

Debate Issues [12]

Folder Citation: Collection: Records of the 1976 Campaign Committee to Elect Jimmy Carter;
Series: Noel Sterrett Subject File; Folder: Debate Issues [12]; Container 80

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Carter-Mondale%20Campaign_1976.pdf

EMPLOYMENT AND THE HUMPHREY-HAWKINS BILL

Q.: Governor, you have stated on many occasions that jobs would be the top priority concern of your administration. As you know, there is now pending in Congress the Humphrey-Hawkins bill that requires the President to commit very substantial amounts of money in a frontal attack on unemployment, with the requirement that our present unemployment rate of 7.9% be reduced to 3% adult unemployment. How can we afford this kind of massive effort without creating a huge additional federal deficit and trigger a new round of inflation? Aren't you a firm supporter of the Humphrey-Hawkins legislation and is this how you would achieve full employment?

ANSWER:

I said initially that I support the objectives of the Humphrey-Hawkins bill, but I have also said that I had some reservations about its costs, its lack of emphasis on the private sector, and its inflationary impact. Members of Congress have been at work perfecting the bill, which is the role of the Congress, and my understanding is that substantial progress has been made in meeting these concerns. The goal for reducing unemployment has been changed to 4%, for example, which is a goal I believe we can achieve without accelerating inflation.

I strongly support this basic concept of the legislation and I look forward to working with Senator Humphrey and Congressman Hawkins in perfecting and passing a major jobs proposal.

-- It is important to understand that the Humphrey-Hawkins bill was a reaction to the crisis levels of unemployment we have had--and the failure of Mr. Ford to provide any leadership to deal with the crisis.

-- When Mr. Ford took office, unemployment stood at 5.5%, but in less than nine months it had soared to 8.9% -- a 50% increase in the number of people without a job. Even Herbert Hoover took over a year to get unemployment soaring. Despite Republican claims of a vigorous recovery, unemployment has risen for the last three months in a row and now stands at 7.9%. The level of unemployment today is the same as it was 20 months ago. Most importantly there are fewer workers in private non-farm jobs than when Mr. Ford took office two years ago (64.5 million in August 1974 vs. 64.2 million in August 1976) -- despite the fact that Mr. Ford says increasing private jobs is a top priority.

(Continue with standard employment answer.)

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

--My program to reduce unemployment would begin by using budget and credit policies to encourage strong economic growth and prosperity. Because we are starting from a point of such high unemployment--almost 8% of our labor force--and such low capacity in our manufacturing plant--only about 75% of our industrial capacity is being used--we can expand production in the economy without touching off inflation. By taking these actions, we can remove about 2½ million people from the jobless roles.

--Although my program to achieve full employment begins by restoring economic growth and prosperity -- it does not end there. I believe it is better to invest the \$17 billion we spent last year on creating jobs instead of continuing to pay people to stay unemployed. My jobs program would target these funds to areas and groups with high long-term employment, which would allow us to reduce unemployment by at least one percentage point without accelerating inflation. We can take the same money and make it go a lot further for training, improved public jobs that open up lifetime careers, and new

ventures to get the private sector and government to cooperate in training and creating jobs for the unemployed. (Use specific example if you need to, but there may not be enough time.)

a) A youth employment program that takes teenagers off the streets, trains and places them in jobs, as we did with the Civilian Conservation Corps;

b) Employment incentives to encourage the private sector to hire and train workers for career jobs;

c) Concentration on improving skills of our workers so that we can have enough people with the right skills as we approach full employment;

d) Geographic concentration of employment programs in areas of greatest need.

--By comparison, Mr. Ford said in a recent interview in U.S. News and World Report that if he is reelected, he would continue to study programs for increasing employment. This is perhaps the most graphic example I can cite that demonstrates why new leadership with new perspectives is so urgently needed in Washington. Mr. Ford will either study the problem, or he will oppose and veto solutions offered by others.

Energy and Jobs

Q. Energy conservation is a major part of your energy program. You have said that you would favor a reduction in energy consumption. Aren't your economic goals of a 5.5% GNP growth rate and a reduction of unemployment to 4% incompatible with a reduction in energy consumption?

A. While historically, growth rate in GNP and growth rate in energy consumption have tracked each other closely, rising costs of energy and the instability of our energy supply make past trends unreliable guides to the future.

It is important to point out that I have not called for a reduction in our overall energy consumption -- rather I have called for slowing down the rate by which our consumption grows. Prior to the Arab oil embargo, our energy appetite increased at the rate of 4.3% per year. Should we return to this rate, our total energy demands now about 77 quads per year, would double in a short 16 years. No realistic projections of supply suggest that we can develop resources to sustain that rate of growth. Our ability to grow, and to provide jobs is dependent on our skill in managing our energy growth rate.

If the U.S. fails to conserve energy, the impact on employment and on inflation could be disastrous. In the chemical industry alone, it is estimated that a 15% reduction in the availability of petrochemical feedstocks could cost between 1 1/2 and 2 million jobs and cut the GNP back by \$65 - 70 billion (1974 study, Arthur. D. Little, verified by Monsanto econometric model).

Failure to limit our oil imports and take steps to protect against another embargo spell disaster for our economy. The 1973 Arab oil embargo, when only 15% of our oil was imported from OPEC nations, cost 250,000 jobs, caused an 11% increase in the Consumer Price Index, and sparked the greatest recession this country has known since the 1930's. Reduction in the growth rate in energy demands through conservation must occur or our dependence on foreign oil will grow.

Fortunately, projections for energy demand are already down from those estimated in the early 1970's. This is due to a combination of three factors, (1) declining birth rate, (2) the tremendous increase in energy prices and (3) the rising cost of capital for new energy plant construction. Several government studies have suggested that even without external governmental controls, the rate of growth in energy demand would not exceed 3.1%. If that will happen by itself, I see no reason why an aggressive program of conservation cannot achieve a limited growth rate of about 2% between now and the end of the century.

A look at some of our European allies is instructive in assessing the impacts of a reduction in levels of consumption. The standard of living both in Sweden and West Germany is very similar to ours. Yet these nations consume per capita only about 60% of the U.S. percapita consumption rate. (U.S. rate 64 barrels/day.) This alone would suggest that there is considerable room for improvement in the way the U.S. used its energy resources.

But the evidence of wasted energy is all around us.

In 1951, a stock Lincoln weighing 5,200 pounds got better than 25 miles per gallon in a Mobilgas Economy Run. Twenty three years later, cars in this class average about 14 miles per gallon. Clearly there is no technical reason why we cannot demand more efficient automobiles.

Only 30-35% of the oil and gas which we burn is actually converted into a usable form of energy. The remaining 65-70% escapes to the environment as waste heat.

Our electricity rates are designed to encourage consumption -- the more you use the less you pay.

Houses and appliances are built to minimize the initial purchase price, with little or no attention paid to designs which lower energy requirements and which would cost the consumer less to own and operate over the long run.

Energy conservation need not mean doing without but it must mean doing better.

Rising energy prices -- whether or not we have an adequate supply -- must also be taken into account in a discussion of the growth rate in energy demand. The U.S. already has enormous capital investments in high cost energy consuming manufacturing processes. Each increase in the cost of energy has a multiplied impact on the cost of all consumer goods and services within the economy. Increased energy efficiency to get better use of our fuel dollars will help to stem this ripple effect. The cost of constructing new energy generating facilities has also increased enormously. Yet much of the new capacity now planned for construction is designed to cover increases in peak time demand -- these facilities

will be designed to operate only a small percentage of the time. Better use of the generating capacity which we already have, using peak load pricing, and developing energy grids, where power can be transferred from one section of the country to another to meet heavy demand can reduce the capital requirements of the energy industry. Electricity generation is one of the least labor intensive industries, and the capital freed through reduced demand can be better invested in job-producing sectors of the economy.

EMPLOYMENT POLICIES

Questions

1. Governor, in the first debate you were asked about your program to lower employment. Your answer was lacking somewhat in clarity. Your most consistent attack against the Ford Administration has dealt with its alleged failure to lower unemployment. Could I ask you again what specific steps you would take as President to bring down unemployment and how these steps can be taken without triggering a new inflationary spiral?

Answers

Theme:

Today's record high unemployment of about 7½ million people is the direct result of Republican policies to purposely create high unemployment to fight inflation. This policy has not worked -- it has only increased inflation, reduced productivity and growth, wasted precious human resources, increased crime and other social problems, and given this nation the largest deficits in our history. This administration has substituted the welfare ethic for the work ethic and this is causing enormous human suffering and economic waste. I am committed to putting America back to work.

A. Attack Points

1. Since Mr. Ford took office unemployment has increased from 5.0 million persons to about 7.5 million persons -- an increase of 50%. Unemployment today is higher than at any time between the Great Depression and the inauguration of Gerald Ford.

2. The average American looking for work has a much greater chance of becoming unemployed than finding a job under Mr. Ford's policies.

3. This higher unemployment means that more of the income of those who are working goes for the upkeep of those who are not working. Last year alone, the increase in unemployment compensation and welfare payments added \$17 billion to the federal deficit, which was paid for by the working taxpayer. These expenditures, and the lost tax revenues are the cause of the \$120 billion in deficits proposed by Mr. Ford -- the largest in our history. You cannot balance the federal budget by unbalancing the budgets of our families and businesses through high unemployment.

4. Mr. Ford and the Republicans fight inflation by putting people out of work and then they say that it is too expensive to put

people back to work. I believe it is too expensive, both in economic and human terms not to put people to work. High unemployment is destroying the strength of the American society -- it creates a permanent welfare class, it increases crime and drug addiction, it breaks up families, and it has caused the biggest deficits in our history.

5. Yet in the face of this unemployment crisis, Mr. Ford has opposed all efforts to reduce unemployment. He has no policy to reduce unemployment, and in a recent interview in U.S. News and World Report Mr. Ford said he would continue to "study" programs for increasing employment. This is perhaps the most graphic example I can cite that demonstrates why new leadership with new perspectives is so urgently needed in Washington. Mr. Ford will either study the problem, or he will oppose and veto solutions offered by others.

B. Positive Points

I believe we need leadership in the White House deeply committed to putting people to work and not on the welfare rolls. There is no lack of work to be done in this country, only a lack of leadership and imagination in matching people and jobs. This is my program.

1. I would use some of that \$17 billion now being wasted to create jobs. I would establish a Youth Services Employment Corp, patterned after FDR's C.C.C., which would in its first year put 100,000 youth people to work in meaningful urban redevelopment jobs and take them off of the streets (2/3 billion dollars), building up to 500,000 jobs over a 4 year period.

2. I would give priority to private sector jobs by specific incentives, such as employment tax credits, and increased funding of on-the-job training costs, to encourage business to hire the unemployed.

3. I would double the current CETA (Comprehensive Educational Training Act) program from 300,000 to 600,000 jobs to aid municipalities with high unemployment and support programs to create 800,000 summer youth jobs.

4. I would stimulate housing production to cut into the 20% unemployment rate in the construction industry, by lower interest rates through a subsidy to reduce the interest rate to 6% and by increased housing for the elderly.

5. I would support an anti-recession grant program called counter-cyclical aid to provide special funds to geographic areas with the highest unemployment.

