peanut Advisory Committee~~

In 1975 there were 1267 Advisory Committees which required 1350 person years of federal staff support and cost \$52 million per year.

Note:

The federal government has grown up over almost two centuries. It will not be reorganized and made more responsive in two months or two years. The important thing is to resolve to begin. A serious, dedicated effort must be made to assess, define, examine and assess every agency and function of government and to arrive at proper answers regarding their future.

But I am not deterred by this challenge. I did it in my state. It can and must be done in Washington.

(B)

September 2, 1976

MEMORANDUM

TO: Pat Anderson  
FROM: Si Lazarus  
SUBJECT: Sunset Statement (Second redraft)

With apologies for jumping in at the thirteenth hour, I respectfully suggest that the sunset statement ought to be revised. In addition, Paul Jensen is preparing a Q&A back-up memo. No sunset statement should be released until Governor Carter has reviewed this back-up memo.

\* \* \* \* \*

The people of America and their elected leaders in Washington have lost control of our government. Many of our citizens have begun to question whether government can be made to work at all--whether we can serve basic human needs without proliferating wasteful, bloated bureaucracies.

The challenge before the nation is to cut the bureaucracy down to size and reverse this corrosive decline of faith.

(1) If I win the people's support in November, I hope I will be remembered as a man who came to Washington and put the government's house in order.

For decades we have heard politicians denounce "big government" in campaign speeches. But the actions of these same politicians have produced a government which every day seems to grow bigger, more complicated, and less responsive to the purposes it was designed to serve.

(BACKGROUND)

CARTER CALLS FORD STATEMENT ON ARAB BOYCOTT BELATED,  
INADEQUATE AND POLITICALLY MOTIVATED

Mr. Ford's statement during our debate last night that he would direct the Commerce Department to disclose the names of the companies participating in the Arab boycott is belated, inadequate and motivated clearly by political expediency.

It is belated because for two years Mr. Ford has opposed every meaningful legislative effort to end discrimination and compliance with the Arab boycott by making such discrimination and compliance illegal and punishable. For five months in 1975, his Administration refused even to release reports filed by companies participating in the boycott, and it took a contempt of Congress citation by a congressional committee against Mr. Ford's Secretary of Commerce before these reports were released.

Mr. Ford's comments are inadequate because it still fails to make participation in the Arab boycott illegal, as I have repeatedly proposed. In effect, Mr. Ford is sanctioning permissive discrimination. American companies are being told they can continue to discriminate against American Jews so long as they put it on paper and file it with the Commerce Department. This is an affront to American Jews and is abhorrent to me personally and to America's basic morality.

Mr. Ford's statements are politically motivated since they were made only under the heat of a debate, were made without prior consultation with the Commerce Department, and were made some two years after Mr. Ford initially had authority to require such disclosure.

I believe the American people want an administration which will be true to the ideals upon which this country was founded and which will not permit its foreign and domestic policy to be dictated by threats and pressure from abroad.

## EXPERIENCE AND RECORD AS GOVERNOR

### QUESTIONS

1. How do you reconcile major campaign promise of government reorganization and reduced waste and inefficiency with fact that, as Governor of Georgia, your reorganization is alleged to have been only box shuffling, expenditures went up 50%, number of state employees went up 25% and bonded indebtedness went up 100%? Per capita taxes went up greatly.

2. Is experience as a one-term Governor of Georgia and a one-term state senator adequate to prepare you for the Presidency?

### ANSWERS

Theme: As President Kennedy said, many routes to Presidency. My experience makes me more qualified than Ford. Know concerns of ordinary people better. Not part of Washington buddy system. Record as Governor widely praised.

#### A. Attack Points

1. Ford grossly distorted my record as Governor in first debate -- as Governor Busbee, my successor, indicated.

2. Ford's experience consists only of representing a Congressional district of less than one-half million people for 25 years, serving year as unelected Vice President, and two years as unelected President. This provided opportunity to become part of Washington buddy system, but not to learn much about rest of the country.

#### B. Positive Points

1. Ford said expenditures went up 50% during my term. This was during period of Georgia's greatest economic growth. State's revenues increased at even faster rate because of increased tax base and permitted us to better serve our citizens. Left office with \$116 billion surplus -- much greater than when came into office. Mr. Ford carefully failed to mention these facts.

2. There were no statewide income, property or sales tax increases during my entire four-year term. Only gasoline and cigarette taxes increased by one cent to bring them in line with national average. My record in Georgia good example of how government services can be increased and tax reform accomplished without tax increase.

3. I was able to have a \$50 million property tax rebate for our property taxpayers.

4. As income rose of course people moved into higher tax brackets. Income of our people vastly increased during my term due to booming state economy.

5. Ford said number of state employees increased 25% during term. Growth in employees decreased to two percent per year in my last year compared to 8-10% before reorganization. We never intended reorganization as a way to end people's jobs -- they have civil service protection -- just like federal workers -- but rather as a way to make workers more efficient and effective. Reorganization supported by state employees.

6. Ford said bonded indebtedness increased 20% during term. I reorganized fiscal structure to allow state to issue general obligation bonds for first time and eliminated those of myriad separate agencies. Result was increase in bond rating from AA to AAA and financial community which fully supported this modernization.

7. Other major accomplishments: Reorganization into 22 agencies; complete reappraisal of educational system; quadrupling of retarded persons served by community drug abuse program; "Killers and Crippleers" program; creation of Georgia Residential Financial Agency; judicial reform; offender rehabilitation improvements; creation of Heritage Trust.

8. Bring new leadership with new perspective. Experience from receiving end of federal grants and revenue sharing. More experienced than Ford at administering large organization, and not part of Washington establishment; more familiar with concerns of farmers and working people.

9. For same length of time Ford has been President and isolated in Oval Office, I have been crisscrossing America, meeting ordinary people in living rooms, factory lines. My experience has given better feel of pulse of America, what its people want and don't want from government.

Note: This is an area where some of the subject matter was covered in first debate and may therefore not be asked about directly. However, Ford distortions of Georgia record were not adequately rebutted in first debate. YOU MUST, REGARDLESS OF WHAT OPENING YOU HAVE, REBUT HIS DISTORTIONS AND LAY OUT YOUR GEORGIA ACCOMPLISHMENTS. FORD'S BEST KICK IN BOTH DEBATES IS THE UNREBUTTED CHARGE YOU WERE A POOR, ONE-TERM GOVERNOR WHO RAISED TAXES, SPENDING, AND BUREAUCRACY.

## VETOES

### QUESTIONS

1. The President has said his vetoes have been necessary to prevent \$9 billion in wasteful spending by Congress and ever larger budget deficits. Isn't that true?
2. As Governor of Georgia, didn't you veto more legislation than President Ford has, and hasn't his veto rate been substantially lower than that of Presidents Roosevelt and Truman, to name two?

### ANSWERS

Theme: President must be a leader, a proposer and shaper of governmental policy. Relations with Congress should be active and positive, not inactive and negative. President should seek unity of purpose and direction, not division and divisiveness.

#### A. Attack Points

1. I did not as Governor, and would not as President, hesitate to veto bad legislation, but not legislation, like Mr. Ford, to help our Vietnam veterans or to create jobs in the height of a recession.
2. In first debate, Ford misrepresented facts with regard to vetoes. Almost all of Roosevelt's and Truman's vetoes were of private bills. Only two of Ford's were. On national legislation, Ford's veto rate was 26 per year, compared to 9 for Roosevelt and 7 for Truman.
3. More telling statistic on question of Presidential leadership and responsiveness is extent to which vetoes are overridden. In 2 years, 12 of Ford's 61 vetoes were overridden. On 5, majority of his own party voted to override. Roosevelt had 9 overrides in 12 years, Truman 12 in 8 years, Kennedy and Johnson none. With exception of local homestead bills that state attorney general said were unconstitutional, only one other veto was overridden.
4. Many of Ford's important vetoes were on non-spending bills:
  - Freedom of Information Act Amendments
  - Strip Mining (twice)
  - Requiring Secretary of Interior to consider environment in granting rights-of-way over federal lands
  - Hatch Act Amendments
  - Common Situs Picketing
  - International Navigation Agreements

5. Even on spending bills, actual net cost of vetoed bills was only \$4 billion, less than half what Ford claimed. Cost in terms of unemployment, human suffering, etc. was higher. We could have recouped much more than that in tax revenues by putting our people back to work, taking them off welfare and making them tax-paying citizens.

C. Positive Points

1. New leadership, more in touch with mood of the people, would end this negativism.

2. Congress sometimes does spend too much on a particular bill. But positive leadership would provide direction and purpose in spending and would be able to reach acceptable compromises, rather than just prolonging the stalemate.

3. As Governor I did stand up to bad legislation. But my vetoes were of special interest legislation or of bills with technical imperfections.

## VE'TOES

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 wasteful and inflationary spending by the Democratic Congress. Who is right?

### ANSWER

(1) Carter not a spokesman for Congress: enough mistakes to go around.

First, let me say that I'm running for president, not Congress; and so I don't consider myself a spokesman for Congress. There have been more than enough mistakes in recent years to go around for both the Administration and Congress.

(2) Real problem has been lack of leadership in the White House

But I think the real problem has been the lack of leadership in the White House. The president is the chief executive, he and the vice-president are the only officials in our country elected by all the people. That's where the people look for leadership, and that's where leadership has got to come from. If the people's faith and trust in government can be restored -- and I think that it's been lost and missing in recent years -- it's going to be restored through forceful, competent leadership in the White House.

(3) Vetoes represent a pattern of Republican negativism

I'm not as concerned with arguing about the details of each of Mr. Ford's vetoes as I am about the pattern of negativism that the vetoes represent. It is easy to be against something,

it's easy to criticize other people's programs. Mr. Ford's party has a long record of opposition. They opposed Social Security and the rest of the New Deal legislation. They have opposed minimum wage legislation, and Mr. Ford voted against minimum wages 7 times as a Congressman. They opposed Medicare; Mr. Ford voted against Medicare as a Congressman.

(4) Criticism of specific Ford vetoes

A number of Mr. Ford's vetoes fit right into this pattern of consistent negativism and opposition. Mr. Ford vetoed the Veteran's Educational and Jobs Act which would have increased educational benefits for Korean and Vietnam war veterans and would have increased on-the-job training and vocational aid for disabled veterans. Mr. Ford vetoed amendments to the Freedom of Information Act which would have provided some enforcement provisions for that act. Here we had a situation where, after all these years, the government bureaucracy was required by law to open up its unclassified files to the public but without any provision for deadlines or any penalties for government officials who refused to comply. The amendments would have put in enforcement provisions and Mr. Ford vetoed them. All over the country this month unemployed policemen, firemen, municipal employees, and construction workers ~~are being~~ <sup>will be</sup> rehired with funds provided by the Employment Act of 1976. Here we have a situation where there is almost 8% unemployment in the country, where we're wasting billions of dollars in unemployment and welfare payments to able-bodied workers and the President vetoed this bill. Well I think that was short sighted and wrong, and I'm glad Congress overrode the veto.

(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 <sup>200</sup>\$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

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 <sup>workers</sup> 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.

# HASN'T FORD DONE A GOOD JOB ON ECONOMY?

11. QUESTION: Governor Carter, President Ford said in his acceptance speech that the economy was in the midst of a strong recovery at the time he took office, that his policies are largely responsible. Now didn't President Ford inherit a pretty poor economic situation and hasn't he done a pretty good job with the economy?

ANSWER: I think we have to look at the record. The rate of inflation today is 6%. That's higher than any rate under Presidents Eisenhower, Kennedy or Johnson. And the wholesale price of industrial commodities has gone up over 8% in the last three months. That's usually a strong indication of price increases that follow at the retail level. We also have a situation where farmers are getting lower prices for their products and these price reductions aren't getting through to the consumers at the supermarket. 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. So I don't think the average consumer is very pleased with the prices he's paying today.

The unemployment rate today is almost 8%. That's higher than it's been at any time between the Great Depression and the inauguration of Mr. Ford. There are 7½ million workers in our labor force today who can't find jobs. And unemployment hasn't been going down in the past few months, it's been going up. Unemployment was up in June, up in July, and up in August. There are fewer workers employed in private nonfarm jobs today than there were when Mr. Ford took office 2 years ago.

And our federal budget has never been more unbalanced than it is now. We've just had a budget deficit of \$65 billion, which is the largest deficit in our 200-year history.

So Mr. Ford can take credit for that economic performance if he wants to. But I wouldn't.

CHOICE BETWEEN DEMS & REPS:  
FULL EMPLOYMENT & SOCIAL PROGRAMS  
VS. INFLATION CONTROL & SMALLER GOV'T.

39. QUESTION: Governor Carter, aren't the American people faced in this election with a broad philosophical choice between you and your party and Mr. Ford and the Republicans, in that the Democratic Party is a party which generally supports full employment and new social programs and the Republican Party is a party which generally supports control of inflation and a smaller federal government?

ANSWER: We do stand for full employment and we do support new initiatives to get this country moving again. We do have a vision of the future and we're not afraid to look ahead. A stand-pat, do-nothing approach has resulted in the highest unemployment we have had in 40 years and the highest inflation in <sup>30 or 25</sup> 30 years. This kind of philosophy will not realize the full potential of our people.

We know that you cannot have a strong, decent society with 7 1/2 million people looking for work and an inflation rate of 6%. We're not going to have safe communities with 20% of our teenagers out of work and hanging around on street corners. The American people don't need any further studies or commissions to tell them what that means in terms of crime and disorder.

We're not willing to sit back and watch families hit by the cruelties of illness and injury go bankrupt as well over their medical bills. We're not going to sit back and accept the welfare system which destroys family life and which no one in this country supports or wants.

So we look to the future with a sense of confidence. We don't sell this country or its people short. We know that if we work hard and work together, we can do a better job and we can have a better America.

And we don't see any conflict between our goals and price stability or an efficient federal government. You've got to look carefully at the record. When someone tells you he considers inflation to be the number one enemy, and his Administration has given us the worst record on inflation in more than <sup>25</sup> 50 years, you've got to wonder about what's going on. When a party tells you that they're the party of balanced budgets and smaller federal government, and you look at the record and see that they've given us the largest budget deficits and the largest national debt in our history, you've got to watch what they do and not what they say.

Follow-up Question

But Governor Carter, on this matter of the size of the federal government, isn't it true that the Republicans are in favor of a smaller federal government and that the Democratic <sup>Party</sup> is not?

ANSWER: I really don't know what the Republicans are in favor of. They may say they're concerned about the size of government, but we've just gone through a period of the largest deficits and debt in the 200-year history of our country. When Richard Nixon took office, our total national debt was \$ 279 billion and after we're finished with Mr. Ford's budgets, that national debt is going to be \$ 560 billion. We've had an increase in the public debt during just these past 8 years which is <sup>greater</sup> ~~almost~~ than the total for ~~as large as the increase we had in~~ the entire 192 years before that. The interest that we all pay every year on the <sup>+ new</sup> federal debt will <sup>be more than</sup> ~~have increased~~ from \$ 19 billion in 1968 to \$            billion. That's a yearly charge and it amounts to \$ 350 for every family in this country. So I think you have to match up very carefully words against deeds in this area.

Now for my part I've said that, if I'm elected, we intend to achieve a federal balanced budget by the end of the first term and that we intend to hold federal spending down to its current level of our national output or lower if we can. We're going to do this through a system of zero-based budgeting and tight control in management of all of our federal programs. We're not talking about a bigger government, we're talking about a better, more efficient government.

# BALANCED BUDGET vs. NEW PROGRAMS DIFFERENCE BETWEEN CARTER & FORD

## QUESTION:

6. Governor Carter, you've stated that if you are elected President, you would like to achieve a balanced federal budget by the end of your first term and that you would like to keep government spending down to the current level of GNP. I'm sure that the Republicans would share those goals. My question is, where does this leave the new programs that you've proposed and what difference does this leave between you and Mr. Ford?

ANSWER: First, let me say that unless we get this economy moving again and do a much better job of managing it, we're not even going to be able to ~~have~~ achieve a balanced federal budget by 1980, let alone initiate new programs that our people want or provide for tax reductions for our people. And we're going to have a hard time keeping government spending down to its current proportion of our national output if national output continues to be artificially reduced by unemployment and economic stagnation. And if the government has to keep putting out checks for unemployment and welfare.