6. Most importantly, I would use budget and credit policies to encourage strong economic growth. Because we are starting from

a point of such high unemployment -- almost 8% of our labor force -- and such low capacity in our manufacturing plant -- only about 73% of our industrial capacity is being used -- we can expand production in the economy without touching off inflation. If the economic recovery continues its decline through the end of this year, I would not hesitate to propose a further tax cut to Congress early next year. By taking such actions, we can remove over 2 million people from the jobless rolls.

C. Likely Ford Responses

Ford comment: Ford is likely to say that he has increased employment by about four million in the last 18 months. (It is actually 3.5 million).

D. Rebuttal

1. The fact is that Mr. Ford's policies have added more workers to the unemployment and welfare rolls than the job rolls. Actually, the number of workers employed fell by 162,000 last month. The labor force fell significantly, indicating that a lot of people are becoming so discouraged about not finding work they are giving up and dropping out of the labor force.

2. Mr. Ford always talks about creating private jobs but the fact is there are fewer workers on private non-farm payrolls today than there were when Mr. Ford took office. The growth in employment Mr. Ford keeps talking about is primarily in government jobs.

3. The principal reason for the growth in the labor force that has occurred is that a lot of families now need two breadwinners in order to keep up with the rising cost of living. Is Mr. Ford blaming the American people for the high unemployment rate because they need to work because of Mr. Ford's failure to hold down inflation?

EMPLOYMENT POLICIES

Q. You have said that full employment is your top priority. Some economists believe that we cannot achieve full employment without accelerating inflation. How do you expect to achieve your ambitions employment goals?

A. I intend to reduce unemployment to 4% or less by the end of my first term. We can do this by achieving the strong 5½% rate of economic growth we attained under the policies initiated by President John F. Kennedy in the mid-60's (5 years of 1962-66), by targetting our employment programs to areas of greatest need, and by taking direct action to reduce inflation.

--It will be difficult to achieve full employment quickly because Republican economic policies have increased unemployment to record levels. When Mr. Ford took office, unemployment stood at 5.5%, but in less than nine months it had soared to 8.9% -- a 50% increase in the number of people without a job. Even Herbert Hoover took over a year to get unemployment soaring. Despite Republican claims of a vigorous recovery, unemployment has risen for the last three months in a row and now stands at 7.9%. The level of unemployment today is the same as it was 20 months ago. Most importantly there are fewer workers in private non-farm jobs than when Mr. Ford took office two years ago (64.5 in August 1974 vs. 64.2 million in August 1976) -- despite the fact that Mr. Ford says increasing private jobs is a top priority.

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

--My program to reduce unemployment would begin by using budget and credit policies to encourage strong economic growth and prosperity. Because we are starting from a point of such high unemployment--almost 8% of our labor force--and such low capacity in our manufacturing plant--only about 75% of our industrial capacity is being used--we can expand production in the economy without touching off inflation. By taking these actions, we can remove about 2½ million people from the jobless roles.

--Although my program to achieve full employment begins by restoring economic growth and prosperity -- it does not end there. I believe it is better to invest the \$17 billion we spent last year on creating jobs instead of continuing to pay people to stay unemployed. My jobs program would target these funds to areas and groups with high long-term unemployment which would allow us to reduce unemployment by at least another one percentage point without accelerating inflation. We can take the same money and make it go a lot further for training, improved public jobs that open up lifetime careers, and new

ventures to get the private sector and government to cooperate in training and creating jobs for the unemployed. (Use specific example if you need to, but there may not be enough time.)

a) A youth employment program that takes teenagers off the streets, trains and places them in jobs, as we did with the Civilian Conservation Corps;

b) Employment incentives to encourage the private sector to hire and train workers for career jobs;

c) Concentration on improving skills of our workers so that we can have enough people with the right skills as we approach full employment;

d) Geographic concentration of employment programs in areas of greatest need.

--By comparison, Mr. Ford said in a recent interview in U.S. News and World Report that if he is reelected, he would continue to study programs for increasing employment. This is perhaps the most graphic example I can cite that demonstrates why new leadership with new perspectives is so urgently needed in Washington. Mr. Ford will either study the problem, or he will oppose and veto solutions offered by others.

CITIES

QUESTION

Given your pledge to balance the budget and your competing and costly commitments, like national health insurance, what hope do the troubled cities have for receiving more assistance from a Carter Administration than from the continuation of the Ford Administration?

ANSWERS

A. Attack Points

1. Many cities of the Northeast and Midwest, now engaged in struggle for survival, citizens especially the elderly, plagued by crime, inflation and higher taxes. Republican administration has turned its back.

2. Main culprit -- economic stagnation -- 1975 loss of jobs and production cost state and local governments nearly \$30 billion in lost revenues. This loss caused these governments to raise taxes, cut back services, and layoff workers.

3. 2.5 million Americans fell below poverty line in 1974 and 1975 -- first time such a calamity ever reported -- 15 million rose above poverty line under Johnson and Kennedy.

4. Inflation, now running once again at double-digit pace, is rendering many cities less and less capable of delivering quality services, while absence of energy policy has penalized cities of Northeast with inflationary energy costs. Our cities need to pay for services, but inflation has priced the services out of reach. These cities are now drowning, figuratively, 20 feet off-shore. And Mr. Ford is only willing to throw them a 10-foot rope.

5. Mismanagement of major urban aid programs like Medicaid (up to \$3 billion annually wasted from federal funds); welfare (10% of 1.3 million recipients could work; 1 welfare worker for every recipient); housing (500 indictments, 200 convictions from HUD officials for bribery and corruption) have squandered limited funds available; LEAA.

6. Vetoed 4 job-creation bills, including Public Works Employment Act, providing for accelerated local construction projects of needed public facilities, and for counter-cyclical assistance to state and local governments, and for employment of 300,000 new jobs -- overwhelmingly overridden.

B. Positive Points

Vital to quality of life to suburbs and whole nation to preserve cities and neighborhoods.

1. Economic recovery is most important benefit to cities.
2. Targeted employment programs in high unemployment areas in cities like ones Ford vetoed.
3. Expand CETA program which provides funds for municipal and other needed jobs to cities in financial bind.
4. Revenue sharing funds to go directly to cities.
5. Counter-cyclical aid to cities triggered automatically by high unemployment and automatically ended when unemployment declines.
6. Federal Municipalities Securities Insurance Corporation to assist cities and counties in marketing their bonds and in reducing high interest levels faced by localities.
7. Concentrate anti-crime, community development, and parks funds in cities.

OVERPROMISING

Governor Carter has promised a more truthful, trust-
worthy politics and has pledged to "never lie to you." Yet,
like other Democrats before him, he has promised various
voter groups expensive programs the federal treasury cannot
afford. Like President Johnson, for instance, he would have
us believe that we should accept on faith that he can solve
our problems -- no matter how long in the making and how
difficult to overcome. President Ford is an experienced
public servant. His goals are realistic and achievable.
He will not overpromise. He will keep the promises he does make.

Basic Statement

-- It is true that some unrealistic hopes have been raised in the past -- the result is now disappointment. This disappointment has been fed by the standard Republican response to pressing problems that nothing can be done. It's been the litany of Hoover and Nixon and Ford, of Republican Congressmen, Senators, and Presidents. They said Social Security would break the country, that Medicare was irresponsible, that aid to education was wrong, that insured savings accounts would be an intolerable constraint on freedom.

Every social and economic program which they now agree are protection for the average citizen they initially opposed. They have excellent vision looking backward, but a fog of fear blinds any capacity for meeting the challenge of the future.

-- I have talked about my goals for the country. Mr. Ford has not. The Republican administration's goal seems to be only to survive day-to-day until the election. My own goals are large ones, I would not abandon them for a minute.

- Putting the country to work;
- Stopping the rate of inflation;
- Applying determined management to the federal government;
- Undertaking reorganization of the bureaucracy to make it responsive to our citizens;
- Restoring trust and confidence in government.

I have not set these goals lightly. Nor do I underestimate the difficulty in meeting them. But it is better to have a vision where America should be headed than simply to drift, reacting to problems. Beyond that, I have made clear that no new social programs can be instituted until we have the money to responsibly begin to phase them in. To do otherwise would be to lose to inflation any gains we might make through such programs.

Follow-Up Question

Governor, we have studied the proposals you have made and the commitments which you claim have highest priority and they add up to many billions of dollars. Doesn't leading the American people to expect such actions amount to deception?

You have spoken of comprehensive, health care, of welfare reform, etc. Don't these raise the hopes of the voters beyond the capacity of our system's ability to deliver?

Also questions on reducing inflation, unemployment, holding down the budget.

Some of the best minds over the past half century have sought reasons for the increasing instability of family life and failed. You deplore the decline and suggest that somehow you will act to reverse it. Isn't this promising more action where knowledge is lacking?

Isn't it unfair and dangerous to suggest the legitimacy of rising expectations in the face of limited resources?

ANSWER

I have not given up my faith in the promise of America-- the promise that America can deliver the good life to all citizens, and ultimately the promise that that kind of America offers a beacon of hope for the entire world. It is clear that the timidity of the Republican Administration has foisted

on the nation the concept that you cannot offer a good life to our citizens--that many must suffer so that few can benefit. That is not the premise on which this nation was founded and grew. It is not my belief about America. I believe that in order to deliver on that good life we must alter many of the faults of our system: the tax code which is both unintelligible and unfair at the same time; a system which condemns many to waste their talents in jobs and careers which neither reward them properly nor utilize their potential. In the pursuit of correcting these manifest ills I have proposed bringing this country back to the right path.

The promises I have made are the promises which are responsible promises and which I can keep. They're promises which fall within the available resources. They are programs which when implemented will add to the sum of our resources. Anything less would be to fall into callousness toward human suffering, towards a lack of realism with regard to the American potential. In fact, selling America short.

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.

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).

CLOSING STATEMENT

The issue is clear: It is between clinging to the past or facing the future. It is between those defending the past and those ready to meet the challenges of tomorrow. It is between those who have lost hope and those who believe in America's future. It is time to make a clean break from the discredited actions and policies of yesterday.

The Republicans have had their chance. They have failed.

We have had scandal, uncertainty, drift, economic mismanagement. We have seen the same people making policy year after year. We have seen government become an uncontrollable engine, no longer responsive to our interests.

It is time for new, fresh leadership, with a vision of America.

It is time for a new generation of leadership, which has come into adulthood after World War II, which has been tempered by the Cold War, whose sons have died in Vietnam in a pointless war--ready to face a changing era at home and abroad with new directions.

It is time for new Democratic leadership, not tied to the discredited Republican policies which have been a part of their thinking from Coolidge, Hoover, Dewey, and Nixon to Mr. Ford--who ably represented the Republican point of view for a quarter century in Congress.

- 2 -

I see an America prepared to reject outmoded ideologies of the right and left.

I see an America prepared to take the best of liberalism--its concern, its compassion, its commitment to ordinary citizens--and the best of conservatism--its prudence and caution--to move forward together.

I believe we can do better than 8% unemployment and 6% inflation--as we did under John Kennedy.

I believe we can do better than stumbling from day to day.

I believe we can get America going again--proud, confident, on the move again, together again, united again.