We have almost 8% unemployment today -- more than 7½ million people out of work -- and our manufacturers are operating at less than 75% of capacity. When you have this kind of low employment and low production, there is a tremendous loss of output and income in our economy -- at least \$<sup>200</sup>~~150~~ billion this year alone; that amounts to \$2,800 for every family in our country. When we have this kind of high unemployment and low production, the federal government of course loses tremendous amounts in tax revenues and has to increase its expenditures for unemployment compensation and welfare. This is what accounts substantially for the all time record budget deficits we've been experiencing in the last few years.

During the past eight years, the economy has only been growing at the rate of about two percent a year. That's only about half of our historically average. I think we can do much better than that -- we did during the 1960's when the economy grew at a 4½% annual rate -- and I know that we're going to have to do much better if we're ever going to balance the budget.

So I think the basic difference between myself and Mr. Ford and the basic choice the voters will have to make is in determining who can best get this country moving again and who can do a more competent job of managing the economy. I think that if the economy is properly managed, we can balance the budget and we will have adequate federal revenues to phase in the new programs which we've proposed. I care very much about these programs and I'm not going to put them into effect all at once in a haphazard way which won't work. They're going to be very carefully put into place as our economy generates the revenues to finance them. And we're going to be able to do it with a steadily growing economy.

Follow-up Question

Governor Carter, in your response you've placed a lot of emphasis on adequate economic growth and you've implied that you can do a better job in that area than President Ford. Now the economy has been growing this year at the rate of about 6% which is far greater than the historical average you just referred to. The question is, do you think that you can get the economy going even more rapidly and hasn't Mr. Ford really done a pretty good job in terms of economic growth?

FISCAL DIVIDEND: CARTER WILL  
USE IT FOR NEW PROGRAMS;  
FORD WILL USE IT TO REDUCE TAXES

20. QUESTION: Governor Carter, if the economy grows at the 4-6% rate that you have projected, it will generate considerable new federal revenues which can be either used for either new programs or returned to the people by tax reduction. I take it that you would spend such revenues for the various new programs you've proposed as opposed to returning it in the form of tax reductions, and that the Republicans would tend to reduce taxes instead. Is that right?

ANSWER: First let me say that the key to your question is whether we can get the kind of economic growth that I've called for or whether our economy will continue to stagnate. We simply are not going to get additional federal tax revenues if our economy continues to grow as slowly as it has during the past eight years and if we continue to have the kind of high unemployment and unused manufacturing capacity that we have under Mr. Nixon and Mr. Ford. The facts are that the economy has only grown at the rate of about 2% during the past eight years -- that's about half of our historically average -- and that we've had higher unemployment and more unused ~~and~~ capacity than we have since the 1930's. And you can see the results of that in what's happened to the federal budget. We've had the largest budget deficit and the greatest increase in public debt that we've ever had. The interest expense -- and I mean just interest expense -- on the public debt now amounts to almost \$40 billion a year. That's \_\_\_\_\_ billion more than it was in 1968.

Now I think we can work together in this country again and we can get this economy moving again. We can have full employment and stable prices. We did in the 1960's, and we can do it again. That's the key

to increase federal revenues.

You should also remember that if I'm elected, we're going to have a comprehensive tax reform in this country for the first time. Our tax system is not fair now, it's shot through with advantages and preferences for special interests. We're going to remove a lot of those special-interest items that don't serve any national purpose, and when we do, we're going to reduce the rates for the low and middle-income taxpayers in this country. Those reductions in rates, along with the rising incomes that are going to come out of an economy which will be moving from stagnation to growth, are going to result in a very substantial reduction of the tax burden to the average taxpayer in this country.

Follow-up Question

But Governor Carter, setting aside any rate reduction which would come from tax reform for the moment, if you do get increased federal revenues from an expanding economy, will you spend those new revenues on new programs or will you use them for tax reductions?

ANSWER: Well, I really don't think you can set tax reform aside in this manner. I think tax reform goes to the heart of the question of the real tax burdens faced by the average taxpayer in this country. But, let me say that we do expect additional federal revenues under our economic policies and, of course, when we get those additional revenues, we're going to have to weigh very carefully what we do with them. The value to our people of each proposed expenditure will of course have to be carefully weighed. But we have made commitments to the people in the areas of health care, welfare reform, jobs, and

housing. And we're not backing off of them. We're going to bring those programs into effect prudently, within our budget, but we're going to have those programs. We're going to keep those promises.

Just let me finally say that in addition to the tax reform that we're going to have which is going to reduce the tax rate for the average taxpayers in this country, if we can have further tax reductions, those tax reductions are going to be fairly spread over all our taxpayers. We're not going to have tax reductions concentrated just in the upper income brackets, as this Administration has proposed.

## REPUBLICAN BUDGET RECORD

The attached Table A is a breakdown of the budget deficits for the seven fiscal years that overlap the eight years of the Republicans. There was never a single balanced budget during the period (nor were there any balanced budgets under Kennedy and Johnson). In five of the seven years the budget deficits that actually occurred were larger than those proposed by the administration.

More importantly, the fiscal 1971 and fiscal 1975 (the budget in effect during Ford's first year in office), the deficits proposed by the Republicans grossly understated the deficits that actually occurred because of Republican recessions. You should focus your criticisms on these budgets, particularly the fiscal 1975 budget. Details of how the deficits ballooned because of rising welfare and unemployment expenditures and falling tax revenues.

TABLE A - REPUBLICAN BUDGET DEFICITS

		ADMINISTRATION PROPOSALS	ACTUAL
FY 1970	Receipts	198.7	193.7
	Outlays	<u>195.3</u>	<u>196.6</u>
	Deficit	+ 3.4	- 2.8
FY 1971	Receipts	202.1	188.4
	Outlays	<u>200.8</u>	<u>211.4</u>
	Deficit	+ 1.3	-23.0
FY 1972	Receipts	217.6	208.6
	Outlays	<u>229.2</u>	<u>231.9</u>
	Deficit	-11.6	-23.2
FY 1973	Receipts	220.8	232.2
	Outlays	<u>246.3</u>	<u>246.5</u>
	Deficit	-25.5	-14.3
FY 1974	Receipts	256.0	264.9
	Outlays	<u>268.7</u>	<u>268.4</u>
	Deficit	-12.7	- 3.5
FY 1975	Receipts	295.0	281.0
	Outlays	<u>304.4</u>	<u>324.6</u>
	Deficit	- 9.4	-43.6
FY 1976	Receipts	297.5	300.0
	Outlays	<u>349.4</u>	<u>365.6</u>
	Deficit	-51.9	-65.6

## FISCAL YEAR 1971

In fiscal year 1971 the Administration badly underestimated total spending and overestimated tax collections. As a result, instead of the small surplus originally projected, the budget showed a \$23 billion deficit. The failure to foresee the 1969-70 recession accurately meant that unemployment compensation was \$2.5 billion higher than originally estimated, Medicaid was \$15 billion higher, food stamps were \$.5 billion higher, AFDC was \$.5 billion higher, interest on the debt was \$2 billion higher, social security and disability insurance was \$1.5 billion higher.

On the tax side, the recession caused personal income taxes to fall \$4.8 billion short of the estimate, corporate taxes to fall \$8.2 billion short, social insurance taxes to fall \$.5 billion short and excise taxes to fall \$.9 billion short of the original estimate. Miscellaneous receipts and customs duties were slightly higher than anticipated.

As a result, the original budget estimate for fiscal 1971 went from a \$1.3 billion surplus to a \$23 billion deficit

FISCAL YEAR 1975

In fiscal year 1975 the Administration badly understated the deficit. As a result outlays were \$20 billion higher than estimated. Increases above the original estimate caused by recession were:

Welfare	\$ .5 million
Food Stamps	.6
School lunch & other child nut.	.6
Unempl. Ins.	6.8
Interest Payments	1.9
Medicaid	.3
Training & Employ. Services	<u>1.0</u>
Total	\$11.7 million

Total outlay increases directly caused by the recession is \$11.6 billion. The unexpectedly high rates of inflation had an impact throughout the budget and caused outlay to rise another \$8 billion.

On the receipts side individual income taxes were \$6.6 billion less than estimated and corporate taxes \$7.4 billion less. As a result the original budget deficit estimate for fiscal 1975 rose from \$9.4 billion to \$43.6 billion.

## FORMAT

Details of format and staging will be provided in diagrams and discussions at a later date. However, an overview of the format follows:

The 90-minute debate will be moderated by a professional TV person serving as a neutral traffic-cop, such as you observed Howard K. Smith in the first Kennedy-Nixon debate. He will be sitting in front of you alongside the three reporters there to ask questions. The moderator and the questioners have not yet been selected. The questioners will be instructed to ask questions in a probing, searching manner.

The first question will go to Ford or you based on a coin-flip. The reporter has the opportunity to ask a follow-up question. The answer to the first question should be no more than three minutes. The second candidate will then have an opportunity to comment on the replies to the first question and answer and its follow-up question and answer. This comment is limited to two minutes.

So, the formula is 3-2-2 for answers.

This sequence will take about 8 minutes or so since each reporter is going to be limited to 30 seconds for

each question. That adds up to about 10 or 12 series of questions and comments during the hour-and-a-half.

There is no need to use all the time allotted. In fact, you'll look awkward if you try to use up time after you've finished the thought. That happened to Nixon several times. But three minutes provides plenty of time for a longish answer. You tend to speak about two-and-a-half minutes on your most complicated answers. Time should not be a problem or anything to worry about.

There will be a summation of three minutes for each candidate. No notes or background materials may be taken into the debate, but notes may be taken during the debate and used during your speeches.

T A B L E O F C O N T E N T S

- Debate Format
- First Debate, September 26, 1960
- Preliminary Comment Section
- Themes (Carter/Ford)
- Budget and Economic Overview (to be supplied)
- Most Likely Questions (to be supplied)
- Closing Statement (to be supplied)
- Carter Subject Matter Areas

Index

1. Agriculture, Rural Development
  2. Cities -- Urban Policy
  3. Cost of Democratic Platform and a Balanced Budget
  4. Crime
  5. Dangers of One-Party Government
  6. Defense
  7. Domestic Surveillance
  8. Education
  9. Energy
  10. Environment
  11. Examples of Waste and Mismanagement
  12. Executive Mismanagement
  13. Federalism
  14. Government Reorganization and Reform
  15. Health
  16. Housing
  17. Inflation
  18. Morality in Government; Trust
  19. Over-promising
  20. Presidency
  21. Social Issues
  22. Tax Reform
  23. Unemployment
- Likely Ford Questions, Answers and Carter Comments  
(to be supplied)
  - A Look At the Ford Record
  - Ford Flip-flops
  - Miscellaneous  
1977 Budget in Brief

304-  
202-  
296-366

## I N D E X

1. Agriculture, Rural Development
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5. Dangers of One-Party Government
6. Defense
7. Domestic Surveillance
8. Education
9. Energy
10. Environment
11. Examples of Waste and Mismanagement
12. Executive Mismanagement
13. Federalism
14. Government Reorganization and Reform
15. Health
16. Housing
17. Inflation
18. Morality in Government; Trust
19. Over-promising
20. Presidency
21. Social Issues
22. Tax Reform
23. Unemployment

## FEDERALISM

How well is the present relationship between the federal government and state and local governments working?

### Basic Statement

The unwieldy, expensive, rigid system we have today has little similarity to the balanced federalist partnership that James Madison foresaw.

### I. Carter as Consumer of Government Services.

My background is not as a Washington policymaker, so I have a different perspective than most people. After experiencing the frustration of dealing with a chaotic federal government as a businessman, as a local school board member, and as a Governor, I believe two things. There is some amount of waste and inefficiency at every level, but basic responsibility for the morass of red tape lies with the federal bureaucracy.

Overhauling the bureaucracy will be a difficult task requiring strong Presidential leadership built on several fundamental principles.

### II. Freeing States and Localities from Federal Mismanagement and Red Tape.

We have to meet national priorities with a federal government that gives state and local government the greatest possible flexibility.

A. Importance of State and Local Government

1. Closest to the people, most sensitive to local preferences.
2. Provide services -- police, education, sanitation -- which most intimately affect quality of our lives.
3. Best able to design programs to meet local needs.

B. The federal government has shown inadequate respect for the diversity of American life by placing a rigid bureaucratic straitjacket on state and local government which has also forced the creation of costly bureaucracies at state/local level.

1. Over the past decade, the number of federal grant programs rose from about 200 to over 1,500. (NOTE: only 600 grants to to state/local government - the remainder are to individuals or the private sector).

Results:

- a. Rigid standards, higher administrative costs, contradictory, overlapping and irrational application and approval systems, accountability controls.

- 1) Walton, New York, population 3744, was required by the federal government to put in a \$9 million sewer system. The total assessed value for the entire town was only \$21 million.

- 2) Thornton, Colorado, with 29,000 people, is a new town with few houses more than 20 years old. They were forced to develop a program for rehabilitating deteriorated housing to be eligible for federal community development money.
  - 3) Once Iowa City rejected all its federal aid because they concluded the red tape cost of administering the aid exceeded the dollars they'd get from the grants.
  - 4) The Virginia Department of Welfare has determined that 38 forms must be filled out to make one person eligible for welfare.
  - 5) Dealing with the bureaucracy is no easy matter. Twenty-four programs have set up 4000 administrative regions with no regard for local boundaries.
- b. We have created a welfare system for a bureaucracy extending from Washington to every town in America; without it, towns, cities and states would be unable to conform to federal red tape which only the bureaucrats can understand and even they could not justify.
- 1) Example: welfare. Nine-tenths of the bureaucrats who administer the system are on state and local payrolls. The administrative costs of welfare have

doubled in the past four years. It is not surprising that property taxes have risen by more than 70% since Mr. Nixon assumed office.

(2) Medicaid. While the government wastes up to 7½ billion dollars a year, the poor receive inadequate services; LEAA - while police are being laid off, federal government, over objections of police, spends \$500,000 building ten police cars that fail to meet police needs.

C. Remedies

1. Federal government out to impose real performance standards -- states and cities not doing the job must be penalized -- and worry less about telling states and localities how to do their job.
2. Review involving state and local officials to determine where consolidation of categorical grants would be appropriate. We are not cutting back on our commitments; we simply want the money to go to those truly in need.
3. A one-stop federal clearinghouse, so that with the use of computers, local officials can find out where to go for help.

### III. Federal Fiscal Support

Federal government must provide predictable and adequate financial support to assist communities in meeting their legitimate fiscal needs, so that localities can avoid excessive service cutbacks and inordinate property tax increases.

When economic conditions sour, the federal government can simply borrow more money and go further into debt. But most states and localities don't have that option -- they can only respond to adverse conditions by hiking taxes, usually property taxes, or by reducing services and laying people off at a time when such policies are least acceptable. Here's what we can do to help:

- Countercyclical assistance, which Mr. Ford vetoed, is necessary--because the program meant that when local economic conditions were bad, federal support would increase to avoid higher taxes and layoffs; but when conditions were good again, the federal money would stop.
  
- Use of revenue sharing funds for education and social services, unlike Republicans, who wish to cut back, and in their platform implied abolishing Federal aid to education.

In short, we need to balance the federal partnership, so that it reflects our support of strong state and local government, and so that we meet national priorities with a system that is efficient, flexible and competent.

Follow-Up Question #1:

President Ford recommended that 59 social service categorical grant programs be consolidated into 4 block grants, but his recommendations were rejected by Congress. If the interlocking relationships between Congress, the special interests and the agencies stopped President Ford, why should you do any better?

ANSWER

The Administration's consolidation program was really an excuse to cut out vital programs, such as health services for the elderly, preventive health care, assistance for the handicapped, and vocational education. The Administration's proposed cuts in aid would mean sharp reductions in critical local services or even higher local property taxes for millions of Americans. Consolidation should never and will never succeed if it is used to hurt the people most in need. There is wide support in Congress for a consolidation of programs, so long as the new programs are fair.

Secondly, if a President wants legislative support for his program, and if he wants it to be effective once enacted, he will do what this Administration has failed to do: involve the mayors and governors in a full consultative relationship in developing new approaches.

Reorganization and elimination of wasteful programs will not be easily accomplished. It will require strong Presidential leadership, based on a cooperative relationship with Congress. The Administration has met neither of those conditions.

Follow-Up Question #2:

Most of the categorical grant programs that create so much red tape for state and local government were Democratic initiatives; the movement toward revenue sharing and more local control has been a Republican thrust. Can you really turn this around and make this a Democratic issue? Aren't you running against the history of your own party?

ANSWER

First, two prominent Democrats initially proposed the concept of revenue sharing, which is the strongest action Washington has taken to return decision-making power to the states. The Democratic Party can take pride in its history of providing for those truly in need. The Republican position has simply been that important programs benefitting millions of Americans should be cut out. The answer is not a wholesale repudiation of our commitments, but rationalizing our government, trimming and eliminating in areas of overlap and waste.

In many cases, the problem is not so much the program itself--Medicaid is an example--but the fact that programs have been wastefully administered.

Democrats, like Republicans, have made mistakes. What's important is a commitment to leadership to take advantage of our experience, including the mistakes, to make the system work again.

Follow-Up Question #3:

The purpose behind the categorical grants, which were Democratic programs, was to meet critical national objectives. Aren't you really talking about cutting back on our social commitments -- commitments which have always represented what the Democratic Party stood for?

ANSWER

No. When money is wasted in red tape and bureaucratic morass, it's not the poor that benefit. Efficiency means channelling more money to the poor. An efficient welfare system would save up to \$2 billion in administrative costs alone. Reducing waste in other programs would achieve similar benefits.

The Republicans have been using the rhetoric of efficiency as a cover for simply ignoring pressing national needs. We are committed to meeting those needs, but we can only do so if we are equally committed to making our programs more efficient.

## FEDERALISM

Q.: One of the overriding issues in this campaign is the different philosophy between you and President Ford over the proper relationship between the national government in Washington and the governments at the state and local level. President Ford casts himself as an opponent of big government while you are the candidate of the Democratic Party which has traditionally believed in a larger responsibility for the national government. Is that characterization fair? And what role do you foresee for the national government in your administration vis-a-vis the state and local governments?

ANSWER:

--One of the more puzzling elements of the present campaign is the fact that Mr. Ford seems to be running against the government over which he has been chief executive for the past two years and which has been managed by Republican Presidents for the past eight. I frankly have been unable to understand why he, as President, should not bear primary responsibility for what happens in his administration.

--In 1973 the Government Reorganization Act lapsed. This law grants the President broad authority to initiate ways of rooting out inefficiency and overlapping. And this is absolutely essential in achieving any meaningful reorganization and reform in the executive branch. Yet Mr. Ford made no serious effort to have this authority extended. Most of

President Ford's problems with Congress over government reorganization can be traced back to his failure to achieve extension of this authority. I would make re-establishment of this authority one of my priority objectives, if I am elected.

--The present situation is locally out of hand. I cannot help but compare the recent U. S. Department of Agriculture regulation on cabbage pricing that runs almost 27,000 words with the Gettysburg Address that contained only a few hundred words.

--I would follow the principle of vesting primary governmental authority with the level of government closest to the problem. I am very proud of my record as Governor of Georgia. I know the many positive things we accomplished in those years in terms of making government truly responsive to people's needs. My administration would be devoted to fashioning a federal government that helps states and local governments do a better job.

--First of all, we must recognize that vigorous economic recovery and sustained economic growth is the most constructive service that the national government can offer our states and localities. As unemployment goes down, state and local tax revenues rise...people on welfare or unemployment insurance don't pay taxes. The heavy financial burdens of paying for welfare services and unemployment compensation also drops... and this relieves a very heavy strain on state and local budgets.

--We need a one-stop clearinghouse for state and local officials. When I was Governor of Georgia I discovered that I had to deal with no less than 13 separate federal agencies in setting up a state narcotics treatment program.

--I would begin a priority review, involving state and local officials, to determine where categorical grant programs could be consolidated. And I would work closely with Congress in passing such a program, instead of using the present stalemate as a political issue.

--Mr. Ford vetoed counter-cyclical assistance to local governments and I would strongly support this kind of emergency federal assistance...when local economic conditions are bad, federal support would rise to avoid higher state and local taxes and layoffs; when economic conditions improved, the federal money would stop automatically.

--My background is not that of a Washington policy-maker, so I have a very different perspective from my opponent. As Governor, I had to experience, first-hand, the frustrations of dealing with the red tape and bureaucracy of the federal government. This is precisely the kind of preparation that is needed to make our federal system operate once again with efficiency, flexibility, and responsiveness.

--We know that government closest to the people should assume as much responsibility as it can. We have learned from hard experience that Washington does not always know best.

## GOVERNMENT REFORM

### Question

1. You have stated that government reorganization is a major issue but you have never responded to Governor Jerry Brown's criticism that reshuffling boxes on an organization chart has no real effect on conduct of government. Don't your plans for reform reflect anything more profound than that -- no philosophy of the proper role of government -- no specific measures which can really change the way the government actually works?

2. You have praised Nader and his ACA but given the public and business groups the impression that you will reduce regulatory burdens. What will really happen to business regulation under Jimmy Carter?

### Attack Points

1. The Ford administration has lasted nearly as long as President Kennedy's administration, but nothing has even been proposed -- If you don't clean house when you move in, you won't clean house after two years.

2. There are 20 governmental entities with responsibility in energy--no wonder we have no coherent energy policy and health programs are scattered among dozens of agencies. The Administration has had it chance and it has done nothing.

3. Examples of inefficiency --

--In last eight years, DOT has added 10,000 employees and its productivity has declined -- delay between planning and final construction of hiway projects has gone from 2-3 to 6-8 years.

4. Conflict of interest and Washington buddy system --

-- Soviet grain deal was arranged under Butz in part by an Assistant Agriculture Secretary after he had negotiated a job for himself with a big company, for which he then went to work, on the same deal. The company realized \$240 million on the deal: no prosecution for conflict of interest violation.

-- Comptroller General has issued eleven reports on individual agencies showing that in every one of them, enforcement of conflict of interest requirements was slipshod -- the most recent report showed that the President of the Export-Import Bank used his position to make over \$350,000 on a stock sale to a Japanese conglomerate corporation dealing extensively with the bank; this case was dropped by the Justice Department without an indictment

-- Consumer is not safe with the Republican philosophy of regulation -- to let the fox guard the chicken coop -- over half of members of regulatory commissions are from regulated industry.

5. On imperial presidency -- White House staff is not a small personal staff but a large and growing bureaucracy and President Ford has made no change in that fact --

-- White House office salaries and expenses were \$3,940,000 under Nixon in 1970 -- \$11,260,000 when Nixon left in 1974 and over \$16.5 million now.

-- budget increase requested for FY 1977 by Ford is \$2.5 million.

-- Ford has continued use of executive privilege -- as with companies participating in Arab boycott.

-- Ford campaign has continued practice of making illegal use of White House personnel -- a man running his debate strategy is getting \$38,000 per year taxpayers

-- President Ford has already stated that he intends to control disposition of the records of his administration after he leaves White House in the old imperial way, as if they belonged to him, and not turn them over intact to the government, as Congress required with respect to the Nixon records after Ford attempted to turn them back to Nixon simultaneous with the pardon.

### Positive Points

1. Georgia record -- correct Ford distortions: no state income tax increases, drastically reduced growth of bureaucracy, organized government by function, made government workers feel useful, \$50 million in documented benefits from reorganization; able to give \$50 million on tax rebate to taxpayers.

2. Reorganization is not just box-shuffling -- it is a prerequisite for rational policy-making and intelligible government, but it is beginning, not end.

### 3. Steps to Improve Efficiency and Management:

--Zero Base Budgeting, where each program must justify its existence each year.

--Sunset laws to end processes that do not work.

--Incentive system for savings -- not for bureaucratic empire building -- and protect government workers who blow whistle on mismanagement and misdeeds by superiors (e.g., Fitzgerald).

--Stopping high turnover rate, which drains federal government of experienced leaders -- now average of Presidential appointees in 19 months.

--Specific areas need imposition of sensible management principles -- like Medicaid -- prospective reimbursement.

### 4. Steps to assure adherence to highest standards of legality and public morality

--Executive Orders to:

--require public financial disclosure of high officials -- no one will serve who has something to hide.

--end revolving regulatory door by requiring high officials to sign contracts agreeing for one year not to lobby former agencies after leaving government on matters within their authority and to divest all potential conflicting interest -- no phony blind trusts will do.

--require public record of all meetings with outside persons -- during Watergate many officials tried to hide their appointment calendars -- I will require that those records be public.

--vigorous enforcement (with responsibility at Attorney General level, Assistant Attorney General level) of federal conflict-of-interest criminal statutes.

### 5. On relationship between business and government --

--There is too much regulation in some cases -- CAB is a good example.

--There is silly regulation -- OSHA required a leading university to spend \$500,000 raising a stone wall from 3' in height to 3'6" in height.

--As said in acceptance speech, competition is better than regulation. We really believe in that.

--Where regulation is needed -- to protect health and safety of the public -- pure food and drugs -- clean environment -- regulation must be tailored to zero in on particular problems. But must be effective and accomplished with integrity. Over half of members of nine major regulatory agencies are from regulated industry -- the Republican philosophy is to have the fox guard the chicken coop.

## THE NAVY

### QUESTIONS

1. Our Navy has declined by half, the Soviet Navy has doubled. How can we counter this if you cut the defense budget \$5-\$7 billion?
2. Admiral Rickover says we need a nuclear Navy. Do you agree? How do you feel about Admiral Rickover?
3. How would you stop a Soviet build-up in the Indian Ocean?
4. What will you do about the shipbuilding mess?

### ANSWERS

#### A. Attack Points

1. Naval strategy not reassessed since 1950.
2. Our Navy has been reduced from nearly 1000 to 500 ships under Nixon and Ford. We're building billion-dollar aircraft carriers for yesterday's wars of intervention. For that money we could build 10 attack submarines or 7 destroyers.
3. Navy is perfect example of mismanagement (for example (1) lack of five-year ship building plan has resulted in fewer and fewer shipyards willing to do naval work (2) ship building contracts are such a mess that two shipyards are threatening to stop all current navy work, (3) there are construction delays in 50 out of 56 navy ships currently under construction, (4) the fleet is in such poor condition that the Navy's own official inspection showed that only 2 out of 51 ships picked at random could perform all of their primary missions). The whole shipbuilding program of this country was made hostage to the Republican primaries.
4. It is not clear that we can protect our Merchant Marine, or ship supplies to Europe in time of war.
5. Cost overruns on Navy ships this year (\$2.3 billion) are almost equal to money for new ships (\$2.4 billion).

#### B. Positive Points

1. The \$5-\$7 billion savings are in waste (\$3 billion Ford "cut insurance").
2. Need attack submarines, and more smaller, faster, less expensive ships with greater firepower.

3. Need nuclear-powered submarines, but no need to continue to emphasize nuclear powered surface ships, (cost, size, vulnerability).

4. In shipbuilding, in the Defense Department, in the domestic economy, the problem is the same: no clear vision or strategy, no tough management.

## EXPERIENCE AND RECORD AS GOVERNOR

### QUESTIONS

1. How do you reconcile major campaign promise of government reorganization and reduced waste and inefficiency with fact that, as Governor of Georgia, your reorganization is alleged to have been only box shuffling, expenditures went up 50%, number of state employees went up 25% and bonded indebtedness went up 100%? Per capita taxes went up greatly.

2. Is experience as a one-term Governor of Georgia and a one-term state senator adequate to prepare you for the Presidency?

### ANSWERS

Theme: As President Kennedy said, many routes to Presidency. My experience makes me more qualified than Ford. Know concerns of ordinary people better. Not part of Washington buddy system. Record as Governor widely praised.

#### A. Attack Points

1. Ford grossly distorted my record as Governor in first debate -- as Governor Busbee, my successor, indicated.

2. Ford's experience consists only of representing a Congressional district of less than one-half million people for 25 years, serving year as unelected Vice President, and two years as unelected President. This provided opportunity to become part of Washington buddy system, but not to learn much about rest of the country.

#### B. Positive Points

1. Ford said expenditures went up 50% during my term. This was during period of Georgia's greatest economic growth. State's revenues increased at even faster rate because of increased tax base and permitted us to better serve our citizens. Left office with \$116 billion surplus -- much greater than when came into office. Mr. Ford carefully failed to mention these facts.

2. There were no statewide income, property or sales tax increases during my entire four-year term. Only gasoline and cigarette taxes increased by one cent to bring them in line with national average. My record in Georgia good example of how government services can be increased and tax reform accomplished without tax increase.

3. I was able to have a \$50 million property tax rebate for our property taxpayers.

4. As income rose of course people moved into higher tax brackets. Income of our people vastly increased during my term due to booming state economy.

5. Ford said number of state employees increased 25% during term. Growth in employees decreased to two percent per year in my last year compared to 8-10% before reorganization. We never intended reorganization as a way to end people's jobs -- they have civil service protection -- just like federal workers -- but rather as a way to make workers more efficient and effective. Reorganization supported by state employees.

6. Ford said bonded indebtedness increased 20% during term. I reorganized fiscal structure to allow state to issue general obligation bonds for first time and eliminated those of myriad separate agencies. Result was increase in bond rating from AA to AAA and financial community which fully supported this modernization.

7. Other major accomplishments: Reorganization into 22 agencies; complete reappraisal of educational system; quadrupling of retarded persons served by community drug abuse program; "Killers and Crippleers" program; creation of Georgia Residential Financial Agency; judicial reform; offender rehabilitation improvements; creation of Heritage Trust.

8. Bring new leadership with new perspective. Experience from receiving end of federal grants and revenue sharing. More experienced than Ford at administering large organization, and not part of Washington establishment; more familiar with concerns of farmers and working people.

9. For same length of time Ford has been President and isolated in Oval Office, I have been crisscrossing America, meeting ordinary people in living rooms, factory lines. My experience has given better feel of pulse of America, what its people want and don't want from government.

Note: This is an area where some of the subject matter was covered in first debate and may therefore not be asked about directly. However, Ford distortions of Georgia record were not adequately rebutted in first debate. YOU MUST, REGARDLESS OF WHAT OPENING YOU HAVE, REBUT HIS DISTORTIONS AND LAY OUT YOUR GEORGIA ACCOMPLISHMENTS. FORD'S BEST KICK IN BOTH DEBATES IS THE UNREBUTTED CHARGE YOU WERE A POOR, ONE-TERM GOVERNOR WHO RAISED TAXES, SPENDING, AND BUREAUCRACY.

## TERRORISM

### QUESTIONS

1. What should be done about international terrorism?
2. What about Cuba's withdrawal from hijacking agreement?

### ANSWERS

#### A. Attack Points

1. The administration has shown no leadership in getting an international agreement on terrorism; inexcusable that no agreement--or progress toward one--exists so many years after terrorism became a regular international occurrence.

#### B. Positive Points

1. Would make an international agreement the highest priority; only such an agreement--one designed to ensure the swift and certain punishment of terrorists--can end the problem; action of Israelis at Entebbe was heroic, but such courageous counter-measures cannot be counted upon as a permanent solution.

2. Countries which do not participate in an agreement--and continue to provide sanctuary and support for terrorists--must be treated as international outlaws as well; must be made clear to Libya and Uganda immediately. Then we should deny landing rights to aircraft from such countries. (NOTE: Neither Libya nor Uganda presently have landing rights in U.S.)

3. Cuba would be ill-advised to withdraw from anti-hijacking agreement. There is no evidence, to my knowledge, of any U.S. involvement in Cuban plane crashes.

## 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.

HOW CAN GOVERNMENT PAY FOR RECOMMENDED  
PROGRAMS IN PRESENT SITUATION

QUESTIONS

1. You and Senator Mondale keep talking about all the new programs you want to implement, and you keep referring to the billions of dollars that will be forthcoming to pay for them. Isn't this just more pie-in-the-sky promising for political purposes? Everybody knows we're overcommitted right now.

ANSWERS

1. You have my pledge: We intend to start nothing we can't pay for.

2. If the economy stayed in its present stagnant condition, under the Republicans, there wouldn't be a nickel to pay for any of these things. Nor would there be enough to keep current.

3. But the first task of a new Democratic Administration will be to get the economy moving again--putting people back to work and off welfare, making it possible to begin desperately-needed programs like welfare reform and health insurance. Various estimates range up to \$60 billion, and beyond, as the revenue which would be generated by putting this country back to work.

4. Just as a family moves into a new house or makes improvements in its old house as things get better, so we can do things to build a better country as things get better.

5. I don't think anyone wants to stand still in America. We all want to keep moving forward. We will do it as we have the resources--not before we have them, but when we have them. The way to do it is to get this economy moving, and we will.