CLOSING STATEMENT

Tonight we have addressed the issues openly before the American people. That is the way the democratic process ought to work.

But the issues go beyond the details of health care, and tax reform and government reorganization that we have discussed.

The issue in this election is what kind of government we want. It is not simply a matter of more government or less government. We all want the least government we can have and still realize the hopes we have as a nation.

What kind of government shall we have? Shall we continue to drift without direction, blown off course by every economic wind? Must we continue to be buffeted by inflation, recession, and uncontrollable budget deficits?

I believe we can direct our economy onto a path of steady growth. I believe that there can be jobs in our economy for all who want them. I believe we can control inflation if we have the guts to stand up to the inflationary pressures of big business and big labor.

Will our government continue to grow fatter and more wasteful? In the past eight years of Republican administration the cost of government has doubled. It takes will to diet off the pounds, and it takes determined leadership and tight-fisted management to cut the waste out of budgets and eliminate useless bureaucracies.

Will our government continue to grow more distant from the people? Will those who spend their careers in Washington continue to drift farther and farther from the rest of the country? Will we continue to have our lives molded by self-important bureaucrats and unresponsive officials?

I believe we do not need to accept this arrogance. I believe that we can return to a government that is close to the people, that is shared by them and respected by them.

But a responsive government, a government that is close to the people is not a government of inaction and negativism. We cannot simply abandon the wheel and expect our ship to drift toward shore.

Millions of Americans have no jobs. Government cannot create jobs for everyone but it can help the economy to create them. Millions of Americans cannot afford the homes they want, or the doctors they need. Government should not set prices but it can do more to keep them down. Millions have found their neighborhoods decaying around them, their schools declining, their homes and streets unsafe. Government alone cannot solve these problems and more federal money is not always the answer. But government -- efficient and responsive government -- can make a difference.

The two parties take very different approaches to these problems. The Republican alternative follows the philosophy of inaction, indifference and benign neglect. The Republicans

believe that these problems will solve themselves given enough time and luck. The Democratic party feels that government must play a part, that we cannot leave all problems to time and chance.

Mr. Ford is an able representative of the Republican tradition. As a Republican Congressman he fought against Medicare and against every increase in Social Security benefits. He sided with President Nixon on the Lockheed bailout and the Cambodian invasion. As President he has followed the economic and social policies of Herbert Hoover and Richard Nixon.

I hope I can be as capable a spokesman for the Democratic tradition. I hope that if I am elected people will remember me as a President of the party of Roosevelt and Truman and Kennedy. For I believe with the Democratic party that there are important tasks that we as a nation are seeking to accomplish, and that our government, a responsive and efficient and compassionate government, can help to accomplish them.

I believe that we do not have to tell older Americans that they must live with lower Social Security checks and higher Medicare costs. I believe we do not have to tell 8 million unemployed: "You must suffer a few years longer while we fight inflation." I believe that we do not have to tell poor people and black people that eventually our rich nation will offer them a share of the opportunity. I believe we do not have to face our energy problems and our transportation problems and our crime problems with the Republican answer: "We've done all we can, there's nothing else to do."

- 4 -

There is more to do. As I've said many times we need tax reform, and welfare reform, and health care that protects all Americans. We must move forward carefully within the limits of our resources. But we must move forward. No nation can survive and prosper and grow if its leaders do not have the vision and the strength to accept worthwhile change. We must not look backwards but to our future. Our nation can become the grand dream we hold for it if we have the faith and the optimism to try. I believe our first two hundred years have been only a bright beginning. Thank you.

CLOSING STATEMENT

We have addressed the issues this evening, in the open, before the American people. That is the way the democratic process ought to work.

The overriding issue in 1976 is whether this country is to continue in drift and stagnation under a caretaker Republican administration . . . or whether it is to restore Democratic leadership which will provide economic growth and a national sense of purpose.

There are millions of American families this evening where no family member has a job. There are millions more where the money earned is not enough to pay doctor bills . . . meet rent or mortgage payments . . . or buy nutritious food. Inflation and high interest rates have denied decent housing to other families--including many in this city of Philadelphia--who want to own their own homes. People who came to the suburbs seeking good schools and neighborhoods are finding their children can't read and their homes are not safe.

We face a major energy crisis. Yet the Republican administration has stood by, without a policy, while we become ever more dependent on expensive foreign oil and thus vulnerable to OPEC blackmail. Our major metropolitan areas in many parts of the country are blighted by decay, drug traffic, and crime. And the Republican party and Republican administration have

- 2 -

adopted a conscious policy of ignoring these cities. The federal bureaucracy is a mess. And no one is in charge.

Mr. Ford has asked to be judged on his own record, not merely the overall Republican record of the past eight years. Yet the economic record of the past two years is more dismal than that of the previous six. Mr. Ford's budget deficit last year alone was greater than the total deficit during the eight Kennedy-Johnson years. The unemployment rate since he took office has increased from 5 million to 7½ million people--by 50%! The cost of unemployment benefits, welfare and food stamps has increased in the past two years by 23 billion dollars--400 tax dollars out of the pocket of the average American family. And he has retained every principal economic advisor appointed by Mr. Nixon. In other words, a substitute Republican quarterback has come off the bench. But the same team is on the field.

My opponent's best case seems to be that we are not doing better, but that we are doing worse less rapidly. And even that argument is in question.

As a citizen I regret having to say it, but there is no hiding it: This Republican administration has failed. It is drifting day-to-day with neither plan nor policy, except to seek election for another four years.

- 3 -

This country deserves better. There is hope, faith and optimism in America that is waiting to be called forth. I ask you, with everything in my heart, to give me that chance to call it forth. We can be ourselves again. We can prove ourselves worthy of the 200 years of history we celebrate this year. There is strength and courage and compassion that will be fully released when our country is back at work, making plans for the future, renewing once again its old dreams.

I love my country. There is no higher calling than to serve it honorably. I am not afraid of the responsibilities of the Presidency. I welcome the chance to meet them. If you will give me the chance, I pledge to serve you in humility, in dedication, and in my every waking hour of the next four years.

We have addressed the issues this evening, in the open, before the American people. That is the way the democratic process ought to work.

I believe the overriding issue in 1976 is whether this country is to come awake again and move forward, or whether we are ~~to~~ continue in drift and stagnation.

There are millions of American families this evening where there is no work. There are millions more where the money they earn is ^{not} enough to pay doctor bills, meet rent or mortgage payments, or buy nutritious food. We face a real energy crisis---yet the Republican administration has stood by, without a policy, while we become ever-more-dependent on foreign oil. Our major metropolitan areas

~~The American people do not believe in~~ in many parts of the country are dying and filled with ^{drug traffic and} crime.

I must say it because there is no hiding it: The Republican administration has failed. After eight years, it is tired and bogged down. It lives day-to-day without plan or policy except to seek reelection for yet another four years.

This country is better than that. There is hope, faith and energy in America ^{that} ~~which~~ is waiting to be called forth.

I ask you, with everything that is in my heart, to give me the chance to call it forth. We can be ourselves again.

We can be worthy of the 200 years of history we celebrate this year. This is a great, free, compassionate and strong country.

~~I ask for the chance to serve it, and you. God bless you.~~ ^{Now is the time to renew our faith in old American dreams.}

If you will give me ^{the} ~~that~~ chance, I pledge to serve ^{you} in humility, in dedication, and with ~~every ounce of my~~ in every waking hour of the next four years. Good [#] night. (if you speak last).

#

(A) Inflation and high interest rates have denied decent housing to other families — perhaps including your family — who ~~which~~ want their own homes. People who came to the suburbs for good schools and better neighborhoods are finding their children can't read and their homes are not safe.

2/

~~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~~ *and*
and Communist Republicans
Republicans
Republicans
and
just about every positive economic and social advance of the past two generations.
~~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.~~ *He*
He
Public Works
7.5 million
of our citizens are out of work.
~~this month unemployed policemen, firemen, municipal employees, and construction workers are being 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. I think that was short sighted and wrong, and I'm glad Congress overrode the veto.~~

--Mr. Ford likes to say that the people can't afford the legislation he has vetoed, even though ~~some of the~~ bills there were that didn't involve ~~no~~ government ~~standing~~ expenditures. But what the country really can't afford is a continuation of the policies of draft and stagnation that have produced the ~~highest~~, most costly budget deficits, ~~the highest~~ largest, unemployment rates, and the highest inflation since the Great Depression.

--It is not sufficient simply to obstruct what Congress tries to do. A President is obligated to come forward with forceful and imaginative plans of his own. This has not been true with the present incumbent.

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

19. FORD VETOES

President Ford is obviously running against Congress as well as Jimmy Carter. A vital part of his strategy is to point to his many vetoes and to suggest that these vetoes prevented Congress from enacting wasteful and inflationary policies in a host of areas.

Basic Statement

← --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.

~~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 can only be done* it's going to be restored through forceful, competent leadership in the White House.

← 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,~~

CLOSING STATEMENT

Tonight we conclude this series of Presidential debates; and in 10 days this long campaign will be over as well. But I hope, with your help, that Election Day will signify not an end but a beginning--

-- the beginning of a new day of hope and confidence in our country;

-- the beginning of new economic policies that will bring prices down and put people back to work;

-- the beginning of a day when America's best values and principles are reflected in our foreign policy and when our leaders can stand as beacons of hope for freedom-loving people throughout the world.

I want to make that kind of new beginning for America; but I cannot do it alone. I need your votes on November 2nd, but I also need your help. I need your advice. I need your support in the months and years that lie ahead.

I want you to hold me accountable for all I have said I would do, so that I never let you down.

I want you to tell me whenever you are ill-served by government, so I can find out the reason and set it right.

I want you to help me as I set to work to end Republican budget deficits ... to reform the welfare mess ... to make the tax code fair ... to provide national health insurance ... to

create real jobs for the unemployed ... to help our failing cities ... to provide decent housing ... and a cleaner environment... and a sensible national energy policy ... and to restore our place in the world. I want you to support my efforts to make the federal government work.

None of these things can be achieved easily or in one year or, in some cases, in any one term of office. But we must begin.

We should not deceive ourselves. If we do not begin ... if we continue to drift with the present Republican policies, more American families will face longer and deeper hardship. There will be millions needlessly without work ... elderly citizens cruelly robbed by inflation ... young people unable to meet their aspirations. Worst of all, we will be needlessly throwing away this nation's great potential.

If you agree with me that it's time for leadership, for a change; that it's time this country regained its pride and its confidence and its strength -- with a strong economy and strong moral standards and a strong defense and, above all, strong, competent, compassionate leadership -- than I ask you to give me your vote on November 2nd.

The choice is clear. The issues are clear. The contrast is clear. And whether you vote to continue the Republican status quo under Mr. Ford and Mr. Dole, or vote for new leadership, either way I hope you will vote. Millions of American men have died in battlefields abroad to protect our right to vote. Let your voice be heard. That is what America is all about.

You have good reason to be disenchanted with the last 8 years. But let us begin anew--together. South and North, East and West. Those things which unite us far exceed those things that divide us. We love this land or ours too much to lose faith now. We have survived a difficult decade. Together we can put those years behind us, make a fresh start -- for your children and mine.