## TAXES

### QUESTIONS:

1. Isn't Ford's specific \$10 billion proposal for tax cuts better than your vague promises of a comprehensive tax reform?
2. Aren't Ford's proposals to cut taxes and give money to the people better than your proposals to increase spending?
3. Do you support taxation of church property?

### ANSWERS:

Theme: Ford says he is for the taxpayer, but it is the corporate taxpayer not the individual. Ford's tax cut for individuals is a vanishing act -- it is entirely wiped out by increases in Social Security and payroll taxes. He has, however, proposed new loopholes and real tax relief of \$20 billion for corporations and people with property income. And the tax burden in this country has been shifting sharply away from corporations and toward individual Social Security and payroll taxes. I have consistently (not at the last minute) been for genuine tax reform which will make our tax laws simpler and ensure that everyone (including special interests) pays fair share. Under my proposals, tax shelters will be ended--such as those for oil and gas and high rise apartments. During the four years I was Governor of Georgia, there was no increase in the state income tax, no increase in the sales tax, and no increase in the property tax.

#### A. Attack Points

1. Can't be sure about any Ford tax proposal because his position has changed so often you can't tell what it is.
2. Ford's first tax proposal was for a tax increase in December 1974, in conjunction with his WIN program.
3. You have to read the fine print in Ford's latest tax proposal. It turns out that the tax cuts he talks about in large print are wiped out by increased social security taxes and Mr. Ford's elimination of low and middle income family tax credits already enacted by Congress. Only corporations get real tax relief.
4. In fact, under Ford's "tax cut" proposals, poor working families earning between \$4,000 and \$8,000 a year will actually have money taken out of their pockets, they will actually be worse off. These are exactly the people we want to encourage to work and that we don't want to choose welfare because it is more profitable. These are the people Mr. Ford and his tax advisers choose to take money away from. This isn't Carter's idea of tax relief or tax reform.
5. Just last week a Congressional study reported that last year 11 major U.S. corporations with sizable profits paid no federal income taxes. And many large U.S. corporations pay more taxes to foreign governments than to our own government.

Ford Administration opposed closing the corporation loophole which encourages corporations to reinvest the profits they make in foreign countries in those countries rather than bringing them back here where they can provide additional capital and create jobs.

## B. Positive Points

1. Vast majority of our citizens do not want any special breaks from our tax system. All they want is a fair break. They don't want to have to spend 3 months of every year working to pay taxes while someone who makes 10 times as much pays less. In 1974, 244 people with incomes over \$200,000 paid not one cent in federal tax.

2. Taxpayers also want a tax code simple enough so that the average person who works for a living can fill out his own return without having to pay someone to do it for him. Carter tax reform will aim at this kind of a simple, fair system in which everyone (including corporations and the wealthy) pay their fair share.

3. Low and middle income taxpayers who earn their living from wages and salaries will pay less taxes because some of the tax burden will be shifted to those individuals and corporations who take advantage of the special interest shelters and loopholes which will be eliminated.

4. During the four years I was Governor of Georgia there was no increase in the state income tax, no increase in the sales tax, and no increase in the property tax.

5. I would not propose a general tax cut during an election just to try to win votes. If the economic recovery continues to deteriorate—as it has in the last six months—for the rest of this year, I will not hesitate to propose a tax reduction to Congress early next year.

6. I am not for bigger government, but for better, more efficient government. Best way to put more money in the hands of the private sector is to put our people back to work and get our economy growing again. Here the Republican record is disastrous.

7. I would: (a) end unjustified business expenses -- like first class airfare deductions; (b) eliminate unnecessary tax shelters like those which gave huge write-offs for investments in luxury high-rise apartments and oil and gas deals; these investments are made not for investment purposes but for the tax advantages; (c) Eliminate the ability of multinationals to defer tax on foreign profits reinvested abroad; this present deferral only encourages our corporations to operate abroad; need the jobs here; and (d) eliminate the DISC - which enables large corporations to escape taxes for certain kinds of exports -- costs U.S. Treasury \$1.5 billion in lost revenues annually.

## C. Likely Ford Responses

1. Carter talks about shifting the tax burden to the rich, but even if you tax the rich taxpayers at 100% there wouldn't be enough revenue to substantially reduce taxes on low and middle income taxpayers.

## Rebuttal

A. Carter has not talked about punitive taxes against the rich or any other group of taxpayers.

B. Carter has talked about getting a fairer tax system by closing the loopholes and preferences which enable some taxpayers to avoid paying their fair share.

C. When those loopholes and special interest tax shelters are eliminated, some of the tax burden will be shifted away from the low and middle income taxpayers to those people who have previously avoided paying their fair share.

D. Also, when Ford talks about taxing the rich, he is not including corporate taxes. Closing corporate tax loopholes will also provide tax relief for the average taxpayer.

(NOTE: You may be pressed to state exactly how much tax relief will be given to low and middle income taxpayers under your reform or it may be said that closing the loopholes you have mentioned during your campaign (DISC, deferral, tax shelters, unjustified corporate expenses) will raise only \$2-3 billion and that won't provide any substantial relief or real shifting of the tax burden. In response, you should note that: (a) the loopholes you've mentioned are only the tip of the iceberg; (b) there are approximately \$100 billion worth of special provisions in the tax code. Under your comprehensive reform, each of these will be carefully analyzed to see if it is fair and in the national interest. And this should raise enough revenue to permit substantial reduction in tax rates for low and middle income taxpayers. (Obviously, because of the complex nature of the tax code and the comprehensive review you've called for from the beginning no one could give a precise dollar figure for relief right now -- but since we're starting from a \$100 billion pot, it should be significant.)

2. Carter's tax positions have been contradictory and confusing. He has advocated taxing half the families in the country in order to redistribute income, he has advocated repeal of the home interest deduction, and he has advocated taxing churches.

## Rebuttal

A. Ridiculous to think that Carter or the Democratic Party would raise taxes on the low and middle income taxpayers. That would be completely against their principles of tax justice. Low and middle income taxpayers do not take advantage of the special tax shelters or the corporate expense accounts which Carter's program will eliminate. This is all part of Republican distortion to disguise their long and consistent opposition to tax reform.

B. Housing industry is severely depressed because of the Republican inflation and high interest rates. Housing sector crucial to Carter plans for steady economic growth. Accordingly, Carter will retain or expand the home interest deduction provision.

C. As Governor of Georgia and presently, I opposed taxation of churches or any of their non-for-profit activities such as schools, hospitals, orphanages, etc. I advocated a Constitutional amendment, which later was passed, exempting church-affiliated hospitals and nursing homes from sales taxation. I also support the present exemption from taxation of profits made by churches from owning real estate or stocks or bonds. Only the profits made in actually running active business enterprises unrelated to their religious function (such as hotels, factories, etc.) should be subject to tax. This is consistent with present law (a law which Mr. Nixon signed in 1969 to subject those profits to federal tax.) and with Supreme Court decisions.

## CYPRUS

### QUESTION

1. How would you solve?

### ANSWER

#### A. Attack Points

1. Administration's Cyprus policy one of its biggest disasters:
  - failed to prevent (despite repeated warnings) the '74 coup against President Makarios
  - failed to take steps to prevent Turkish invasion and subsequent slaughter of Greek Cypriots
  - opposed Congressional efforts to link Turkish military aid to Cyprus peace progress.
2. Two years after coup, still tilting away from Greece and Greek Cypriots; allowed situation to remain one of no progress being made toward negotiated solution. Situation is explosive, and also threatens Israel. We supported Greek junta and failed to extend hand to Greek democracy.
3. Mishandling of Cyprus reflects the lack of adequate leadership throughout the Eastern Mediterranean; Administration has managed to offend all three sides in Cyprus matter; that is dangerous because of great importance of region to our security.

#### B. Positive Points

1. Peace can be negotiated if U.S. offers its services - would be prepared to do so immediately - has been done successfully before under Democratic Administrations (Johnson in '64 and '67)
2. Would seek to negotiate peace based on U.N. Resolution of 1974 calling for removal of all foreign military forces (colonization of island by Turkish forces does not help peace); Greek Cypriot refugees allowed to return to homes; Turkish-Cypriots must be protected.
3. U.S. must be prepared to work with other nations, and U.N., to ensure independence of Cyprus and bring peace to Eastern Mediterranean. My Administration would be committed to this as high priority.

FINAL

THEMES FOR THIRD DEBATE

1. Economic Well-being and Progress Must be Restored : LET US BEGIN

-- We can neither be effective abroad nor fulfill our obligations to our people at home while we have record unemployment and record inflation, now back to a double-digit pace ... while the average American is priced out of the cost of a new home; when a new car has become a luxury; when our elderly and people on fixed incomes slip back daily; when average real weekly earnings are less than those in 1968 ... while 7½ million Americans are out of work and the cost of welfare and unemployment compensation due to the recession have increased by \$23 billion in two years. *There are 167,000 fewer jobs in the economy this month than last month.*

-- We need to end a Republican Administration which has burdened us with record deficits and economic stagnation and restore a Democratic one which will produce the sustained growth necessary to achieve a balanced budget and social progress.

-- We need a Democratic Administration which will concern itself with the concerns of the average American ... which will work with labor and management ... which will unite rather than divide our country ... whose only obligation will be to the people and not to privileged special interests.

-- We intend to produce results and not empty promises ... we need leadership which will earn support by four years of positive performance ... not election-eve gimmicks to cover up a negative record and which ~~pretends~~ *assumes* the public has no memory.

inbred

2. New Leadership with Competence, Vision and Purpose to Move America Forward.

-- Competent new leadership is needed to cope with the new problems at home and abroad ... to sweep away the mistakes of the past eight years ... to make a fresh start ... we can not ~~do away with business as usual or curb the problems in~~ Washington with a tired Republican Administration that is part of the problem.

-- We must replace drift with decisiveness and purpose ... end stagnation and stalemate ... get America moving again ... we cannot continue to muddle along from crisis to crisis without clear goals and objectives.

-- Stale leadership from a different era is saddled with the mistakes of the past and has no vision of the future ... it cannot adjust to the problems of tomorrow with purpose and resolve.

-- New leadership to restore trust and to see that the government adheres to strict ethical standards.

-- New leadership will again make us the standard-bearer for human rights and American ideals abroad and will give Americans a sense of purpose at home.

-- New leadership prepared to tap the best talent in the entire country.

-- New leadership to work with, not against, Congress-- by presenting positive programs and by providing constructive leadership.

3. We Must Again Have a Government Responsive to People's Desires and Committed to Restoring the Principles Upon Which Our Nation Was Founded.

-- The Republican Administration is insensitive to the needs of our people (the need for jobs, homes, education, and a rising standard of living). ~~Nor is it~~<sup>and</sup> sensitive to the yearnings for freedom and peace by millions abroad.

-- Our government must be efficient, well-managed and responsive to the real needs of Americans.

-- Restore a government which deserves the respect of its citizens and people around the world.

FINAL

II

3. We Must Again Have a Government Responsive to People's Desires and Committed to Restoring the Principles Upon Which Our Nation Was Founded.

--The Republican Administration is insensitive to the needs of our people (the need for jobs, homes, education, and a rising standard of living) and insensitive to the yearnings for freedom and peace by millions abroad.

--Our government must be efficient, well-managed and responsive to the real needs of Americans. *I did this in Georgia and would do it in Washington.*

--Restore a government which deserves the respect of its citizens and people around the world.

*- Establish a single standard of government for all Americans. Not a double standard of taxation, justice, government services ... one for rich and powerful, another for ordinary people.*

terest in having these conflict-of-interest standards enforced, not simply filed away and forgotten.

(4) Ownership of assets or possession of income sources in potential conflict with sphere of responsibility.

-- Present Executive Order contains provisions barring substantial conflicts, but the provisions are vague and have not been taken seriously in many instances.

-- Cases of nominees requiring Senate confirmation are handled on a case-by-case basis, through negotiations with the relevant Senate Committee.

-- Criminal statutes bar participation in any matter while in government service which affects official's financial interests. These statutes have been left unenforced.

-- The proposed requirement on divestiture would assure that officials not knowingly hold any interests in potential conflict with their responsibilities. They would have to divest themselves of such interests, prior to beginning government service. In general, the appropriate course for an official with a substantial portfolio would be to sell off conflicting interests, and place the remainder in a blind trust for the duration of his service.

(5) Logging of contacts with outside persons.

-- The new Sunshine Law requires that meetings of multi-member boards and agencies be open to the public, as a general matter.

-- There are no sunshine requirements imposed, either by statute, or by executive order, on other federal agencies and departments.

3. What is the relation between the program outlined in the statement and the Watergate Reform bill?

Answer: Title III of the so-called Watergate Reform Bill, which has passed the Senate and is pending before the House, requires public disclosure of the financial interests of a substantial number of federal executive officials and members of Congress. The latter requirement cannot be imposed by executive order, of course. With leadership from the current administration, that bill would be assured of passage.

4. What is the relation between the program outlined in the statement and Governor Carter's prior statements on related issues?

Answer: Governor Carter has repeatedly emphasized his concern to assure full

AGRICULTURE  
AND  
RURAL DEVELOPMENT

Q. What is your position on the peanut subsidy program?

A. First of all, I'd like to clear up a possible public misconception that I helped pass the legislation. The bill was passed long ago in 1938 when I was in high school.

Second, I do not make my income from the subsidy program. The kind of peanuts I grow are seed peanuts, they are not subsidized by the government. In fact, over the past 20 years that I have been farming, I have received only \$3,700 total in federal payments for peanuts.

To answer your question, I think the present program is in great need of reform. I don't think you'll find many peanut growers who don't think the program needs to be changed so that federal costs will be minimized.

One fact that the public may not realize is that at the same time Congress has acted to drastically reduce the amount of subsidy the government is forced to pay. The present Administration, under the leadership of Secretary of Agriculture Butz, has deliberately increased the amount of money the taxpayers have to pay for peanut subsidies from nearly \$5 million in 1972 to over \$200 million today.

They tell me Mr. Butz is somehow trying to embarrass the Congress. It seems a pretty expensive joke at public expense to me.

The way they have attempted to handle the peanut program is only one example of how this administration has badly mishandled our nation's food supply.

Q. Governor Carter, how can you criticize the Administration on maladministration of the farm program when net farm income has climbed to all-time highs during the Republican years? During the years 1960 through 1969 per capita farm income averaged only 65 per cent of non-farm income. In the Republican years of 1973 through 1975 the average was 97 per cent. During the Democratic period 1960 through 1969 realized net farm income averaged \$12 billion. During the Republican years of 1973 through 1975 realized net farm income averaged almost \$27 billion. Wouldn't you agree that the Republican farm policy has met one objective-- higher income for farmers?

A. . Certainly some farmers have earned better incomes in the past few years; I applaud that. But it's not because of Nixon/Ford-Butz policies; it's due almost entirely to two factors beyond the control of our government: disastrous weather in the Soviet Union and elsewhere, beginning in 1972, and substantially rising incomes in the industrial countries.

Farmers' incomes could have been even better if it were not for the mismanagement of farm and food policy in the wake of these developments. But the compounding effect of this maladministration -- the bargain price of the Soviet grain sale in 1972, too many acres idled in 1972 and 1973, the beef price freeze and the grain embargoes -- all worked to the disadvantage of farmers and ranchers. These uncoordinated actions drove up the price of meat to the point that consumers quit buying, nearly bankrupted the livestock industry, and cost grain producers billions of dollars in lost sales. The Administration talks a lot about increased net farm income, but it refuses to talk about the costs of its insistence on a so-called policy that is based only on disaster and drought.

Q. Governor, you said you would raise supports to at least the cost of production? This is easy enough to say, but precisely what do you mean by cost of production? Every farmer has a different cost of production and production costs vary widely, according to region. Would you include land and management in the cost of production?

A. It would not be that difficult to calculate a national average cost of production. In the Agriculture and Consumer Protection Act of 1973, the Congress directed the Secretary

of Agriculture to conduct a cost of production study of wheat, feed grains, cotton, and dairy commodities, and to update these costs annually. These studies have been published. They will form a good basis for the calculation of a fair national average cost of production. After I have had a chance to study available data and have recommendations made by a Secretary of Agriculture in whom I have confidence, I would determine what factors should be considered in determining the cost of production and precisely what the cost of production figure should be.

Q. You have indicated that you favor a reserve of farm commodities. Historically, when the government has held large stocks of farm commodities, the prices of farm commodities have been depressed. Wouldn't the same be true if the government again acquired large stocks? Also, wouldn't the acquisition of stocks be very costly to the government?

A. Managing those enormous surpluses of grain was the big dilemma throughout the Republican Administration of the 1950's as well as the Democratic Administrations of the 1960's. They cost the taxpayer; they depressed the farmer's price. Nobody advocates going that route again. When you say that I favor a reserve of grain, I'm really talking about a system of handling carryover stocks, to make sure that we have an adequate supply for our consumers and to

meet our commitments as a reliable farm exporter, and yet keep substantial control in the hands of farmers. That way we can prevent the kind of political manipulation, the kind of dumping, that justifiably scares farmers. The real risk of large, price-depressing surpluses comes from the present do-nothing policy; already the Government has acquired huge surpluses of rice; farmers are storing a massive carryover of wheat on farms and they're paying for it twice -- once in the cost of storage and second in the sharp break in the price of wheat over the past few months.

A system of handling a small part of our annual production in a carryover mechanism need not be costly; properly planned and managed it can be a break-even proposition for the taxpayer while preventing the enormous costs of the present unstable market.

Q. Governor Carter, you have indicated that you would make balancing the budget a very high priority in your administration. Yet you have indicated your support for certain government programs that would cost a great deal of money. In the farm policy area, you have indicated your support for higher support prices. During the Democratic years of higher support prices government farm program payments averaged around \$3.4 billion annually. Secretary Butz, with his philosophy of lower Federal supports

has reduced farm program payments to \$278 million in 1975. (In addition, \$490 million was paid to farmers for losses sustained due to natural disasters.) Wouldn't your proposal to increase government supports raise payments once again to the \$3 billion range, and how do you square this with your goal of balancing the budget?

A. First, let's understand who inflated the cost of the farm programs. The all-time record cost to the taxpayer of Federal farm programs was \$4 billion in 1972, under Nixon and Butz. Later, Secretary Butz boasted of "spending money like a drunken sailor" to get the farm vote for Nixon. There is an enormous cost in the "boom or bust" policies of this Administration -- higher food prices in one year followed by farm bankruptcies the next. Our nation's farmers are now in the ridiculous position of going broke producing food and fiber that consumers cannot afford to buy.

I am convinced that the kind of balanced, rational policies that I advocate will not result in higher Federal spending. Indeed, a planned, predictable and well-understood policy will avoid the "boom and bust" cycles and the alternating bulging surpluses and sporadic shortages that naturally follow.

I fully intend to seek advice from a wide spectrum of American agriculture and the American public so that we can, with the help of the Congress next year, develop price support levels that are high enough to give farmers protection against economic disaster but not so high that they either guarantee profit, stimulate surplus production, or artificially increase consumer prices. That's a difficult assignment, but I'm willing to tackle it. The present Administration has been content to sit back and ignore the problems.

Q: Governor Carter, you have made conflicting statements on whether you would ever impose embargoes on farm commodities. At Des Moines you promised to end grain export embargoes "once and for all." Later, you said you would abide by the Democratic platform which leaves the door wide open for embargoes. What is your position on embargoes?

A. My statement in Des Moines was a clear statement of my intention to end grain embargoes if elected President. I was able to make such a statement because I studied the four embargoes imposed by the Republican Administration, and I feel that all four were unnecessary and unfortunate. If we had had a planned, predictable, coherent food and agriculture policy--the kind of policy that a Carter administration would have--not one of these embargoes would

been necessary. Unfortunately, the Republican "boom and bust, freedom to farm" policy means that the farmer is to get no help in times of plentiful supplies and low prices, but a government embargo when prices go up.

As President, I would encourage farmers to go for all-out production, but I would give them the tools for the storage of excess stocks when prices are too low. Therefore, we could rebuild our stocks to a level where they could be released into the market in years of short supply.

In addition, I would improve our system of reporting on world food supplies and demand and attempt to better anticipate future needs. You will recall that in 1972, we didn't know the Russians needed our grain until they had purchased millions of bushels from us at rock-bottom prices.

With today's level of world affluence and the limited capacity of the world's farmers to produce enough food, there is demand for all the food we can produce in the long run. The job of the President is to develop a policy that will even out short term fluctuations in supply and demand. This is the kind of policy I would develop, and therefore eliminate the need for embargoes.

Q. Governor, do you favor a controlled agriculture with the government establishing acreage controls and setting prices, or the kind of farmer freedom that Secretary Butz has implemented?

A. I am for maximum freedom for American farmers--freedom to make their own planting decisions and freedom to market their products. I quarrel substantially with the inference that Secretary Butz has implemented the freedoms that he likes to talk about; the new farm programs, under which farmers have greater freedoms, were written by a Democratic Congress in 1973 with precious little help from Secretary Butz. Anybody who says my farm and food policy is one of "controlled agriculture" either doesn't know what he's talking about, or engaging in the grossest political misrepresentation. I believe in the free market system, but I want a solid floor beneath it. In contrast, the Nixon/Ford-Butz program is that they want no floor under the market but impose a ceiling on the market when prices are high in the form of an embargo.

I am convinced that we can develop the kind of policy that lets the market work with a greater element of predictability, greater stability, so that livestock producers and foreign customers can have a better idea how to make plans well ahead, as any businessman must.

Q. What programs would you undertake to help maintain family farms? How much would such programs cost?

A. NOTE: The answer to this is essentially the same as the basic statement with the following addition:

A. Estate taxes on the average lifetime investment of our farm families will come to \$65,000 -- far more than they can afford. If I am elected, we will reduce the estate tax burden, and base the estate tax value of the land on its use for agriculture, rather than its potential value for commercial subdivision.

B. We are going to take the family farmer off the public enemy list. I haven't met a small farmer who wants to be on welfare or guaranteed a profit without work, but we should take away his chains. The general public must understand the farmer's problems. The average family farm represents an investment of \$300,000 in land and equipment-- much of it on credit, of course. If the farmer could invest all that money in the bank, it would earn at least \$15,000 in interest every year. In farming, after the entire family works all year, they earn about \$10,000 or \$12,000 -- 3% or 4% a year on this investment.

We need a true and continuing partnership between consumers, producers of food and fiber, and our own government.

Q. What can be done to prevent further abuses by the grain companies and in the inspection and shipping of grain for export?

A. Just as we must reassure our overseas buyers that they can depend on us for supply, we must reassure them that they will receive the quality grain that they order. The Nixon and Ford Administrations have winked at corporate wrongdoing in the shipment of grain since as early as 1970 when a major report was filed with the Department of Agriculture and ignored.

Furthermore, the Administration cut back the supervisory staff for official grain inspection by 30% between 1969 and 1973, even as the volume of export grain sales doubled.

We must replace the record of Republican Administration inaction, obstruction and opposition to reform with a strong commitment to carry out the law and clean up irregularities. Grain producers are the big losers if overseas buyers turn elsewhere when they cannot get the quality and quantity they pay for in the U.S.

SPECIFIC RECOMMENDATIONS:

A. Private grain inspection companies should be abolished, as recommended by a recent (Feb., 1976) GAO report and replaced by a unified, uniform, federal-state inspection system at ports.

B. We need to increase criminal penalties for weighing and grading fraud and establish new civil penalties.

## CANDIDATE FORD VS. PRESIDENT FORD

Ford has engaged in numerous campaign gimmicks and distortions that were contrary to his record and philosophy and show that he is not above obvious political handouts and deceptions in order to buy votes.

A list of the better-known Ford campaign deceptions are as follows:

--Announcement on October 13 of increased price support loans for grains, a day after you called for the increase and the Department of Agriculture said there is no economic justification for raising support levels, and shortly after polls showed him losing ground in farm states.

--Sale of concussion bombs and advanced night-fighting equipment to Israel on October 8, after you stated in second debate on October 6 that Administration was not giving enough support for Israel and Ford was losing support among Jewish vote because of position on Arab boycott legislation. State and Defense Department officials who analyze such decisions were not consulted, and had opposed such sales for past two years. Ford said he consulted with "top people giving the advice in this regard." (NOTE: Care must be taken in describing this incident to prevent appearance that you oppose strong defense for Israel.)

--Announcement at second debate that he was releasing names of firms that have complied with the Arab boycott, after having scuttled legislation that would have prohibited compliance with boycott and failed to take similar action for last two years. Also took credit for anti-boycott provisions in tax bill that Administration openly and vehemently opposed up to day of passage.

--On October 9 imposed import quotas on beef, immediately after you called for such quotas and the price of beef had dropped so low that ranchers are losing \$50-100 per head.

--Repeatedly in campaign Ford has proposed tax reduction of \$10 billion, three-fourths of which presumably would come from increasing personal exemption from \$750 to \$1000. Described it in first debate as "\$1000 more personal exemption (for family of four), money that they could spend for their own purposes." Fails to mention: (1) All that taxpayer saves is tax on \$1000; (2) Tax savings for those in highest bracket would be \$700; those in lowest bracket only \$140; (3) effect of income tax cut would be more than offset by Ford's proposed Social Security tax increase of \$6.6 billion, almost all of which would fall on low and middle income families.

--On August 29, Ford proposed doubling size of national parks. Administration has failed to use existing parks acquisition authority and has grossly neglected existing parks. The proposal involves only Alaskan land and "proposes" only that which would have occurred without any proposal on his part.

--In speech to chiefs of police in Miami in late September, Ford proposed vague "crackdown on crime" program in first 100 days of his new Administration. Failed to explain why he has not used his ample authority and seven times that much time already to institute such a proposal.

--In campaign speeches along the Gulf Coast in late September, Ford told audiences he was opposed to any form of gun control, yet he and his Attorney General have proposed gun control plans that are as restrictive as any that have been introduced in Congress.

--On September 30 Ford signed an antitrust enforcement bill and said he strongly supports vigorous enforcement of the antitrust laws. Failed to mention that he vigorously fought the same bill up to the time the campaign began.

--During the campaign, in carefully staged Rose Garden ceremony, Ford signed and praised a "Sunshine in Government" bill, yet while it was pending supported only efforts to weaken it. His veto of Freedom of Information Act Amendments belie his sudden interest in open government.

--On September 13 in Ann Arbor, Ford said he intends to make home ownership possible for every middle income family, but his record is one of frustrating housing development and his proposal turns out on analysis to help at most only 3,000 families, out of 12 million seeking homes.

--During the primaries, Ford took the following actions:

1. Before Texas primary, to counter effective Reagan attack, he reversed policy and undermined U.S. negotiations on Panama Canal.

2. When Reagan said he would veto common situs picketing bill, Ford vetoed it, after he had said publicly he would sign it.

3. Under Reagan criticisms, Ford dropped the use of word "detente."

4. In Florida primary, Ford reversed direction and completely sabotaged U.S. diplomatic efforts to improve diplomatic relations with Cuba by calling Castro an "international outlaw" and announcing review of contingency plans for military action against Cuba.

5. After announcing in August 1975 he would not break up the Ford-Rockefeller team, when Reagan entered the race he dropped Rockefeller as his running mate.

--During primaries Ford made nominations to high administration positions of no less than 11 residents of states whose voters or delegates he was wooing at the time. Usually these nominations were announced by Ford while campaigning in the state in question. In several cases nominations had to be rejected by the Senate because the nominees were obviously unqualified. (e.g., nomination of Mississippi farmer to be member of TVA at time when Mississippi delegation was crucial to Ford nomination. Only "qualification" of nominee was that his wife was Republican National Committeewoman. Nomination never got out of Senate Commerce Committee.)

# JIMMY CARTER

# WALTER MONDALE



## Leaders, for a change.

September 10, 1976

### THE ECONOMICS OF STAGNATION:

### A STUDY OF THE NIXON-FORD YEARS

When Richard Nixon entered the White House in January 1969, he inherited an economy which, while not without its problems, had just completed a year of full employment and modest price stability. Unemployment for 1968 stood at 2.8 million workers, amounting to 3.6% of the labor force, while inflation averaged 4.7%. The federal budget was in surplus.

The following study documents the economic record of Richard Nixon and Gerald Ford in the ensuing eight years -- it is a case study of a record of consistent and costly economic mismanagement. The record of the Nixon-Ford years includes:

#### Unemployment

- (1) A rate (7.9%) and level (7.5 million) of unemployment today which is higher than at any other time between the Great Depression and the inauguration of Gerald Ford.
- (2) A level of unemployment today which is 50% greater than it was when Mr. Ford took office two years ago (with an additional 2½ million workers unemployed) and more than 2½ times as high as it was in 1968.

### Inflation

- (1) The highest rates of inflation for any Administration in over 50 years.
- (2) A rate of inflation today (6%) which is higher than at any time between the Korean War and the inauguration of Richard Nixon.
- (3) A 1968 dollar which is now worth 61 cents.

### Deficits and Debt

- (1) A deficit for the fiscal year just ended (\$65 billion) which is the largest in our history and which exceeds the deficits for all the Kennedy-Johnson years put together (\$54 billion).
- (2) An increase in the public debt under the Nixon-Ford Administration (\$281 billion) which is greater than the total public debt incurred under all Presidents during the preceding 192 years of our history (\$279.5 billion).

### Real Earnings

A decline in the real value of the average worker's weekly paycheck from \$103.39 in 1968 to \$102.94 today.

### Economic Growth

- (1) A slower rate of economic growth (2.3% per year) than under any other Administration since the Great Depression.
- (2) An actual decline in real GNP during 1974 and 1975, each of Mr. Ford's first two years in office.

### The Misery Index

An average Misery Index (which combines the rates of inflation and unemployment) of 16% for Mr. Ford, the highest for any Administration in more than 50 years.

### The Economic Recovery

An economic recovery under Mr. Ford in which unemployment (7.9%), inflation (6%), and deficit spending (\$65 billion for the fiscal year just ended) are greater than at any time between the Korean War and the inauguration of Richard Nixon, and in which private nonfarm employment is lower today (64.2 million workers) than it was in August 1974 (64.3 million).

### The High Cost of Unemployment

Record levels of unemployment and undercapacity which have cost the American people hundreds of billions of dollars in lost income (\$200 billion for the current year alone) and the Federal Treasury tens of billions in lost tax revenues and increased welfare payments (\$16 billion for each percentage point of unemployment above 4%).

### Interest Rates

The highest interest rates since the Civil War.

### Housing

- (1) New private housing starts which are lower today (1,387,000 units) than they were in 1968 (1,500,000 units).
- (2) A \$16,000 increase in the average price of a new home from \$30,000 in 1968 to \$46,000 today.
- (3) 17% unemployment among construction workers.

### Poverty

More Americans living in poverty (24.2 million) in 1974 (the latest date for which poverty figures are available) than in 1969 (24.1 million), as compared to a 15 million reduction in the number of Americans living in poverty during the Kennedy-Johnson years.

### Corporate Profits

Real corporate profits which are lower today (\$98 billion, constituting 7.8% of real GNP) than they were in 1968 (\$99 billion, constituting 9½% of real GNP).

### Business Plant Utilization

A manufacturing utilization rate which is 73% today, compared to 88% in 1968, and which is a lower rate of utilization than under any President since the 1930's.

Stock Market

- (1) Stock prices which are about the same today as they were eight years ago.
- (2) A significant decline in the price-earnings valuation of most stocks.

International Trade

The first yearly deficits in our balance of trade since the Great Depression.

MAJOR DOMESTIC THEMES -- GOVERNOR CARTER

Pat Caddell's survey research has indicated that the single most critical need for the Carter campaign is to take control of the definition of the general election of 1976. The debates are the principal opportunity to provide this definition.

The following major themes should be woven throughout the debate. They have been included as part of the recommended responses to the most likely questions.

I. NEW LEADERSHIP TO MOVE AMERICA FORWARD

- the country has stagnated with a drifting and tired Republican Administration still in place after eight years . . . in-bred leaders living in a bureaucratic world of their own making . . . out of touch with average working people.
- the country drifts . . . we react to problems, seldom seize the initiative.
- we must have new leaders who are competent, compassionate, strong and dedicated who have a clear vision of where the country should be headed . . . who care about the problems of people . . . who can unify the country . . . who can take charge and move America forward.

## II. NEW LEADERSHIP TO MAKE GOVERNMENT RESPONSIVE

- responsive government requires new people and new perspectives to tackle the tough job of rooting out bureaucratic mismanagement, waste, inefficiency . . . not part of the Washington buddy system . . . no vested interests in defending and covering-up mistakes of the past.
- responsive government also requires leaders with vision and a sense of purpose . . . who understand the problems of average working Americans . . . who are prepared to take charge and move America forward.
- Jimmy Carter knows the seriousness of the Washington problem from first-hand experience, as a consumer of governmental services . . . Governor, state legislator, farmer, businessman.
- government must deliver on its promises . . . restore the people's trust . . . and this can never happen without needed reform and reorganization.