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 7 1/2 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 assumes the public has no memory.

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 cannot do it with a tired, inbred 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) 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.

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

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.

CRIME

Urban Crime-White College Crime-Federal Role

Basic Statement

Poor Republican Record

-- For many millions of our citizens, crime is the most immediate and the most devastating of the tragedies which have shocked our people in the last decade. The tragedy has been compounded by national politicians who have made crime a political football. They promised to restore law and order and to cut crime. They brought unprecedented lawlessness in high office and created costly federal anticrime programs that don't work. Yet crime has grown and continued to rise during the Republican years.

-- The FBI Uniform Crime Reports show serious crime up 17% in 1974, 10% in 1975, and continuing to rise in 1976.

-- Serious crime has risen 58% since 1969.

-- Today it is rising even more rapidly in suburban and rural areas than in our cities.

-- Seventy-five percent of those arrested for serious crime are under 25, and 31% of all those arrested for robbery are between 13 and 17.

The Republican Administration has deliberately misled the American people to believe that the federal government could stop crime in the streets.

-- It was unconscionable to pretend to the American people that the federal government could stop crime in the streets. The federal government provides only 5% of the state and local crime control budget and only 17% of the total national expenditure on crime and criminal justice.

But the federal government has failed under the Republicans to carry out its proper crime-fighting duties. The federal crime fighting establishment has fallen into disrepute.

-- The most important thing for the federal government to do about crime is to serve as a model, a guide, a teacher, to maintain first-rate law enforcement agencies of its own, as models and guides for the states and cities. That used to be the case. Tragically, it isn't anymore. Under the Republican administration the reputation of the federal law enforcement agencies has fallen to its lowest state in our history.

-- The FBI, once the finest law enforcement agency in the world, has been shaken by continued revelations of illegal break-ins, improper personal gifts, and misuse of pension trust funds. In May 1975, the Attorney General assured the

American people that illegal spying and burglaries had ended in 1966. A year later the Director confessed that his orders were not being followed. Who is in charge?

-- The Drug Enforcement Administration, created by Richard Nixon in 1973, turned out to be an administrative nightmare. The first Director was asked to resign in May, 1975, because of corrupt activities. Mr. Ford did not get around to naming a replacement until 6 months later. Our federal antidrug program is still drifting.

White collar crime has been treated with velvet gloves by the Republicans.

-- The Administration has failed to obtain a single felony indictment for price fixing under authority requested by Ford from Congress and given him in December 1974.

-- President Ford has refused to support pending legislation to strengthen anti-trust enforcement powers, even though his own Assistant Attorney General for Anti-trust Enforcement wanted Ford to support the bill. This legislation would give state attorneys general more power to protect citizens against price-fixing conspiracies. It would expand the Justice Department's subpoena powers, and require pre-merger notification.

The Organized Crime Effort Should Be More Effectively Pursued

-- Organized crime leaders have been let off the hook by the Internal Revenue Service. The IRS withdrew from the Narcotics Traffickers Tax Program one week after Mr. Ford took office. This program gave special investigative attention to income tax evasion by high level drug dealers, through a cooperative effort by IRS, Treasury agents, and Drug Enforcement officials. Over a year later, President Ford's Domestic Council called for re-establishment of the program, and he directed that step last April. Yet the IRS has managed to keep the program from functioning to this day. For two years a major anticrime program has been subverted by the bureaucracy. If the President cannot stop that, who can?

LEAA Has Been a Dismal Failure

-- The Law Enforcement Assistance Administration was the show-case agency which the Republicans sold to the people and Congress as their way to stop street crime. It has spent \$4.5 billion. There is nothing to show for it but continually escalating crime rates, the absence of any coherent policies, and organizational disarray.

-- After a \$1.5 million program determined that a light-weight bulletproof vest did not protect test animals,

3000 of the vests were purchased and distributed to rural policemen.

- Although millions of dollars have been spent to purchase sophisticated computer communications systems for metropolitan police forces, almost nothing was done to train patrolmen to use them. One policeman commented, "I got 5 minutes on the computer and three hours on how to swing a nightstick."
- 10 experimental police cars were developed, at a cost of \$49,000 each, containing such features as a computer-operated monitor to tell the driver whether his siren is on or off. Police officers who have reviewed the vehicle's capabilities say most of the fancy gear is useless to them.
- After an LEAA study revealed that the generally available two-way communications systems were inadequate for police use, it gave over \$500,000 in research grants to manufacturers to improve their products. But in the meantime it continued to approve millions of dollars of expenditures by police departments for the inadequate equipment. More will presumably be spent for replacement equipment when the improved models become available.

-- A St. Louis police officer said "Nothing is being done today about crime. We have all these grandiose schemes but nothing seems to make any difference."

Simply throwing federal money at the crime problem is no help. We have to make some hard management decisions about what works and what does not. If Washington cannot think of anything better than what local communities are already doing, we should give the money to them through general revenue sharing or a block grant for crime and cut out the bureaucracy and red tape. Rather than concentrate on correcting the management problems of LEAA, Ford's response has been to ask for even more money for LEAA, \$6.8 billion over the next 5 years, compared to \$4.5 billion over the last 7 years. His proposal offered no changes at all in the goals or operation of the LEAA programs.

Positive Anti-Crime Program

-- First, we must restore the credibility of the federal government as a model of law enforcement and law observance.

-- Second, we must place greater emphasis on removing the current judicial bottleneck in our courts. The best deterrent to crime is the certainty of swift, firm punishment.

Too many crimes are committed by people while awaiting trial. One third of those arrested for robbery in a Washington, D.C. study were already on conditional release for another crime. In studies made in Pittsburgh and Wisconsin, 60% of second felony offenders received no prison sentences whatsoever.

-- Third, we must have shorter, more certain sentencing with less discretion by judges and parole boards. The Republican Administration has said that high mandatory minimum sentences are the answer to this failure to provide certain punishment for the felon. But mandatory minimum sentences will prove another empty political slogan, unless something is done about the bottleneck in the criminal justice system -- the criminal courts.

-- In 1973 the state of New York adopted drug laws with the harshest minimum sentences and the most severe restrictions on plea bargaining in the nation. They have not worked. A recent Federal study of the law concluded that there have been fewer convictions and fewer prison sentences under the new law than had been imposed before its adoption.

-- Fourth, more LEAA funds should be directed to court reform. In general, anti-crime funds should be given to localities with less red tape. Only 6% of the LEAA money has been spent on court reform. The hard fact is that there are not enough criminal court judges to try even those who

are arrested for burglary and robbery, who account for a mere 7% of all arrests for non-traffic offenses. Because the courts can't handle the caseload, 90% of cases are disposed of by unseemly plea-bargains. Serious felons get off with light sentences in order to clear the courts' dockets. As long as that is the case, mandatory minimums won't do anything to deter crime.

-- Fifth, we need thorough-going reorganization of our courts, with simplified criminal court procedures, reduced jury size, and more administrative support for the courts.

I think we can do better. I think we can get meaningful reform of the judicial and correctional systems, as I did as Governor of Georgia. Then we will begin to assume that the guilty receive punishment that truly fits their crime.

But it is time we learned that a federal bureaucrat throwing money at a problem is not necessarily any better than the judgment of experienced local officials.

Until Washington shows it has some better ideas, it should not try to run the system.

CRIME

Q.: Both President Ford and you have indicated that you set a high priority on reducing crime. But federal responsibility is limited in this area. Isn't this political demogogery?

ANSWER:

The kind of crime which disturbs and frightens most Americans -- street crime, assault, mugging, robbery, rape--is a local and state responsibility. But there is a role for the federal government to play.

--First, the federal government must set an example. We have seen two attorneys-general found guilty of illegal and criminal acts. High members of the administration go off to prison--and some await only final appeals. The FBI--once the most trusted and respected agency in the land--has had its reputation tarnished by illegal acts and scandal. I can guarantee you one thing. If I am President, the government itself will obey the law. Americans should expect no less.

--Second, by the authority of the funds we spend to help local and state agencies. Enormous sums of federal money--through agencies like LEAA--go to local law enforcement agencies. We can insist that the money be used wisely, and that some of it be conditioned upon serious reform of the administration of justice. Swift, sure sentences. No more reading that someone convicted of a violent crime has yet to serve one day of the sentence, perhaps months or years after conviction. We may not be able to rehabilitate a criminal in a year or two in

jail, but at least the rest of us will be safe while he serves his time.

--Third, by a serious effort to understand and check the growth of heroin addiction. It is not an understatement to say that if it were not for drug addiction, crime would not be an important subject in this debate. More than half the street crime in major U. S. cities is drug-connected. It is a traffic largely under the control of organized crime, and it yields billions of dollars a year. We can break that traffic.

--Fourth, by reducing, voluntarily, the flood of violence coming over our television screens. Two years ago, there was ample evidence in the report to the Surgeon-General by a distinguished committee that there is a significant relationship between television violence and juvenile crime. That excessive violence on television stimulates aggressive, anti-social, sometimes violent behavior in a significant number of younger--and some older--viewers. By the age of fifteen, the average child has seen somewhere between 11,000 and 13,000 acts of violence--right in his living room. Almost every chief of police in the country can tell of crimes in his city he believes to have been stimulated either by a particular television program or by a steady diet of violence on the home screen. Leadership in this area has been totally lacking, although the evidence is overwhelming.

CRIME

Questions

1. You have condemned crime and implied that you would curb it more effectively than President Ford, but isn't this sheer demagoguery, since the federal government has no meaningful capability to fight urban crime?
2. Recently you have taken a hard line against crime, urging swift and sure imprisonment, advocacy use of the death penalty, and supporting the Burger Court, but earlier you took a more humane position, talking of simple justice, and stating that unemployment causes crime. What is your true position.

Attack Points

1. Republicans made demagogic promises to cut urban crime in 1968, but serious crime up 58% since 1969, spreading fear among millions -- shown most horribly by elderly New York City couple who committed suicide two weeks ago because living in fear was no longer tolerable -- rising more rapidly in suburban and rural areas than in cities.
2. Reputation of federal law enforcement establishment, once model for world, now brought low by mismanagement and abuse -- FBI out of control, Enforcement Administration consumed by corruption, LEAA has needless paperwork, waste and confusion.
3. Justice Brandeis once said, "If the government becomes a lawbreaker, it breeds contempt for the law and invites anarchy." We have seen that forecast come true, as high-level lawlessness has been exposed, and condoned, in unprecedented, epidemic proportions.
4. No excuse for crime. But unemployment and family and neighborhood background is a cause. Republicans tolerate record 40% unemployment among inner-city youth -- no plans to reduce it -- 80,000 gang members in four largest cities alone -- Detroit gang raid on audience at major civic auditorium this summer -- Los Angeles about half of all juvenile arrests for violent crimes are gang members.

Positive Points

1. Georgia record -- GBI -- prison reform -- judicial reform
2. Proper federal role -- respect for law, enforcement of law, model and guide, financial and technical assistance for local police.
3. More effective use of LEAA --

-- free application process from excessive red tape (Missouri application to LEAA this year weighed 11 pounds for what is supposed to be block grant program)

-- direct more than the present six percent of total LEAA funds toward eliminating the bottleneck in the courts, which now wastes millions of hours of police time, forces prosecutors to accept pleas - bargains for soft sentences from guilty and dangerous felons, and makes a mockery of legislative efforts to require stiff prison sentence.

-- create a special unit to share information nationwide about local efforts to cope with the new problem of youth gangs; e.g., in Philadelphia community patrols by neighborhood mothers have worked with police to cut gang violence and such techniques could be spread with LEAA assistance.

4. Strengthen federal anti-drug efforts, by reinstating programs permitted to lapse by Ford White House to use Internal Revenue laws aggressively against major drug dealers.

5. Establish even-handed justice and eliminate double standard of justice -- vigorous enforcement of antitrust laws and white collar crime and other measures to assure just and fair conduct of business -- rigid enforcement of laws against bribery and conflict of interest against federal officials, which have been filed away and forgotten by Republicans -- broad new executive orders to require financial disclosure, open meeting procedures, and to prohibit conflicts of interest throughout the Executive Branch. Keep FBI, IRS, and Attorney General out of politics.

6. Make sentencing swift, sure, more uniform, and less discretionary.

7. Merit appointment of all judges and U.S. Attorneys.

8. Better street lighting, recreation opportunities, and jobs in high crime areas.

9. Adequate pay and training for our law enforcement officers

Gun Control

(a) Hunting has been one of my favorite pastimes since I was a boy, and I oppose any further restriction of our opportunities to enjoy the outdoors, through environmental devastation and through misguided and excessive measures to combat the use of firearms in urban crime as instruments of urban crime.

(b) Irresponsible not to attack use of cheap handguns, and I favor three principles --

-- ban on Saturday night specials -- not quality handguns used by sportsmen

-- ban on ownership by convicted felons and mental incompetents

-- handgun registration, reasonable waiting periods, and appropriate licensing provisions. No registration for long guns.

Although Mr. Ford has talked as if he opposes all gun control, his administration has introduced legislation to:

-- ban Saturday night specials

-- restrict the number of guns purchased

-- put most gun dealers out of business

I hope Mr. Ford will explain this contradiction between his campaign rhetoric and his Administration's actions.

Death Penalty

Death penalty should be used for a few aggravated crimes like murder committed by an inmate with a life sentence.

S. 1:

I strongly favor comprehensive revision of the federal crime code, but I strongly oppose adoption of S. 1, as reported to the Judiciary Committee, because of its potential adverse effect on civil liberties -- the unfortunate handiwork of John Mitchell and Richard Nixon, who undermined the good work done by the National Commission on Reform of Federal Criminal Laws by former Governor Pat Brown.

Burger Court:

I believe that unnecessary technical obstacles should not be put in the way of effective law enforcement. But the exclusionary rules should not be abandoned completely. Every major social advance begins with many rough edges that undergo a process of refinement once the new policy is firmly in place and its impact can be evaluated in practice. The exclusionary rules are no exception. I support this process of refinement so long as it does not violate basic civil liberties.

DEBATE Q. AND A. - SENATE BILL 1 - FEDERAL CRIMINAL CODE REFORM

Q. Do you favor S. 1, the codification of the criminal code with its related provisions?

A. I am very much in favor of a comprehensive revision of the federal criminal code, but I am adamantly opposed to the adoption of Senate Bill 1 as it was reported to the Judiciary Committee.

There is general agreement that the federal criminal laws are in desperate need of updating, rationalization, and a general house-cleaning. Title 18 is a hodgepodge of almost 200 years' worth of congressional acts and judicial decisions. There are at least fifty different "false statement" sections, making it illegal to lie to an agricultural inspector, an FBI agent, or a ship's captain, among many others, and imposing different standards and penalties in each instance. A five-year prison sentence may still be given to anyone who misuses the name or symbol of Smokey the Bear, and it remains a felony to detain a U.S. government carrier pigeon from its appointed rounds or to rescue the body of an executed felon when it is on its way to dissection in the interests of medical science. Seventy separate statutes deal with theft, and eighty or more with forgery and counterfeiting, yet no law on the books addresses directly the problem of bank embezzlements. Under the mail fraud provision, if somebody steals forty-five letters, he can technically be prosecuted on forty-five separate counts, even if his crime is obviously a single act. The confusion of American laws often makes it difficult if not impossible to administer extradition treaties with other countries.

Davidson Port (6)

S-1

The unfortunate truth is that the excellent work of the National Commission on Reform of Federal Criminal Laws, chaired by former California Governor Pat Brown, was distorted by John Mitchell and Richard Nixon into an instrument for the repression of dissent and the protection of illegal activities by government officials.

The Ford Administration has not taken the lead to restore
the Brown Commission proposal as the focus of ^{legislative} attention or propose
some other alternative that can serve our purposes. The next
Administration must show leadership in this area, and if I am elected
I will work with Congress to see that appropriate action is taken
to assure adoption of a new federal criminal code.

(Background Material)

I. Predatory Crime

1. Current Situation

The threat of robbery and violence by strangers - "predatory crime" - has become a fear of all Americans and a personal tragedy for more and more of our people every year. The national crime rate has risen at alarming rates in recent years - 9% in 1975, 17% the year before, and an unbelievable 58% since the Nixon Administration assumed office in 1968. The FBI Uniform Crime Reports indicate that nearly one million violent crimes are reported to the police each year. Studies of unreported crimes indicate that the real rate of suffering may be as much as twice the number reported in the crime statistics.

This increase in crime has been accompanied by a drop in public confidence in the criminal justice system. By 1973, only 18% of the American people were willing to say that the system really "does discourage crime much."

Although predatory crimes are still a far more serious problem in large cities than elsewhere, crime rates are now increasing more rapidly in the suburbs than in the cities.

Blacks and other minorities are twice as likely as whites to be victims of rape, robbery, and aggravated assaults. Individuals with incomes of less than \$3,000 per year are twice as likely to be robbed or assaulted as those with incomes of more than \$15,000 per year.

Predatory crimes are not only a tragedy for their victims, but also often a symptom of a wasted life. Arrest data indicate that 75% of all those arrested for serious crimes in 1974 were under 25. The median ages for theft, burglary, robbery, aggravated assault, murder, and rape range from 15 to 19. Moreover, they are often the product of deprived backgrounds. In New York City, for example, 80% of the juveniles arrested for violent crimes come from broken families, 60% are on welfare, and 80% have learning disabilities.

A critical portion of the criminal activity is committed by repeat offenders. A study in Washington, D.C., for example, indicated that over a seven-year period 7% of those arrested for felonies and serious misdemeanors accounted for 25% of the arrests for those offenses. One third of the arrestees charged with robbery were already on conditional release for another crime.

Yet studies in Pittsburgh and Wisconsin showed that as much as 60% of the second felony offenders served no prison time.

Overwhelming reliance on plea bargaining, which in 1971 accounted for 98% of the sentences resulting from felony arrests in New York City, means that bargaining replaces the open determination of guilt or innocence promised by our Constitution.

Witnesses and victims are neglected. The failure of the victim to persist in the prosecution is the most frequent reason for dismissal of criminal cases. No protection is assured to the complainant from premature identification and possible reprisal by the defendant. Often

witnesses are not adequately instructed about what they should do to assure successful prosecution. Even if they persist, they are rarely informed of the reasons for the case being dismissed or a bargained plea entered.

In 1974, over \$14.7 billion was spent on crime control, of which 57% went for police, 19% went for judges and lawyers, and 22% went for corrections.

2. Governor Carter's Prior Statements

(The Present Position Papers on Crime and the Death Penalty)

Every American has a right to expect that laws will be administered in an even-handed manner, but it seems that something is wrong even with our system of justice. Defendants who are repeatedly out on bail commit more crimes. Aggravating trial delays and endless litigation are common. Citizens without influence often bear the brunt of prosecution. Violators of anti-trust laws and other white-collar criminals are often ignored and go unpunished.

Overall, I think the best way to reduce crime in a substantive manner is to reduce unemployment. The best deterrent to crime from within the criminal justice system is the certainty of swift, firm punishment. That doesn't exist now. I think a streamlining of court procedures, an abbreviation of the trial procedure, a sure punishment for a brief period of time, administrative offices for the courts, an emphasis on prevention of crime in areas where crime is so rampant, all of these could contribute to reducing the crime problem.

My position on the death penalty was spelled out as Governor. It should be retained for a few aggravated crimes like murder committed by an inmate with a life sentence. The penalty must be assessed by a jury and must be reviewed in each case by a three-judge panel of the State Supreme Court.

Since there has not been an execution since 1967 in the U.S., the death penalty actually means ineligibility for parole consideration.

NOTE: Carter will probably be giving a crime speech between now and the first debate.

3. President Ford's Position

President Ford has said that "while protecting the rights of the accused, our emphasis must always be on protecting the rights of the true victim." It is on this theme that the Ford Administration constructs its policy on crime and the criminal justice system. Since taking office President Ford has asked Congress to pass laws providing for:

- Mandatory minimum sentences for most persons committing violent Federal crimes, particularly crimes involving the use of a dangerous weapon;
- Adding 52 new Federal judges and 550 more Federal law enforcement officials in the largest metropolitan areas to enforce drug laws;
- Establishment of "career criminal" programs designed to assure quick identification and prosecution of persons who repeatedly commit serious offenses;
- Continuation and expansion of programs designed to divert certain first offenders into rehabilitation prior to trial;

- Upgrading of prison facilities, including the replacement of large, outdated prisons with smaller, more modern ones;
- Enactment by the Congress of legislation to provide limited compensation to victims of Federal crimes who suffer personal injury.

President Ford has said that he "...favors the use of the death penalty in the Federal criminal system in accordance with proper Constitutional standards." He believes that the death penalty, in appropriate instances, should be imposed upon the conviction of sabotage, murder, espionage, and treason.

The President recognizes, however, that there might be circumstances to which flexibility is necessary:

"Of course, the maximum penalty should not be applied if there is duress or impaired mental capacity or similar extenuating circumstances. But in murders involving substantial danger to the national security, or when the defendant is a cold-blooded hired killer, the use of capital punishment is fully justified."

4. Pending Legislation

None except S-1, discussed below.

5. Platforms

A. Republican

A Safe and Just Society

Every American has a right to be protected from criminals. Violence has no place in our land. A society that excuses crime will eventually fall victim to it. The American people have been subjected to an intolerable wave of violent crime.

The victim of a crime should be treated with compassion and justice. The attacker must be kept from harming others. Emphasis must be on protecting the innocent and punishing the guilty. Prevention of crime is its best deterrent and should be stressed.

Sure and swift justice demands additional judges, United States Attorneys and other court workers. The Democrat Congress has created no new federal judgeships since 1970; we deplore this example of playing politics with the justice system.

Juveniles now account for almost half the arrests for serious crimes - murder, rape, robbery and aggravated assault. The cost of school violence and vandalism is estimated at \$600 million annually, about what is spent on textbooks. Primary responsibility for raising our children, instilling proper values and thus preventing juvenile delinquency lies with the family, not the government. Yet when families fail, local law enforcement authorities must respond. Law enforcement block grant funds can be used by states in correcting and preventing juvenile delinquency. The LEAA should promote additional research in this area. The structure of the family must be strengthened. All enterprises have to be encouraged to find more jobs for young people. A youth differential must be included in the minimum wage law. Citizen action should let the television industry know that we want it to curb violence in programming because of its effect on our youth.