## III. A NEW ADMINISTRATION COMMITTED TO MORE JOBS, LESS INFLATION, BALANCED BUDGETS

- the Republicans have created record peacetime deficits while failing to attack bureaucratic waste and mismanagement . . . at the same time record numbers of

Americans have lost their jobs . . . inflation has soared . . . the Republican Administration has achieved what most economists believed to be impossible: inflation, stagnation, and recession at the same time.

-- a new Democratic Administration will lead us toward vigorous and sustained economic growth.

-- will root out waste and inefficiency, will mean more jobs, stable prices, and a government that truly responds to the needs of average working people. Needed programs such as health insurance and welfare reform will be initiated as real growth makes revenues available for them. A balanced budget will be achieved by 1981.

IV. A NEW DEMOCRATIC ADMINISTRATION COMMITTED TO MEETING THE NEEDS OF THE AVERAGE FAMILY

-- the Carter-Mondale ticket stands squarely in the Democratic tradition -- Roosevelt, Truman, Kennedy and Johnson -- of making government the servant of all the people, not just a privileged elite.

-- the Ford-Dole ticket stands squarely in the Republican tradition of Coolidge, Hoover, Dewey and Nixon -- tight money, preference for big business, isolated from the average man.

-- the Republican Administration's record is timid and negative . . . eight years of drift, stagnation, and stalemate . . . eight years of ignoring the problems of average men and women while looking out for the big shots and special interests.

-- Democratic Presidents have always fought for the people . . . worked to solve the problems of families, neighborhoods, the little guy . . . jobs, stable prices, and the chance to get ahead.

V. A NEW ADMINISTRATION TO UNIFY THE NATION, A FRESH START AFTER THE TRAUMA OF VIETNAM AND WATERGATE

-- national unity and a common sense of purpose is vital in everything we hope to do in America . . . healing the wounds of Vietnam and Watergate . . . rebuilding the people's trust in their government and in their national leaders.

-- the Republican Administration is out of touch with the people . . . tied to the tragedies of past years . . . lacking vision, a sense of direction, and the capacity to make government responsive to people. The same people and policies remain from eight years ago.

-- Jimmy Carter has the vision, personal qualities, and background to heal regional divisions . . . to reach

out to the American people in their diversity . . .  
across racial, ethnic, and economic lines.

-- Jimmy Carter campaigned in every primary, in every  
section of the country . . . he won the nomination  
without being captured by any special interest group  
. . . he will go to the White House obligated to no  
one, except the people.

-- as a leader not connected with mistakes of the past,  
and with a vision of where America must head in the  
future, Jimmy Carter will move America forward . . .  
make government responsive to the people . . . restore  
the people's trust in government . . . these are the  
essential elements in unifying the country, healing  
its division -- a fresh start after the trauma of  
Watergate and Vietnam.

MAJOR DOMESTIC THEMES -- GERALD FORD

I. EXPERIENCE IN RUNNING THE GOVERNMENT

We need leadership experienced and knowledgeable in both foreign and domestic affairs. Governor Carter is experienced in neither. In a dangerous age, he has no foreign policy experience. He is a one-term Georgia governor who has been out politicking for the past two years, changing his positions on issues in response to political pressures and the desire to win votes. He has little personal knowledge of the people or problems of the industrial Northeast, the Midwest, or the West. In the nuclear age, the Presidency is no place for on-the-job training.

CARTER RESPONSE

- As JFK said, there are many paths to the Presidency: Annapolis, nuclear engineer, farmer, businessman, local and state government, Governor, a consumer of governmental programs and service with direct, first-hand knowledge of Washington-based problems.
  
- Ford elected to follow a career in Washington for the past 28 years, limiting his experience and knowledge in terms of broader problems faced by average people, limiting his perspective and vision about how to deal with these problems.

- Prior to his election as President, Lincoln had served a single term in the House of Representatives, plus service on the state level.
- Carter brings new vision, new perspectives, a fresh approach, not linked to mistakes of the past, free of the Washington establishment. Republicans have had their chance for the past eight years and failed . . . time for a change . . . time for new leaders to move America forward.
- Carter's record as Governor: positive action and leadership in the common interest; reform and re-organization, tight management, balanced budgets, new vision and leadership that transformed State government; standing up to the special interests.
- Carter campaigned in all sections of the country, urban ghettos and suburban shopping centers, farms and factories . . . out with the people, learning their problems.
- years of reading, study, and travel on foreign policy issues, membership on the Tri-lateral Commission, personal knowledge of nuclear weapons and their dangers; careful assessment of foreign policy mistakes of the past eight years, specific proposals to get our foreign and defense policies back on the right track, to be explored in detail in the second debate.

## II. IN TUNE WITH THE PEOPLE

President Ford reflects the thinking and attitudes of an overwhelming majority of Americans. He is open, honest, straightforward, a moderate conservative, opposed to excessive government spending, successfully leading the country back to economic health, securing the peace abroad. By comparison, Carter is ruthless, devious, fuzzy on the issues, inexperienced, a closet liberal who supports the big-spending, over-promising schemes of Congress and the Democratic Platform. Carter is out of step with the country on social issues, such as abortion, amnesty, busing, marijuana, and gay rights. His proposals for national health insurance, welfare reform, and the Humphrey-Hawkins bill would bankrupt the federal treasury, trigger a new round of inflation, and destroy all hopes for a sound and sustained economic recovery.

### CARTER RESPONSE

-- people are tired of political labels and they're out of date. I believe in compassionate and efficient government.

-- Mr. Ford spent 25 years representing one Congressional District before moving directly to the White House . . . Carter has been gaining experience in the country in a series of responsible positions.

- the Republican record flatly contradicts this picture of the nation: record peacetime deficits, high and continuing unemployment, high inflation . . . coupled with a failure to control the Washington bureaucracy . . . no vision or plan to set things right . . . reacting to problems rather than seizing the initiative to solve them . . . defender of special interests and big shots, part of the Washington establishment.
  
- the choice is between drift, stagnation, and defense of the status quo and new leaders with new perspectives to attack these problems . . . with a specific strategy to move America forward, including vigorous economic growth, an anti-inflation strategy, government re-organization and reform, and a pledge to begin new programs only as we can afford them.
  
- moving the country forward along these lines means more jobs, stable prices, and government able to respond to people's needs . . . the Democrats promised such a program in the early 1960s and they delivered . . . the Carter-Mondale Administration can do it again.
  
- lead the nation back on the path of morality, traditional values, the work ethic . . . people are properly appalled

by the corruption and deception of past years . . . the answer is to find new leaders, not part of the system, not committed to defense of the establishment . . . who can bring to Washington the same common sense, decency, and moral values that motivate most Americans . . . coupled with a new toughness and determination to make government work in the common interest.

-- Republican argument is same old line as it has been since days Hoover opposed FDR, Dewey opposed Truman, and Nixon opposed JFK. These great Democratic leaders have shown we can have social and economic progress.

### III. TRUST AND CONFIDENCE

You can trust President Ford. You know where he stands. You cannot trust Jimmy Carter. He shifts positions and trims his sails according to the political winds. In his 1970 campaign, during the Democratic primaries this year, and since his nomination, Carter has either refused to address the tough issues, such as the cost of national health insurance, or he has been on both sides of controversial issues, such as abortion. Just who is Jimmy Carter and what does he believe? Is he a populist advocate for the little guy or a friend of big businessmen lunching at the 21 Club? Is he an efficiency and management expert or a politician who won't identify a single government

agency that would be abolished . . . or a single tax loophole that would be eliminated? Is he an advocate of a balanced budget or a politician who refuses to put price tags on his wild spending programs? Is he in favor of abortion or against it?

CARTER RESPONSE

- the lack of any clear sense of direction or purpose in the Republican Administration has led to a continuing series of policy flip-flops by the President: the Nixon pardon, anti-abortion amendments, tax increase or tax cut, common situs picketing, parks and recreational areas, aid for New York City, Watergate reform legislation, anti-trust legislation, raising false hopes on busing, and the like.
- the debate provides a platform for straightforward and concrete Carter statements in key policy areas: economic growth, inflation controls, new programs and the goal of a balanced budget, abortion, tax reform, government reorganization, and defense cuts.
- willingness to stand up for unpopular positions, as in the pardon speech before the American Legion and restatement of the abortion position before those who disagree. "Politicians who say only what the audience wants to hear are guaranteed a favorable reaction every time."

#### IV. ARBITRARY ONE-PARTY GOVERNMENT

We need a Republican President to keep the lid on big spending Democrats in Congress. "The sickness in Washington" is really the irresponsible Democratic Congress. They have been in power for 40 of the past 44 years. In addition, our experience of the past few years has demonstrated why it is very dangerous to permit unchecked authority in the White House . . . Vietnam and Watergate were direct products of excessive Presidential power. Our revolutionary founders understood the need for checks and balances. One-party government can only result in our tax money being squandered and our personal liberties being subverted.

#### CARTER RESPONSE

- Richard Nixon tried to make the same point against JFK, and the Republicans against Roosevelt.
  
- the present stagnation has not resulted in economic security for the average family or a government truly responsive to the needs of people . . . instead, we have a nation drifting aimlessly, no sense of direction or purpose, a stalemate between Congress and the Executive, an Administration that has failed to check the waste of taxpayers' money in the Executive branch . . . coupled with tax giveaways to special interest groups and big shots . . . the voter has to decide

whether this is the kind of government he or she wants for the next four years.

-- we can do better . . . we can move the country forward. Fresh, new leadership, with a sense of purpose can end not only the waste and mismanagement in the Executive branch but give Congress the direction it has lacked for the past eight years. Continued stalemate is no answer . . . because this strategy only means four more years of stagnation and drift.

-- never doubt Jimmy Carter's capacity to oppose legislation not in the public interest . . . as Governor he won passage of numerous bills that served the needs of the public at large . . . but he also vetoed bills that served only narrow special interests . . . and he would follow exactly the same course as President.

-- as for uncontrolled spending, a specific pledge not to begin new programs until money is available to pay for them, toward the goal of a balanced budget by the end of 1980. The key is more vigorous economic growth and rooting out needless waste of the taxpayers' money in inefficient, outmoded, or overlapping executive programs. If Congress moves beyond these guidelines, offending legislation will be vetoed . . . just as Harry Truman and Franklin Roosevelt occasionally had to knock

down unwise legislation (but not bills to provide jobs, help our veterans, and train our nurses).

- the Carter-Mondale Administration will move swiftly to provide an open administration . . . with procedures to guarantee a check on the arbitrary exercise of executive power, quite apart from the concurrent check of Congress.
  
- Jimmy Carter comes to Washington free of any obligation to any political group or special interest, in Congress or elsewhere. Given the nature of his campaign for the nomination and his campaign in the general election, he is obligated only to the people.

## TAX REFORM

Governor Carter talks about tax reform and helping the average taxpayer. But the truth is, he has nothing particular in mind and, in fact, wants to raise everyone's taxes to pay for the expensive Democratic programs he's promised to the voters. President Ford proposes to cut taxes so that the average citizen can make his own choices about where his money goes.

### Basic Statement

1. In 1974 there were 244 people with incomes over \$200,000 who paid not one cent in federal income tax. There were another 800 people with incomes over \$100,000 who paid no taxes, and more than 3,200 people with incomes over \$50,000 who paid no taxes.

--A whole industry has grown up around ways to avoid taxes. Rich people can invest in so-called tax shelters (such as luxury high rises, oil and gas ventures) for the sole purpose of avoiding income tax. These investments create tax write-offs which can make the ventures profitable even if they have a real economic loss. In that way they distort the allocation of capital in this country - by channeling it to areas of high artificial return but limited real economic return - and impair our overall economic efficiency.

--Legitimate business expenses also have been distorted beyond imagination. The businessman who has a \$50 three-martini lunch, who entertains on executive yachts, who schedules a

business meeting in Europe or the Caribbean--and writes it all off as legitimate expense -- is being subsidized by the average citizen who works for wages.

--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.

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

--The tax code runs thousands of pages. It has been constructed over many years. Many of the provisions are inter-related. When I put forward my tax reform proposals, I want to offer them as a comprehensive package. In that way, 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:

--this would be 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.

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

--this would be a progressive tax system in which all income levels bear their fair share;

--and this would be a tax system that fosters business expansion and encourages strong economic growth.

3. 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 the top levels of income and enough 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.

NOTE:

1. In your U.S. News and World Report interview, you supported the charitable deduction, provided that foundations established for that purpose do not abuse the privilege.

2. On September 9, Senate and House conferees agreed on a new tax bill. It should be up for final passage the week of September 13. The tax bill will close some loopholes and raise a modest amount of new revenue - about \$1.6 billion in fiscal 1977. The principal provisions are:

(1) keeping in effect for 1977 the anti-recession tax provisions of 1975, including the same personal tax credit, standard deductions and earned income credit;

(2) tripling the estate tax exemption to \$175,000 by 1981 (this is considerable relief for modest estates, particularly those left by small -businessmen and small farms);

(3) closing loopholes on some of the more exotic tax shelters (but leaving real estate and oil and gas, which account for about 80% of all tax shelters untouched);

(4) ending the stepped-up basis for appreciated stock and other capital assets at death (this is a significant reform, but the House may delete it next week);

(5) extending the capital gains holding period from 6 months to one year by 1978;

(6) removing certain tax benefits for corporations that participate in the Arab boycott;

(7) extending the 10% investment tax credit through 1980; and

(8) increasing the minimum tax from 10% to 15%

Follow-up Question #1

"If you are so sure that we need comprehensive tax reform, you surely must have in mind what tax loopholes are the worst. What are some of the special tax breaks that are your prime candidates for reform and why?"

--I believe all the special tax provisions should be carefully evaluated to be sure that eliminating or reducing any particular one will not have adverse consequence on the economy, But let me give you some examples of those special tax provisions I would take a very hard look at based on the evidence to date.

--I don't believe that tax shelters that allow wealthy taxpayers to create artificial tax losses should be continued. These shelters have nothing to do with real businesses and they distort the efficiency of our economy. Their only function is to give tax writeoffs to the wealthy. (Revenue gain: \$.5 billion).

--I support deductions for legitimate and necessary costs of doing business. But in some cases business expense deductions have been stretched wide enough to drive a yacht through -- and they are:

1. entertainment on yachts;
2. business - vacation trips;
3. \$50 lunches;
4. first-class (as opposed to tourist) airfares

(Revenue gain: \$.5 to \$1 billion)

--The deferral of tax on foreign profits. The foreign profits of U.S. controlled corporations are not taxed as long as they are reinvested abroad. This encourages our largest corporations to invest abroad rather than at home. I have nothing against large corporations that operate abroad, but why should we provide a tax subsidy for them to do it, to encourage them to invest in Europe rather than at home. We need the jobs and the capital here. (Revenue gain \$.4 billion). On the other hand, the present right of a corporation overseas to deduct income tax payments made to another government is a legitimate thing and ought to be continued.

--The Domestic International Sales Corporation (DISC) provisions were originally enacted in 1971 to encourage exports by small U.S. manufacturers. The estimated cost to the Treasury was \$100 million. The current cost is \$1.5 billion and large corporations are getting most of the benefits ( 60 corporations account for more than 1/2 of the net income on all DISC's) - and for doing what most economists agree they would be doing anyhow, i.e. exporting to profitable foreign markets.

(NOTE: that although almost all tax reformers think DISC should be abolished, multinational corporations would of course be opposed and the Treasury Department has some (weak) studies arguing DISC works well to increase exports. The new tax bill tightens up somewhat on the DISC loophole but leaves at least 2/3 of it intact.)

Followup Question #2

"Governor Carter, you've stated that one of your tax principles is to treat all income the same and that another is to tax income only once. Now, to most people treating all income the same means removing the special lower tax rate for capital gains. And taxing income only once means ending any taxation of corporate dividends. Do you really mean that you would end the capital gains provision and double taxation?"

--We should make every effort we can to tax all income the same. I recognize that any sudden action to tax capital gains the same as other income, without taking other compensatory action, could impair saving and investment incentives, which I regard as very important. It is therefore my objective to couple any capital gains changes with substantial reduction in income tax rates, to ensure that saving and investment changes are maintained. This would be done in an orderly way as part of comprehensive tax reform.

--I have said that I would favor eliminating double taxation and I will do everything I can to achieve that objective in conjunction with comprehensive tax reform. Whether it's taxed at the corporate level or as dividends is an option I want to leave open. Integration or consolidation of the corporation and the individual income tax is an attractive idea but difficult to do. I want a practical proposal that will not reduce the progressivity of our tax structure or result in a serious revenue loss.

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 affecting the millions of taxpayers 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. Its 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.)

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?

A. Our tax system is badly in need of reform. It is unfair --it is unduly complex -- it fails to insure a proper distribution of the American tax burden.

In a nation such as ours where the operation of the tax system is based on the cooperation and honesty of its taxpaying citizens, we cannot afford to have these citizens perceive the tax system <sup>one that is</sup> as/unfair, favors special interests <sup>is</sup> and/impossible for the average citizen to understand. At present, those perceptions are justified.

--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.

--This situation is totally unacceptable. We need comprehensive tax reform that will make our system simple, fair, and progressive. Certain specific provisions must be changed.

1) We must end the deferral of tax on foreign profits of U.S. corporations. This only encourages companies to invest abroad rather than at home and we lose valuable capital and jobs.

2) We must end unjustified deductions for certain business expenses, such as entertainment on yachts, business-vacation trips, \$50 lunches and first-class air fare.

3) We must eliminate tax shelters that allow wealthy taxpayers to create artificial tax losses. Certain real estate shelters, for example, serve no business function and only serve to give tax write-offs to the wealthy.

4) We should reduce unnecessary incentives currently provided in the Domestic International Sales Corporation provisions. The current cost of the program is \$1.5 billion and many large corporations are getting windfall benefits for doing what most economists agree they would be doing without tax incentives.

5) I am fully supportive of the current tax reform legislation instituted by Congress to the extent that it eliminates tax shelters involving Mexican vegetables, pornographic movies and farm shelters.

I believe elimination of these unjustified tax benefits and 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 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.

24

Some members of Congress and others may disagree with some of my tax reform proposals. Cooperation and some compromise may be necessary. But it is my view that the taxpaying public will be supportive if it has a President who is willing to fight for tax reform. Piecemeal attempts to reform the tax laws, such as the current tax reform legislation, are not enough. We need comprehensive reform that will address the many failings of our present tax system.

## DOMESTIC SURVEILLANCE

### Basic Statement

A. The Government has, and should have, ample powers to pursue criminal activities, domestic or foreign. There is no question that the FBI, CIA, and other security agencies have the ability to engage in wiretapping, surveillance and the use of informers with court permission whenever there is probable cause to believe a crime is being committed, whether that crime is a simple theft or murder, or a complex conspiracy to transmit information to a foreign government. Wiretapping and other activities are covered by existing laws if they involve domestic crimes, and the pending legislation would explicitly authorize such activities, which have long been approved judicially as a Presidential power, where foreign government contacts are involved.

B. Tragically, what we have seen over the last few years is the most serious abuse and misdirection of federal law enforcement efforts. There has been wiretapping, mail interception, infiltration of organizations, defamation, and other activities that go far beyond legal authority and are unrelated to any criminal act, attempt, or conspiracy. Nor is there any question that the government can protect properly classified information and that it should do so.

--the CIA and FBI opened domestic and foreign mail of over 1.5 million Americans up to 1973. This practice was and is both illegal and unconstitutional, as these agencies knew. These practices were concealed from Presidents and Attorneys-General.

--The FBI has engaged in break-ins to obtain information and plant electronic surveillance equipment on hundreds of occasions extending right up to the summer of 1976, when private litigation revealed that they were continuing despite explicit orders from the Director of the FBI and the Attorney General to terminate them.

--Wiretapping, electronic surveillance, and disruptive tactics such as defamation were used against American citizens, including journalists, Congressmen and Senators, and public leaders like Rev. Martin Luther King, Jr., without court approval or any expectation that a crime might be involved, often on the pretext of involvement with foreign powers. It appears in retrospect that much of this activity was prompted by FBI hostility to the political views of those being watched.

--The CIA has been involved in domestic surveillance even though the statute creating the agency explicitly prohibits such activities, and the head of the Agency knew that fact and communicated it to Dr. Kissinger.

--The National Security Agency regularly monitored all international telegrams and telephone calls up until May 1975. Substantial surveillance of American communications abroad still continues, even though the Justice Department concluded in 1973 that the practice is of questionable legality.

C. This picture of neglect, mismanagement, and indifference to legal restraints has spilled over into other areas of criminal behavior by law enforcement officials.

--The Justice Department is currently investigating charges of illegal kickbacks and misuse of Bureau funds in connection with a contract for equipment with the U. S. Recording Company. Apparently as a result of this investigation, four high ranking Bureau officials have resigned, retired, or been fired.

--Investigation is also underway on the misuse of pension funds of the Bureau, again by high ranking present and former officials of the Bureau.

D. Finally, there are real questions about the value of many of the domestic surveillance activities currently conducted by the FBI, compared to our other serious crime control needs:

--The FBI currently devotes twice as much money -- about \$7.4 million in FY 1976 -- to intelligence informers as it does to organized crime informers.

--Recent reports indicate that 38 years of surveillance, currently involving 66 agents who have infiltrated the Socialist Workers Party, have not produced a single arrest for illegal activity.

--In evaluating the necessity for constant surveillance of American contact with foreigners, aside from American business abroad, it should be remembered that many of the contacts are between Americans of Greek, Turkish, Irish, Arab, Jewish and other backgrounds and the governments of their homelands. It hardly seems appropriate that such activities should be presumed to be a threat to our nation's security. And the meager results obtained from this surveillance in terms of illegal activities detected bears this out.

--Given the seriousness of the crime problem in America-- white collar crime, organized crime, and ordinary street crime --I think we have to ask the hard question of whether or not we are getting our money's worth from these activities.

E. We must end these abuses. There are several steps that urgently need to be taken if we are to assure ourselves that this kind of illegal activity and administrative neglect do not occur.

--First, we must not wink at the illegalities that have been discovered. To date not one person has been prosecuted for the illegal mail openings or burglaries by the CIA and FBI.

If we are to have honest law enforcement, we must make it clear that dishonest law enforcement will be punished.

--We must adopt legislation defining the scope of the powers of the FBI, CIA, NSA, and other law enforcement and intelligence agencies. Much of our difficulties in this area can be traced to ambiguous grants of statutory authority, written decades ago, and never seriously reviewed by Congress, the Attorney General, or the President.

--In this area, it is not enough to adopt Executive Orders that can be changed by subsequent Presidents, especially when the Orders recently adopted by President Ford and the regulations adopted by Attorney General Levi either do not cover critical areas of activity, or allow secret exceptions to be authorized by the President.

--If there is any lesson to be learned from Watergate, it is that power of this kind simply invites abuse, and we cannot simply rely on good-hearted people to behave more honorably than the law requires. Too often we have seen that the opposite is the case.

F. If I am elected President, I intend to give high priority to the development of legislation that will establish comprehensive charters for these agencies, as the Church Committee recommended. I will see to it that appropriate action is taken

against those who violate those rules, and I will press for legislation that will provide for individual remedies for those who may be the victims of such misconduct in the future.

## The Likely Ford Response

1. The abuses of the FBI, CIA, and other intelligence services go back a long time. Some of the most serious derelictions go back over a generation - mail opening: 1940; -break-ins: 1948; - disruption of groups: 1941; - improper use of tax returns: 1950's; - CIA domestic surveillance: 1967.

2. Since taking office I have begun to reverse this process of increasing abuses and misconduct.

--When these issues first arose, I immediately appointed a blue ribbon commission chaired by Vice President Rockefeller that reviewed these allegations of misconduct and issued guidelines to insure that these agencies can carry out their functions without infringing the rights of Americans.

--I have adopted a series of Executive Orders putting reasonable limits on the CIA and other intelligence agencies, setting up a President's Oversight Intelligence Committee in the White House to supervise intelligence activities, and adding the Attorney General and the Secretary of the Treasury to the Committee that must approve any covert operations.

--My Attorney General, Edward Levi, has issued regulations controlling domestic surveillance by the FBI, thus placing some limits on these activities for the first time since 1940.

--I have submitted legislation to Congress to assure adequate protection for government secrets to assure that our intelligence agencies can function effectively without constant exposures of the kind that may have led to the identification and subsequent assassination of Richard S. Welch, the chief of CIA operations in Greece.

3. My efforts in this area have been considerably hampered by Congress. Although much-publicized hearings were held by a Senate Committee chaired by Senator Frank Church, no legislation as yet emerged. No legislative charters have been proposed or adopted; no action has been taken on my proposed secrecy legislation.

4. The Administration has also presented legislation to control wiretapping. This legislation has become a political football, as some Democratic Senators fight with others about whether to act now or wait until the next Congress, when they think political conditions might be more congenial. The result is that we have no legislation on this vital subject, as Governor Carter says, but the fault lies with friends in the Democratic Congress, who seem more interested in attacking the past performance of the intelligence agencies under both Democratic and Republican Presidents than in getting on with the business at hand.

Note: This answer is based on Ford's record, but I have not found any public statements where I can find out if he takes the approach set out here. He might take a different

slant, coming more strongly to the defense of the intelligence agencies.

## WORLD FOOD POLICY

### QUESTIONS

1. What do about population outstripping food resources?
2. What do about disorder in food supply that Soviets can cause?
3. What do about a major famine in underdeveloped world?

### ANSWERS

#### A. Attack Points

1. Administration has completely failed to develop a well-managed, coherent food policy; the result has been periodic disasters for foreign as well as domestic consumers.

2. Examples of disasters:

--1972--sold grain to USSR at bargain prices as result of detente policy--result here was greatly increased bread prices

--1973--allowed price of soybeans to triple before determining domestic supply

-- only after 4 domestic food shortages and 4 embargoes did Administration initiate monitoring system to determine likely foreign needs

-- stop-and-go policies on food price controls--especially beef have caused our food prices to increase nearly 50% in last 4 years.

-- took negative, obstructive position at World Food Conference, despite Ford claim to contrary in second debate.

#### B. Positive Points

1. World food problem concerns all Americans: half-billion starving people pose long term security threat--national self-respect requires concern and assistance. We should be the world's breadbasket.

2. Do not want permanent international giveaway program--that only breeds increased dependence; need forthright, imaginative strategy to feed world's poor while keeping domestic prices below inflated levels.

3. My program:

-- encourage mutually beneficial trade between developed and developing countries; for U.S., would mean more exports

-- provide more food aid to poor countries -- directed to economic and humanitarian needs and not short-term political purposes (in '74 great part of food aid went to support military programs in Southeast Asia--should be Food for Peace, not war)

-- encourage all-out U.S. food production to sustain both growing food trade and food aid -- provide farmers with adequate price incentives and stable policy -- not sudden embargoes

-- encourage agricultural development in poor countries (technical and research aid); they must carry main burden in long run

4. This program would avoid the rapid fluctuations in supply and demand of past 8 years; would also be beginning of policy to prevent possibility of any one nation distorting world food supplies or of any nation suffering famine.

## OIL EMBARGO

### QUESTIONS

1. In the last debate you said you would consider another oil embargo as an economic declaration of war, and you would respond instantly and in kind. President Ford says that such a counter embargo would be ineffective because the Arabs could go to our allies for their arms, machines and food. To the extent it is effective, the Arabs would turn to the Soviets. Either way it would shatter any hope of a Middle East peace settlement, which I assume is the objective of our policies and programs in the Middle East. How do you refute these condemnations of your counter embargo policy?

2. And doesn't your unilateral reaction contradict your pledge to work more closely with our allies to solve world problems? On May 28, you said, "Interdependence means mutual sacrifice."

3. Also on May 28 you said "In the Middle East the United States must maintain the trust of all sides. We must strive to maintain good relations with the Arab countries as well as with Israel." Wouldn't your unilateral counter embargo contradict this too?

4. On May 28 you also said "The United States should not consider unilateral action in the Middle East to assure our own nation's access to Mideast oil." What do you mean?

### ANSWERS

#### A. Attack Points

The best way to avoid another embargo is simply to make clear in advance what our response would be.

1. First, when I denounced unilateral action on May 28, I was referring to the veiled threats of armed military intervention that the Republican administration was making then.
2. Lets remember it is the Republicans who got us in this fix.
  - a. Our dependence on foreign oil has grown since the embargo.
  - b. No conservation program, no program for home insulation, industrial conservation. The International Energy Agency ranks the U.S. 14th out of 17 countries in terms of energy conservation.
  - c. There's not one drop of oil in reserve in case of an embargo, even though Congress created the reserve one year ago.
  - d. No serious commitment to develop coal resources or solar energy.

3. Lack of coordination with our allies is partly due to years of neglect by this Administration and total failure to work out common approaches to common problems in the world.

4. The Administration makes matters worse in the Middle East by flooding those countries with arms and raising doubts about our commitment to Israel. There must be no doubt in anyone's mind: Israel's security cannot be bartered for oil.

#### B. Positive Points

1. Yes I plan to work more closely with our allies -- but before an oil embargo is declared, not after. We should

- a. Seek alternative energy sources
- b. Build up stock piles, and
- c. Plan jointly for future crises.

2. When I say that I would declare a counter-embargo I mean no threat or hostility toward friendly nations in the Middle East. I simply believe that the best way to prevent an oil embargo against us is to say ahead of time what we would do about it.

3. In my foreign policy, about my highest priority will be to bring peace and stability to the Middle East.

4. And in domestic policy one of my highest priorities will be to work with the Congress to develop an energy program that will increase our national self-sufficiency.

## CUBA

### QUESTIONS

1. Fidel Castro says there have been many attacks on Cuban property since Cuba supported the winning side in Angola, and Castro blames them on the CIA. He holds the CIA responsible for the October 6 crash of a Cuban airliner that took 73 lives, and Castro has renounced the Anti-Hijacking agreement between Cuba and the U.S. But Castro says he would discuss the agreement with the next Administration, as long as the U.S. pledges to end hostile acts against Cuba. Would you negotiate a new agreement with Castro?

2. If American subsidiaries abroad can trade with Cuba, why can't American companies at home?

3. If we deal with the People's Republic of China, why do we still have an embargo against Cuba?

4. Would you establish diplomatic relations with Cuba?

### ANSWERS

#### A. Attack Points

1. I know of no evidence to indicate that the United States in any way was involved with those plane crashes.

2. Premier Castro was ill-advised to renounce the anti-hijacking agreement. It serves Cuba's interests as well as our own. It would be ill-advised to further comment on his action at this time.

#### B. Positive Points

1. We should not recognize Cuba, or lift the embargo so long as Cuba

- interferes in the internal affairs of other states
- slanders U.S. relationship with Puerto Rico
- holds large numbers of political prisoners

If Cuba demonstrates a readiness to work in peace and good faith with other nations, we should be ready to examine ways to end the present stalemated situation.

FACT SHEET

Cuba Renounces Anti-Hijacking Pact

(Pact denies sanctuary to hijackers of the other nation.)

October 6 --Cubana civilian airliner crashed on take off from Barbados - 73 people killed.

October 8 --Miami Herald reported anonymous phone call that Cuban Miami-based exile group "El Condor" took responsibility for plane crash.

October 15 --At Havana memorial service for victims of crash, in a long impassioned speech, Castro blamed CIA for crash, and unilaterally abrogated Cuban-U.S. Anti-Hijacking Pact of February 15, 1973.

(In fact he began 6-month time freeze; treaty requires 6-month warning period before pact dissolved.)

## INFLUENCE OF SPECIAL INTERESTS

### QUESTION

Governor Carter, you have made the statement often: "I owe the special interests nothing." Yet recent reports have indicated you flew on corporate jets to South America during your administration in Georgia, that you took a weekend with your family at a corporate retreat in Georgia while you were considering legislation affecting the company at whose retreat you were staying, and that you accepted hundreds of thousands of dollars in contributions from the maritime unions and subsequently endorsed many of their goals, including the shutdown of the U.S. Merchant Marine Academy which competes with their private school. Do you think that these are not special interests, and do you think your actions inspire confidence that you are morally superior to President Ford whom you have criticized for golfing with lobbyists?

### ANSWER

#### Positive Statement

My support comes from the people, who believe in me, in my integrity, and in the programs I openly support. I have said it before and I can repeat without hesitation "I owe the special interests nothing." I have made no secret promises and no closed door deals. My beliefs and intentions are a matter of public record.