The criminal justice system must be more vigilant in preventing rape, eliminating discrimination against the victim and dealing with the offenders.

States should recognize that antiquated and overcrowded prisons are not conducive to rehabilitation. A high priority of prison reform should be to help the young first-time offender. There should be adequate separation of young from adult offenders, more relevant prison industries, better counseling, community-based alternatives and more help in getting a job for the offender who has served his or her time.

B. Democratic

Law Enforcement and Law Observance

The total crime bill in the United States has been estimated at \$90 billion a year, almost as much as the cost of our national defense. But over and above the economic impact, the raging and unchecked growth of crime seriously impairs the confidence of many of our citizens in their ability to walk on safe streets, to live securely in peaceful and happy homes, and to work safely in their places of business. Fear mounts along with the crime rate. Homes are made into fortresses. In large sections of every major city, people are afraid to go out at night. Outside big cities, the crime rate is growing even faster, so that suburbs, small towns and rural areas are no longer secure havens.

Defaulting on their "law and order" promises, the Republicans in the last eight years have let the rising tide of crime soil the highest levels of government, allowed the crime rate to skyrocket and failed to reform the criminal justice system. Recognizing that law enforcement is essentially a local responsibility, we declare that control of crime is an urgent national priority and pledge the efforts of the Democratic Party to insure that the Federal Government act effectively

to reverse these trends and to be an effective partner to the cities and states in a well-coordinated war on crime.

We must restore confidence in the criminal justice system by insuring that detection, conviction and punishment of lawbreakers is swift and sure; that the criminal justice system is just and efficient; that jobs, decent housing and educational opportunities provide a real alternative to crime to those who suffer enforced poverty and injustice. We pledge equally vigorous prosecution and punishment for corporate crime, consumer fraud and deception; programs to combat child abuse and crimes against the elderly; criminal laws that reflect national needs; application of the law with a balanced and fair hand; a judiciary that renders equal justice for all; criminal sentences that provide punishment that actually punishes and rehabilitation that actually rehabilitates; and a correctional system emphasizing effective job training, educational and post-release programs. Only such measures will restore the faith of the citizens in our criminal justice system.

Citizen confidence in law enforcement can be enhanced through increased citizen participation, by informing citizens of police and prosecutor policies, assuring that police departments reflect a cross-section of the communities they serve, establishing neighborhood forums to settle simple disputes, restoring the grand jury to fair and vigorous independence, establishing adequate victim compensation programs, and reaffirming our respect for the individual's right to privacy.

A Democratic Congress in 1974 passed the Juvenile Justice and

Delinquency Prevention Act to come to grips with the fact that juveniles account for almost half of the serious crimes in the United States, and to remedy the fact that federal programs thus far have not met the crisis of juvenile delinquency. We pledge funding and implementation of this Act, which has been ignored by the Republican Administration.

The full implementation of these policies will not in themselves ~~stop~~ ^{stop} lawlessness. To insure professional trained and equitably rewarded police forces, law enforcement officers must be properly recruited and trained, and provided with decent wages, working conditions, support staff, and federal death benefits for those killed in line of duty.

Effective police forces cannot operate without just and speedy court systems. We must reform bail and pre-trial detention procedures. We must assure speedy trials and ease court congestion by increasing the number of judges, prosecutors and public defenders. We must improve and streamline courthouse management procedures, require criminal justice records to be accurate and responsible, and establish fair and more uniform sentencing for crimes.

Courts should give priority to crimes which are serious enough to deserve imprisonment. Law enforcement should emphasize the prosecution of crimes against persona and property as a higher priority than victimless crimes. Current rape laws need to be amended to abolish archaic evidence rules that discriminate against rape victims.

As a party, as a nation, we must commit ourselves to the elimination of injustice wherever it plagues our government, our people and our future.

6. Waste and Poor Organization

(See LEAA, below)

Sam Bleicher

DEBATE Q. AND A. - FEDERAL GOVERNMENT ACTIONS TO CONTROL CRIME

Q. What do you propose that the federal government do to help reduce the crime rate?

A. We have to begin by realizing the the Federal government, despite its expenditure of almost \$1 billion a year through the Law Enforcement Assistance Administration ^(LEAA) to help state and local governments control crime, contributes only about 5% of the total national expenditures on crime control and corrections in the United States. So there is only a limited impact the Federal government can have even if it uses that money in the most effective manner. Unfortunately, over the past 8 years since LEAA was created, most of the money has simply been thrown at the crime problem without goals or standards for evaluation of performance.

The most dramatic examples of this mismanagement appear in allocation the ~~operation~~ of the discretionary funds that were supposed to be used for innovative approaches to crime control. In 1970, the LEAA established the Pilot Cities Program, which granted \$1.5 million to each of eight cities over a 5-year period to develop local institutional capacities to assess and reform the general operations of the criminal justice system. In 1972, however, only a few months after the regulations governing ~~the-expenditures~~ ^{this program} were finally issued, the program was abandoned in an election-year effort to spend more on crime control. A new program called High Impact was established to grant ten times as much money to 8 different cities. As a result of this failure to either follow through on or evaluate the results of the Pilot Cities Program, the successor High Impact Program has made many of the same mistakes.

One serious failing of the LEAA program has been its failure to recognize the complexities of state, county, and municipal government relations in the operation of the criminal justice system. Since the police forces in our metropolitan areas are generally municipally funded, while the courts are county funded, yhr decision under the High Impact Program to give money to cities because that's where the crime is was an unwitting dicision to give money to police rather than courts.

It is apparent from the record of aimlessness and mismanage- ment that the LEAA program needs a complete overhaul. Clear objectives must be developed that reflect the critical failings of our current crime control institutions. Funds to correct these shortcomings must be managed properly adn the results carefully monitored to see if the designated institutional changes really produce the predicted effects.

To the extent that LEAA is really simply another form of fiscal relief to our hard-pressed urban areas, those funds should be transferred to the general revenue-sharing program, to allow local governments to spend the money as they think best, without elaborate and ineffective planningmechanisms that simply encourage preparation of grant proposals totally unrelated to real objectives.

Local governments are just as capable and just as sincere as the Federal governmnet in their desire to control crime and provide justice. Unless and until Washington can come up with some new ideas that hold real promise of getting better results, there is no reason to substitute the decision of a bureaucrat in Washington for the judgment and experience of local officials about how to use ~~crime~~ funds to combat crime.

(12)

Federalism
LEAA
\$1 billion
me

Finally, the Federal government must get its own house in order. The present federal criminal code is in desperate need of comprehensive revision, the courts are understaffed, and the current federal sentencing rules are as antiquated as the most backward state. ~~By-remediating-these-problems~~ With strong Executive leadership, these problems could be resolved, providing better crime control at the federal level and setting an example for the states.

III. The Likely Questions & Answers

1. Do you feel, as you told Walter Cronkite, that unemployment is the principal cause of crime?

What I actually said to Mr. Cronkite was, "But the overall, only solution that I can see to the crime problem that would be substantive is in the reduction of unemployment." And I do think that a dramatic reduction in the level of unemployment, particularly among urban youth, would inevitably help to create conditions in which the crime rate could be expected to fall.

But we cannot of course wait for full employment and urban revitalization programs to take hold to begin doing something about the problem of crime. We have to do what we can to control crime now. (Go into basic statement).

2. What is your position on gun control? Isn't it essential to crime control?

I do think, as does President Ford, that there must be increased controls, on handguns, particularly in our urban areas. 51% of the murders, over 10,000, and 44% of the robberies, over 194,000, were committed with handguns in 1975. My proposal is for banning Saturday Night Specials, prohibiting criminals who use guns and the mentally incompetent from owning guns, handgun registration, and reasonable waiting periods before purchase. As a hunter and outdoorsman myself, I do not think that sportsmen have anything to fear from responsible programs to combat the criminal use of handguns in urban areas, nor do I think responsible gun owners should be penalized for the misdeeds of criminals.

There has been a great demand for mandatory minimum sentencing for those who commit crimes with guns, and I am in agreement with those who think that the present practice of indeterminate sentencing for serious crimes detracts from the goal of swift, certain punishment for wrongdoers.

But it is unfortunately the case that mandatory minimum sentences are an illusion unless the courts and the corrections institutions are capable of handling the caseload. (Go to portions of Basic Statement on the inadequacies of the judicial system and LEAA's failure to address the problem).

3. What reforms would you make in sentencing procedures and penal reforms? Does rehabilitation work?

Yes, I think that well-designed rehabilitation programs can work, particularly with youthful offenders, but I think that the problems of sentencing and assuring swift and certain justice are far more important to the immediate problems of crime control. (Go to Basic Statement).

4. What can be done to stop the growth of juvenile crime?

In a very real sense, the problem of juvenile crime is the crime problem itself. 31% of all those arrested for robbery are between 13 and 17, and 75% of those arrested for serious crime are under 25. (Go to Basic Statement).

5. What is the role of the Federal government in crime control?

We have to begin by realizing that the Federal government, despite its expenditure of almost \$1 billion a year through the

Law Enforcement Assistance Administration (LEAA) to help state and local governments control crime, contributes only about 5% of the total state and local expenditures on crime control and corrections in the United States. So there is only a limited impact Federal government can have even if it uses that money in the most effective manner. Unfortunately, over the past 8 years since LEAA was created, most of the money has simply been thrown at the crime problem without goals or standards for evaluation of performance. (Go to basic statement).

6. What are your views on the death penalty? Does it have a deterrent effect?

Yes, I think the death penalty may have some deterrent effect, and there should be provision for its application in a few aggravated crimes like murder committed by an inmate with a life sentence. The problem of deterring crime is not simply a matter of imposing longer or more serious penalties. The most effective deterrent to crime is the certainty of swift, firm punishment. (Go to basic statement).

7. Do you favor S. 1, the codification of the criminal code with its related provisions?

I am very much in favor of a comprehensive revision of the federal criminal code, but I am adamantly opposed to the adoption of Senate Bill 1 as it was reported to the Judiciary Committee.

There is general agreement that the federal criminal laws are in desperate need of updating. Title 18 is a hodge-podge of almost 200 years' worth of congressional acts and judicial decisions. A five-year prison sentence may still be given to anyone who misuses the name or symbol of Smokey the Bear. Seventy separate statutes deal with theft, and eighty or more with forgery and counterfeiting, yet no law on the books addresses directly the problem of bank embezzlements. The confusion of American laws often makes it difficult, if not impossible to administer extradition treaties with other countries.

The unfortunate truth is that the excellent work of the National Commission on Reform of Federal Criminal Laws, chaired by former California Governor Pat Brown, was distorted by John Mitchell and Richard Nixon into an instrument for the repression of dissent and the protection of illegal activities by government officials. The Ford Administration has not taken the lead to restore the Brown Commission proposal as the focus of legislative attention or propose some other alternative that can serve our purpose. The next Administration must show leadership in this area, and if I am elected, I will work with Congress to see that appropriate action is taken to assure adoption of a new federal criminal code.

from which the states can draw guidance, should provide the necessary direction. With this approach, state and local governments can be given federal support without excessive red tape and grantsmanship. The federal government must also lead the way to research to identify the causes of crime and effective rehabilitative techniques.

4. Governor Carter's Record

As Governor of Georgia, Governor Carter devoted a great deal of attention to the problems of crime and criminal justice.

①
experience
The Georgia Bureau of Investigation was completely reorganized and upgraded. Special training courses for GBI agents were established. A Crime Information Center and a Major Case Squad were created, and the Crime Laboratory was greatly expanded to permit more effective apprehension and prosecution of offenders. In 1973, a special drug law enforcement program was established which greatly improved the effectiveness of drug law enforcement.

A merit system was developed for the selection of judges and a Committee on Discipline and Removal of Judges created to investigate citizen complaints about any court or judge in Georgia. Sentencing authority was transferred from the jury to the judge, and appellate review of sentences provided. A constitutional amendment creating a Unified Judicial System was proposed and adopted.

Dramatic improvements were made in offender rehabilitation. The training and educational level of Department personnel was greatly improved, professional counselors and teachers were added to the staff, and a new Youthful Offender Division created to give special attention to the rehabilitation of juveniles. Inmate participation in educational programs tripled, in vocational programs increased fivefold, and treatment programs doubled.

In short, an inefficient, disjointed collection of agencies was analyzed and evaluated as a criminal justice system and reorganized and restructured to meet these needs more effectively. The same kind of approach will be taken at the federal level.

5. Analysis.

(A) General Comments.

Probably the greatest difficulties with this analysis are that it does not fit into the expected preconceptions of either the general public or the defense and prosecution bar. Most citizens apparently think that the crime problem can best be solved by more severe punishment, while prosecutors defense lawyers are primarily interested in court procedures issues such as the exclusion of evidence, the use of the defendant's prior statements and prior record, and the

III. Gun Control

1. Current Situation

A large part of the crime and violence resulting from hand guns can only be eliminated by banning individual possession of them, since it involves gun accidents and impulse killings of family members. In Detroit, for example, after the 1967 riots, gun ownership increased greatly. As a result accidental deaths from hand guns tripled and assaults with guns doubled. 60% of all Detroit area arrests, including routine traffic arrests, involve some type of firearm. A recent study shows, contrary to expectations, that about 70% of urban crime committed with guns involves so-called "quality guns" manufactured by the major domestic companies, rather than cheap Saturday night specials. Registration is a useful device ~~only~~ to the extent that it may discourage people from owning hand guns or may make prosecutions easier. ~~More likely it will simply mark a first step toward banning hand gun possession at least in urban areas.~~ There has been no handgun control legislation since 1968, when after Senator Kennedy and Reverend King were assassinated, Congress banned mail order sales and the importation of certain weapons. The statute is generally considered ineffective, and Congress is currently considering legislation to ban cheap, small handguns, which the Administration has expressed a willingness to support.

The most recent figures currently available from the National Center for Health Statistics are for 1974:

	<u>Fatalities</u>
accidents caused by firearms and missiles	2,513
suicides caused by firearms and explosives	14,345
assault by firearms and explosives	14,737
injury due to legal intervention by firearms	370
injury by firearms or explosives, undetermined whether accidentally or purposefully inflicted	1,091

The National Safety Council estimates that of 2,500 accidental fatalities involving firearms in 1975, 650-700 involved handguns. The NSC also estimates that there are eight disabling injuries for each fatality.

2. Governor Carter's Prior Statements

As a resolute defender of our national resources and the sportsman's right to enjoy them, I do not believe we have anything to fear from responsible programs to combat the criminal use of handguns in urban areas. As my own experience has shown me, the vast majority of hunters and other gun sportsmen use their firearms respectfully and responsibly. We should not be penalized because of the small number of individuals who use their firearms carelessly, or because criminals use firearms, particularly handguns, to commit crimes.

I propose three principles for controlling the abuse of firearms while protecting the sportsman's rights:

1. A ban on cheap handguns or "Saturday Night Specials." This provision should preserve the citizen's right to purchase quality handguns.

9
Social
Issues
Guns
Control

2. Prohibiting criminals who use guns and the mentally incompetent from owning guns.

3. Handgun registration, reasonable waiting periods, and appropriate licensing provisions.

Some of these measures can best be left to the states.

These regulations will not end our crime problem. They must be accompanied by strong measures directed at the real culprit -- the criminal himself. I favor strong sentences for persons who use firearms to commit crimes, whether under federal or state law. We must also insure a swift trial for those accused of crimes and appropriate punishment for the guilty.

3. President Ford's Position

President Ford has proposed banning the domestic manufacture or sale of so-called "Saturday night specials." He does not favor the registration of guns used for legal purposes, such as hunting.

Although President Ford has said "I am categorically opposed to the registration of hand guns or individuals who own guns," Attorney General Levi proposed in April of 1975 that certain controls (of an unidentified character) be imposed in urban areas with high crime rates.

4. Pending Legislation

H.R. 11193, as reported by the House Judiciary Committee, would ban Saturday Night specials, impose a 14-day waiting period, and provide mandatory sentences for commission of a federal felony with a handgun. Similar legislation passed the Senate in the 93rd Congress, but no legislation is likely this year.

5. Platforms

A. Republican

We support the right of citizens to keep and bear arms. We oppose federal registration of firearms. Mandatory sentences for crimes committed with a lethal weapon are the only effective solution to this problem.

B. Democratic

Handguns simplify and intensify violent crime. Ways must be found to curtail the availability of these weapons. The Democratic Party must provide the leadership for a coordinated federal and state effort to strengthen the presently inadequate controls over the manufacturer, assembly, distribution and possession of handguns and to ban Saturday night specials.

Furthermore, since people and not guns commit crimes, we support mandatory minimum sentencing for individuals convicted of committing a felony with a gun.

The Democratic Party, however, affirms the right of sportsmen to possess guns for purely hunting and target-shooting purposes.

6. Examples of Waste and Poor Organization

(Not applicable)

Sam Bleicher

DEBATE Q. AND A.

Governor Carter is a permissive friend of the rock culture.
CRIME *He would not be willing to take the hard steps necessary to stop crime and drug traffic.*

I. The Basic Statement

President Ford has cut the

A. The crime problem is a tragic one, involving thousands of people, millions of dollars in property, and instilling fear in our people. Despite those politicians who have made crime a political football, and despite eight years of Republican promises to bring it under control, crime is growing in America. *rate of growth in the crime rate and has proposed*

- The FBI Uniform Crime Reports show serious crime up 17% in 1974, 9% in 1975, and continuing to rise in 1976. Serious crime has risen 58% since 1969, and it is rising even more rapidly in suburban and rural areas than in our cities. Seventy-five percent of those arrested for serious crime are under 25, and 31% of all those arrested for robbery are between 13 and 17. *a tough program to bring it to a halt.*

- For 8 years we have been promised that the federal government was going to solve the crime problem. We were told in 1968, "I pledge that the new Attorney General will open a new front against the filth peddlers and the narcotics peddlers who are corrupting the lives of the children of this country." (Richard Nixon, August 10, 1968.)

- These promises were never realistic. The federal government provides only 5% of the state and local crime control budget and only 17 % of the total national expenditure on crime and criminal justice.

B. The last 8 years have seen a drastic decline in the effectiveness of federal law enforcement efforts.

- The FBI, once a source of pride for all of us, has been shaken by continued revelations of illegal break-ins, questionable personal gifts, and misuse of pension trust funds.

- The Drug Enforcement Administration, created by Richard Nixon in 1973, turned out to be an administrative nightmare. The first Director was asked to resign in May, 1975, because of corrupt activities, and President Ford did not get around to naming a replacement until 6 months later.

- White Collar Crime has not been vigorously pursued. The Ford Administration has failed to obtain a single felony indictment for price fixing under authority requested by Ford from Congress and given him in December, 1974. President Ford has refused to support pending legislation to strengthen anti-trust enforcement powers, even though his own Assistant Attorney General for Anti-trust Enforcement wanted Ford to support the bill. This legislation would ✓

give parens patriae powers to state attorneys general, expand the Justice Department's subpoena powers, and require pre-merger notification.

- Organized crime leaders have been let off the hook by the Internal Revenue Service, which withdrew from The Narcotics Traffickers Tax Program one week after President Ford took office. This program gives special investigative attention to income tax evasion by high level drug dealers, through a cooperative effort by IRS, Treasury agents, and drug enforcement officials. Over a year later, President Ford's Domestic Council called for re-establishment of the program, and he directed that step last April. Yet the IRS has managed to keep the program from functioning to this day.
- The Law Enforcement Assistance Administration, the agency specially designed to aid local governments in combatting crime, has been a failure, despite the expenditure of \$4.5 billion. The 5 year Pilot Cities program was abandoned after 2 1/2 years, before results could be seen or evaluated. It was replaced with a 10 times more expensive program called High Impact, which repeated many of the same mistakes in different cities, again without evaluation.
- LEAA program administrators in the field are generally agreed that the High Impact program has not worked. The Denver program director said, "The Impact program moved too much money too fast and without any guidelines. Now, 3 years later, LEAA isn't interested in sticking with the program." A St. Louis police officer said more bluntly, "Nothing is being done today about crime. We have all these grandiose schemes but nothing seems to made any difference."

C. Throwing money at the crime problem is no help. We have to make some hard management decisions about what works and what does not. If Washington cannot think of anything better than what the states are already doing, we should give the money to them through general revenue sharing and cut out the bureaucracy and red tape.

- The best deterrent to crime is the certainty of swift, firm punishment. High priority must be given to assure that multiple offenders are actually imprisoned.
- Misallocation and mismanagement of resources in the judicial system is a critical part of the problem. Ninety-three percent of the felony arrests in Houston, Texas and 85% of the felony arrests in Los Angeles are resolved by plea bargaining. There are not enough criminal court judges to try even the 7% who are arrested for burglary and robbery. One-third of those arrested for robbery in Washington, D.C. were already on conditional release for another crime. In Pittsburgh and Wisconsin studies, 60% of the second felony offenders were given no prison sentences. Because victims are neglected and not offered adequate protection from reprisal by the defendant, failure of the victim to pursue the complaint is the largest single reason for dismissal of cases. Our experience with rape cases indicates that

greater assistance and sympathy for victims can improve our rate of conviction. Legislation requiring mandatory minimum sentencing is an illusion if the courts cannot handle the cases and accept pleas for lesser offenses instead.

- Yet the LEAA has ignored the courts - despite Congressional pressure only 6% of the LEAA money has been spent on court reform.
- President Ford's response to this failure of analysis and management has been to ask for even more money for LEAA, \$6.8 billion for the next 5 years, compared to \$4.5 billion spent over the last seven.
- I think we can do better. I think we can get meaningful reform of the judicial and correctional systems, as I did as Governor of Georgia. But if all we are doing is providing financial support for the existing mess, we should just put this money into general revenue sharing, and cut out the red tape.
- It is time we learned that a federal bureaucrat throwing money at a problem is not necessarily any better than the judgment of experienced local officials.
- Until Washington shows it has some better ideas, it should not try to run the system.