#### Rebuttal

A. Corporate trips -- I was traveling to promote sales of a company that provides thousands of jobs in Georgia. It was a purely business trip. I thought it was more justifiable to have this trip paid for by the company whose workers would be affected than by the taxpayers of Georgia, and I would stand by that decision today.

B. Weekend retreat -- This trip was reported several years ago at the time and I have explained its purpose many times. Together with my advisors I met with officials of the company in an attempt to convince these companies that my plan to reorganize and streamline the Department of Natural Resources was a sound and workable one. We didn't resolve any of these issues there, and I was never able to overcome resistance to my reorganization proposals. I might add that decisions I made during my administration required these companies to pay millions of dollars of additional property taxes and to invest in many millions of dollars of environmental protection controls equipment. The companies at whose lodging I stayed never received any favoritism in any matter from me.

C. Maritime contributions -- I have always been a firm believer in the need for a strong merchant marine industry to serve this country in time of national emergency or war. My beliefs were matters of public record and quite clearly they were beliefs that the maritime unions found more to their liking than those of the President. But contributions made by the maritime unions have gained them no special influence over the formulation of my maritime policies.

To emphasize that I would like to point out that the example you have used of my reported support for their position of closing down the Maritime Academies is categorically false. I have never considered nor do I intend, to close down these academies. My formal position paper on the maritime situation makes this clear. I believe they must continue to play a strong role in providing highly trained officers for our merchant marine fleet. I have taken this position, which as you may know is directly opposite to that of the maritime unions which have contributed to my campaign, because I feel that the public interest will be best served by continued strong government supported maritime academies.

In my letter of support to the maritime unions I did not address the issue of publicly supported schools in indicating my support for continued private academies as well. But after careful study I concluded that, despite the advice of political contributors, I would support the national and state maritime schools. This position was clearly stated in my position paper published in September which referred to the need for highly trained seamen and engineers "trained in both industry and government run schools."

Thousands of people have contributed to my campaign prior to my nomination. But my message has always been clear to them as to the rest of the public: I owe the special interests nothing.

## HUMAN RIGHTS

### QUESTIONS

1. How can U.S. realistically affect human rights abroad?
2. Willing to sacrifice trade for rights?
3. What do differently to affect rights in Eastern Europe?

### ANSWERS

#### A. Attack Points

1. Ford took a week and clarifications to admit Eastern Europe mistake, but he has yet to admit he misspoke about what Commerce Department would release about Arab boycott; unfortunately these statements left world-wide impression of an America uncertain of its position on human rights.

2. That impression was also conveyed by earlier Administration failures: embracing dictatorships in Brazil, Chile and Philippines; snubbing Solzhenitsyn; failing to insist on Soviet compliance with Helsinki; and ignoring Turkish takeover in Cyprus.

#### B. Positive Points

1. America must again become hope of those aspiring to freedom and dignity -- renewed symbol of concern for human rights.
2. Can be done by:
  - implementing Jackson-Vanik (Soviet Jews) bill
  - vigorously insisting on Soviet compliance with Helsinki basket III -- providing for greater human rights in Soviet Union and Eastern Europe.
  - not closing eyes when Soviets harrass those waiting to emigrate and jam Radio Free Europe and Radio Liberty.
  - imposing strict penalties on those complying with boycotts.
  - refusing to supply unlimited weapons to nations systematically denying rights.
3. Would demonstrate commitment to human rights at outset of term -- when Helsinki is reviewed in Belgrade next year, would press for strict compliance; would not allow Soviet rhetoric to cloud picture of the realities; would document to world failings of Soviet compliance and would require improvements.

(Note: Do not say again that U.S. overthrew Allende government. U.S. encouraged undermining of Allende government--on that there is no question.)

## 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.

## CHARACTER AND TRUST

### QUESTION

1. In the primaries you made personal character and trustworthiness major criteria for the voters to emphasize in choosing their President, yet in this squalid general election campaign, it is precisely your character and trustworthiness which are most in question. You have portrayed yourself as an evangelical Christian, yet uttered offensive language in an interview with a sexual exploitation magazine, Playboy -- reinstated your reputation for fuzziness on the issues -- talked of love but displayed a penchant for tough personal attacks on President Ford and fellow Democrats. Why should the voters trust you or have a high regard for your character?

### ANSWERS

#### A. Attack Points

1. Ford sincere, but a persistent failure to perceive moral issues at stake, and act on them --

- Butz
- Nixon support pre-resignation
- Continued winking at conflict of interests by officials and lax enforcement of moral standards throughout government

2. Strong ethical leadership requires more than an affable personality -- adherence to moral standards by entire government requires action, management, commitment, enforcement.

3. Ford has displayed the traditional Republican habit of promising for half a year to do precisely the opposite of what his record shows he has in fact done the other 3½ --

- Park policy gambit -- which incidentally cost taxpayers \$153,000 for expenses of producing extravaganza at Yellowstone
- Arab boycott
- Housing program

4. Ford's campaign has depended more and more on willful efforts to misrepresent his record and mine --

- His on Arab boycott -- tax reform -- housing
- Mine on his litany -- \$100-\$200 billion in programs -- \$14,000 and up on taxes

## B. Positive Points

### 1. On Playboy:

-- May have been a political mistake -- but if you read the interview you will get very different idea from that sensationalized by the media -- discussion of important issues of social and personal philosophy.

-- I prefer to make a mistake -- if it was a mistake -- of openness, rather than to hide like Mr. Nixon behind a false, carefully constructed image.

-- Should let the public see him for what he is -- warts and all -- should not be a robot or an image packaged by his political ad men.

-- Other prominent people have been interviewed in Playboy:

Mr. Ford's Treasury Secretary Simon  
William Buckley  
Governor Jerry Brown of California  
Martin Luther King, Jr.  
Albert Schweitzer

(NOTE: Do not mention Playboy unless specifically asked about it.)

### 2. On fuzziness:

-- From beginning of campaign I have set out the goals to which I would dedicate my Administration -- moving economy forward, government reorganization, tax reform, prudent phasing-in of needed programs, especially health care.

-- Will be tough to achieve, but I intend to do so. I have never deviated from these goals.

-- It is up to voters to assess firmness of my commitment and determination.

-- While adhering to goals, I have refused to be the type of candidate who casually endorses stacks of bills and proposals packaged by speech writers.

-- I noticed in his press conference the other night, President Ford said he usually gets the text of prepared speeches as little as one-half hour before delivery. Even under pressure of campaign such as I have waged, I just don't do business that way.

-- I am old-fashioned enough to want to come to my own conclusions, and deal with all the complexities of the issues -- tax reform, government reorganization, economic recovery are not simple. Whip Inflation Now may sound specific, but did not do much to cut the cost of hamburgers or houses.

## YOUR USE OF THE INVESTMENT TAX CREDIT

### QUESTIONS

1. Governor Carter, how do you square all your talk about tax reform with your use of the investment tax credit loophole to reduce your tax liability by many thousands of dollars? Aren't you using a double standard?

### ANSWERS

#### A. Attack Points

1. Investment tax credit is a provision, supported by both Democrats and Republicans, which encourage business to invest in new plant and equipment--thus providing new jobs, new growth, and improved productivity. It is not a loophole. This is virtual unanimity on this credit as a means to encourage economic expansion.

2. I utilized the tax credit to buy needed new equipment for my family's peanut processing business. Without this credit, we could not have afforded it.

3. My personal tax liability was not reduced. My family's business tax liability was reduced this year. But because of this modernization and efficiency, the business, I can assure you, will be paying more taxes for more years than otherwise would have been the case.

4. There are, however, real loopholes--which are in no way real incentives for growth or increased productivity--which require reform. (See tax reform section).

## BIG GOVERNMENT VS. EFFICIENT GOVERNMENT

### QUESTION

Governor, aren't the American people faced in this election with a broad philosophical choice between you and your party and Mr. Ford and the Republicans, in that the Democratic Party is a party that generally supports new social programs and bigger government and the Republican Party is a party which generally supports private enterprise and a smaller government?

### ANSWERS

Theme: The Republicans may say they are for smaller, more responsive government but the record of the past 8 years shows the greatest increases in government spending, the largest debt, and the worst deficits in our history. And Republican economic policies haven't been any better for business or private enterprise than they have for labor or the consumer. I have been talking about better, more efficient government, not bigger government. I will get the budget under control and balance it. New initiatives will be financed with the new revenues provided by workers put back to work and paying taxes instead of receiving tax free unemployment compensation and welfare checks. There will be no increase in taxes.

#### A. Attack Points

1. During the past 8 years, the Republicans have given us the worst record on government spending, unbalanced budgets, and deficits in our history. They have given us the first \$200 billion budget, the first \$300 billion budget, and the first \$400 billion budget. Under their budgets, the federal government has piled up more public debt than existed in the entire 192 preceding years of our history. Under this Republican Administration, the budget has gotten entirely out of control. Now it turns out that, plainly and simply, they've lost \$15 billion from their budget; it's unaccounted for -- they don't even know where the money is.

2. Mr. Ford's budget deficit of \$65 billion last year is the largest deficit in the history of the country and larger than all the deficits accumulated in eight years under Presidents Kennedy and Johnson.

3. No effort has been made by the Republicans to root out waste and inefficiency in government. \$3 billion Medicaid fraud. Payments for unemployment compensation and welfare, which are the most unproductive kind of federal spending because no goods or services are produced in return, have simply skyrocketed during the past 8 years. The Republicans under Mr. Ford have been big spenders--but it's for things like welfare and unemployment compensation caused by the recession.

4. The Republican policies haven't helped private enterprise. Real corporate profits are lower today than in 1968. The stock market has gone nowhere in the last eight years--and is sinking like a lead balloon in the last 2 weeks.

5. Hiding under the disguise of their proclamations that they're for smaller government, lies in the long Republican history of opposition and negativism, to which Ford is a perfect heir.

#### B. Positive Points

1. I have had a balanced budget all my life--as a father, businessman, former Governor. I have not been a government official all my life, living off the taxpayer's money.

2. I do not want bigger government, but better, more efficient government. Putting our people back to work will substantially reduce the wasteful government spending, unemployment compensation, and welfare, and will get the budget back under control and balance it.

3. I believe that where there is a choice between the private sector and government, the private sector should do it, and that government closest to the people should be encouraged to assume as many responsibilities as possible.

4. Government reorganization will streamline government and eliminate duplication and overlap. Zero-based budgeting.

5. The best way to have a strong private sector is to have a strong, growing economy. Here the Republican record is a disastrous failure.

6. I support new initiatives in vital areas of national needs such as jobs, health care, housing, and welfare reform. These new initiatives will be financed with the new revenues provided by workers put back to work and paying taxes instead of receiving tax-free unemployment compensation and welfare checks. There will be no increase in taxes to pay for them. They will be phased in gradually and only as revenues permit.

## 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

## EUROCOMMUNISM

### QUESTIONS

1. How approach problem of Eurocommunism?
2. Position on involvement of Communist Party in Italian government?
3. Have you been sympathetic to Communists in the Italian government and in the government of other Western European nations, as the Republicans have suggested?

### ANSWER

#### A. Attack Points

1. As said in last debate, Ford grossly and totally distorted my position on Italian Communists; never advocated or indicated any support for Communist rule in Italy. Since debate, Ford has not produced any contrary evidence; record produced clearly shows I have always opposed Communists in Italian government, as well as any other Western European nation.

2. By trying to distort my position, Ford has tried to divert attention from his own record:

-- has done little to encourage non-Communist democratic forces: by supporting for so long dictatorships in Greece, Portugal, and Spain, Administration has allowed Communist forces to grow in these countries--at the expense of sensible freedom minded movements (U.S. last democracy to withdraw support from Portuguese dictatorship; never withdrew from Greek junta.)

-- has failed to show any confidence in our Allies' commitment to democracy or their ability to keep Communists out of their government.

-- by failing to restore American economy, and exporting our recession and inflation, which has led to world-wide depressed economy, Administration has given Communists best opening.

#### B. Positive Points

1. U.S. must do nothing to encourage involvement of Communists in any European government. Positive steps can be taken, which this Administration has not:

-- not lecturing people of Italy, France or Portugal about how they should conduct their elections or politics.

-- involving European allies in our key foreign policy decisions affecting them

-- restoring a strong American economy (ending the exporting of our recession--which has particularly harmed nations like Italy)

2. Without such steps "Eurocommunism" will continue to make the serious inroads it has the past 8 years. (The term was unknown 8 years ago.)

3. If Communists did come to power in Italy we would have to reevaluate their NATO situation, in light of Communist Party's possible ties to Russia.

## DEFENSE BUDGET CUT

### QUESTIONS

1. Stand by last debate's denial of \$15 billion proposed cut?
2. What are specific elements of \$5-7 billion cut?
3. How compete with Soviets if they are increasing defense spending while we are cutting?

### ANSWERS

#### A. Attack Points

1. \$15 billion figure is not my position and as every reporter knows, my position for 18 months has consistently used \$5 to 7 billion savings from elimination of waste. I cannot recall ever using another figure, but if I did, the \$5 to \$7 billion figure has been so consistently used my position is clear. During same period that Ford was varying from primary to primary amount in his defense budget (doing such things as proposing to cut budget before firing Schlesinger, restoring cuts afterward, restoring more in race for Republican nomination -- even added \$3 billion in "cut insurance").

2. Not allow game of numbers to obscure key point -- that there is waste in defense budget -- \$5-7 billion can be saved from future levels of spending without in any way affecting national security. Mr. Ford claims he doesn't have enough money for Defense. But he failed to use \$11 billion in 1976 that the Congress provided for Defense. (Obligated funds not used). We need a tough, lean defense--waste weakness our defense. As a former professional military man I know about the waste from first-hand knowledge. Mr. Ford is defending waste.

3. Ford -- said same thing before began treating defense budget as political weapon: at confirmation hearings, said there clearly was waste in defense budget--he was responsible for cutting \$14 billion from budget while member of Defense Subcommittee; and soon after becoming President, admitted there were too many "frills" in budget and promised to cut them. Now says no cuts possible. Yet in January, 1976 he cut \$6.8 billion from Pentagon budget--more than I propose.

4. Truman: in 4 years as Senator he helped cut \$10 billion from Defense budget and repeated time and time again that Pentagon was bloated bureaucracy.

5. Examples of waste:

--cut insurance -- Administration put in \$3 billion just as cut insurance, not for real needs. I would submit realistic budget and fight to keep it.

--cost overruns -- 45 major weapons systems now being built already \$13 billion above projected costs; C-5A air transport plan had \$2 billion in overruns; not surprising--less than half of all procurement contracts result from competitive bidding. Navy ship overruns almost same this year as budget for new ships (\$2.4 billion vs. \$2.3 billion). Naval shipyards going out of business due to poor federal procurement policies. Defense Renegotiation Board controlled by industry.

--too much travel -- 1 of every 7 military persons between assignments at this moment -- raising average stay at post only 2 months--save \$350 million--much more by additional extensions--also help serviceman and his family.

--too many instructors and support personnel -- 2:1 now (colleges: 19:1) -- raising ratio to 3:1 -- save several hundred million dollars.

--Nato standardization -- General Goodpaster says this would save NATO \$10 billion; \$2 billion U.S. savings.

--too much public relations -- 1300 p.r. people in Defense Department at cost of millions.

--subsidized living -- cheap Pentagon lunches, golf courses (\$14 million/year), hunting trips, personal servant for brass - Navy men serving at White House mess.

B. Positive Points

1. Most important criteria in setting budget is assuring strong national defense; as former military officer, know importance of strong defense -- but also know that waste makes for a weak, not strong, defense.

2. So issue is not strong defense -- but proper management -- how best to use our tax dollars -- Ford has already said we have military superiority -- if that is true despite waste, we would be even stronger when waste eliminated.

3. Steps to be taken to cut waste:

--personally go through defense budget item-by-item to locate waste.

--direct Joint Chiefs to work with me to locate all areas of waste; will make it clear that cutting waste is highest priority.

--will propose budgets with not a dollar more than actually needed--no \$3 billion cut insurance.

--will direct that NATO weapons be standardized--Goodpaster (former NATO Commander) says U.S. can save \$2 billion, NATO \$10 billion.

--will propose budget which increases ratios of instructors and support personnel; decrease travel time.

--will end inter-service rivalry which adds to greatly to defense costs, through duplication of weapons systems, duplication of R & D, duplication of intelligence.