II. STATISTICAL SUPPLEMENT

- Blacks and other minorities are twice as likely as whites to be the victims of rape, robbery and aggravated assaults.
- By 1973, only 18% of the American people agreed that the system really "does discourage crime much."
- Of the juveniles arrested for violent crimes in New York City, 80% have learning disabilities.
- If 1/3 of those arrested for burglary and robbery alone were sent to prison, they would fill all of the available space.
- The federal government spends only 17% of the total national crime control budget, and it supplies only 5% of the funds spent at the state and local level. Not much leverage.
- LEAA is now spending at the rate of almost \$1 billion per year.
- The LEAA programs are so badly managed that the House has voted only a 1 year, probationary extension of the program, and a fully documented study by the Center for National Security Studies recommended termination immediately.
- The 5-year Pilot Cities program, begun in 1970 to give \$1.4 million to each of 8 cities for system improvements, was terminated in the election year 1972, shortly after program guidelines were finally issued, and replaced with a similar but 10 times larger High Impact program for a different 8 cities for 5 years. Because Pilot Cities was never completed or evaluated, High Impact repeated many of the same mistakes that observers found in Pilot Cities.
- Despite the obvious fact that the police are already arresting more suspected criminals than the courts or corrections facilities can begin to handle, 56% of all expenditures went to police, 19% to courts and lawyers, and 21% to corrections. Eight years of federal expenditures have not significantly altered these percentages.

III. The Likely Questions

1. Do you feel, as you told Walter Cronkite, that unemployment is the principal cause of crime?
2. What is your position on gun control? Isn't it essential to crime control?
3. What reforms would you make in sentencing procedures and penal reforms? Does rehabilitation work?
4. What can be done to stop the growth of juvenile crime?
5. What would you do about the recent revelations about the FBI regarding break-ins and other abuses? Would you fire Mr. Kelly?
6. What is your opinion of the effectiveness of the LEAA?
7. How would you deal with white-collar crimes?
8. What are your views on the death penalty? Does it have any deterrent effect?
9. What should be done about organized crime? Would you use the tax laws as a means of catching gangsters?
10. Wouldn't the proposed controls on FBI wiretapping and surveillance tie the hands of the government in its efforts to control crime?
11. Do you favor mandatory minimum sentences for repeat offenders who commit violent crimes?

IV. The Ford Responses

A. The crime rate

- Ford will stress that the rate of growth of crime has fallen off, from 17% in 1974 to 9% in 1975 to 4% in the first 3 months of 1976.
- Ford will talk only about the period 1974 - 76, when he was in office, and try to ignore the 58% crime growth since 1969.

B. Program elements

- Ford has proposed legislation calling for
 - minimum mandatory sentences for violent crimes
 - addition of 52 federal judges and 550 new federal law enforcement officials for urban drug problems
 - a special "career criminal" program to deal with repeat offenders
 - expansion of programs to divert first offenders to rehabilitation programs
- Ford has proposed extending LEAA to 1981 and authorizing a higher funding level of \$6.8 billion per year. The proposal would emphasize improving state and local court systems and expanding the High Impact program.
- Ford has also proposed a 12% decrease in appropriations for LEAA for FY 1977. Actual Congressional appropriations for LEAA have been progressively lowered from the peak of \$895 million FY 1975 to \$810 million in FY 1976 to \$753 million in FY 1977.

MISCELLANEOUS
(WELFARE, VETERANS, ELDERLY,
TRANSPORTATION)

WELFARE

Q. You have stated that you favor an immediate federal takeover of the local share of welfare, with a phased reduction of the state's share. How much would such a program cost and how would those costs square with your desire to have a balanced budget?

A. I. There is universal agreement that the welfare system is a mess: it encourages people not to work; it demeans recipients; it destroys families; most important in this era of tight budgets, it wastes enormous amounts of money.

II. The Republican administration has been unable to provide the leadership needed to reform the system, despite the recognized problems.

A. Congress has proposed various reforms but the administration has offered no major reform proposal since Nixon's poorly designed and expensive Family Assistance Plan seven years ago.

B. The Administration's attempts to cut errors in the welfare program have been failures. Administrative costs have doubled since 1972. A quarter of all welfare payments go to people who are ineligible for the program, or who should receive smaller payments.

C. The Administration has not successfully implemented

the Work Incentive Program (WIN) program, primarily because there are not enough jobs in our recession plagued economy. Only 52,000 welfare recipients worked their way off the welfare rolls through the WIN program last year, one half of one percent of the 11.5 million people who are on welfare.

III. Working with the Congress, I plan to implement a thorough, simplified, fair, work-oriented reform of the welfare system.

A. These reforms will consolidate the maze of programs we have now, ending duplication and overlap. At present there are over 400,000 middle class bureaucrats who process the forms for over 100 welfare programs. The salaries of these welfare workers slice off 1 of every 8 dollars intended for the poor. Ending duplication will also save money by preventing some families from illegally participating in multiple programs, pyramiding benefits so that they receive more than most families earn. There have been reports for example, of mothers in some cities who receive up to \$10,000 or more tax free as a result of getting welfare, food stamps, housing assistance, Medicaid and other benefits at the same time.

B. The reforms will put people to work who can work. There are as many as a million or more receiving welfare benefits who are neither disabled nor responsible full-time for children. These people should be given training, basic education if they need it, and offered a job. Those who refuse to take employment would not receive further support. The emphasis of job development for welfare recipients should be on the private sector, through tax incentives and other

subsidies. Greater use should also be made of current public service employment programs funded under the CETA program.

C. For those who cannot work, there will be a single basic benefit that is uniform nationwide, adjusted only for variations in the cost of living. Our system should end the incentives of the present program, which encourages people to move from Mississippi, where benefits average \$49 per month, to Massachusetts, where the benefits average \$384.

D. The new system should ^{gradually} remove the financial burden from ^{and states.} localities. ^{still} Currently, ^{and} local jurisdictions pay about \$2 billion toward welfare and Medicaid costs. New York is particularly

burdened with local taxpayers paying more than \$1 billion of these costs. ^{The first step would be to freeze the state and local shares, followed by a gradual Federal takeover of more of this burden.} ~~One possible solution would be to have the federal government take over part of the state burden in return for the states shouldering all of the local share.~~ ^{but} Thirty-seven of the states now pay all of the local share, ^{but} ~~and this method of financing would provide some help for taxpayers in each state.~~

E. The system of tax credits for the working poor, and possibly other help for them should be further utilized to improve the alternative of work rather than welfare.

IV. These reforms will be funded primarily by streamlining and economizing within the welfare system rather than through new appropriations.

A. Merely consolidating the variety of programs as I have indicated could save considerable money. A simple system run

D. The new system should gradually remove the financial burden from localities and states. Currently, thirty-seven of the states now pay all of the local share but local jurisdictions still pay about \$2 billion toward welfare and Medicaid costs. New York is particularly burdened with local taxpayers paying more than \$1 billion of these costs. The first step would be to freeze the state and local shares, followed by a gradual federal takeover of more of this burden.

as efficiently as the Social Security system could save up to \$2 billion per year.

B. Ending duplication and error can also save huge amounts. Errors in the Food Stamp Program are reported to cost \$23 million per month. The Supplemental Security Income program has overpaid recipients by \$547 million in its first two years of existence. Ending these errors, and ending the overpayment which results from people illegally utilizing multiple benefits could save us hundreds of millions of dollars per year. These savings, if directed efficiently to those in poverty, may be sufficient to fully fund our welfare reforms.

C. As we move toward full employment the costs of welfare, food stamps, and unemployment insurance will decline. Between 1974 and 1976 the costs of these programs rose by \$23 billion. As we leave the recession behind the savings from reduced income security costs will also help us to fund welfare reforms.

D. So the answer to the cost question is: I hope to enact significant welfare reforms with little or no additional costs to the budget. No one can say quite how great the savings will be from a more efficient system, but judging by the waste in the present system, they will certainly be enormous.

E. If, however, we find that the savings from an efficient system will not completely fund the reforms necessary, then we will have to carefully reevaluate our budget. I have pledged to have a balanced budget by 1981 and to keep the government share of the GNP at its current level. If we find that greater resources are required for welfare reform, then the reforms may have to be postponed or phased in over several years.

Q: Wouldn't this place an ever-increasing load on the federal government?

A. No.

A. The rapid growth of the welfare system will not continue because a large proportion of those for whom the program is intended all already covered. There are now almost as many families receiving AFDC payments (3.6 million) as there are families without full-time job holders (3.9 million). Because programs now reach most of those for whom they were intended we can expect much less rapid growth than during the 1960's when coverage was being extended to a steadily increasing proportion of the non-working poor.

B. As we move toward full employment fewer people will receive welfare. In addition as we continue to shift the emphasis of our efforts toward improving the status of the working poor work will become increasingly attractive compared to welfare.

Q. You have proposed a uniform system of cash payments. Does this mean that such programs as housing subsidies and food stamps would be ended? How and when?

A. No need for 100 programs. Consolidation can save billions. Some programs should be cashed out. Whether this would include food stamps and housing subsidies is not certain.

Q. The Democratic Platform states that a reformed income-maintenance system should provide an income floor both for the working poor and the poor not in the labor market. Isn't this a guaranteed annual income? How does this differ from the McGovern plan? Do you favor a guaranteed annual income?

A. Standard Welfare answer. Emphasis on work test of proposed program.

Q. How do you avoid the problem, in developing a uniform system, of the disparities between large industrial states and small southern states in the amount of welfare benefits which they pay. Isn't it unrealistic in light of current budgetary constraints to expect your plan to provide any financial assistance to hard-pressed industrial states?

ANSWER

✓ A. In taking over the local share it will be possible to help ~~the~~ ^{at the same time} states, Thirty-seven states, for example, already finance all the state and local share. They should not be uniformly treated by reforms. One method might be to have the federal government ^{gradually} take over ~~some percentage~~ ^{part} (say 1/4 if pressed) of the state share in return for the states taking over all of the local share. This ~~could~~ considerably relieve the burden on cities such as New York and would provide some help to the taxpayers of every state.

Q. How can we afford to meet, at the federal level, the level of benefits now being paid by New York, which is at \$ ___?
Would your system simply create a new federal bureaucracy?

A. There is no need to meet the standard of New York City nationwide. New York City costs are 25% above those of southern cities. And living costs in rural areas are even lower. We need to move gradually toward a nationwide standard.

Q. How do you expect to pay for a welfare reform program when most people feel that their taxes should not go toward paying people on welfare who can work?

A. Standard answer.

A. In taking over the local share it will be possible to help the states at the same time. Thirty-seven states, for example, already finance all the state and local share. They should not be unfairly treated by reforms. One method might be to have the federal government gradually take over part of the state share in return for the states taking over all of the local share. This could considerably relieve the burden on cities such as New York and would provide some help to the taxpayers of every state.

Q. Do you favor a guaranteed public job for those who are able to work, who are currently on welfare? How much would such a program cost?

ANSWER

to provide work to those who are currently on welfare
A. Public jobs are one way) -- *More use should be made* of existing CETA funds. Greater incentives for job creation in private sector through tax credits, ~~etc.~~ *and other means should also be made.*

Q. How does your welfare reform program differ from that proposed by President Nixon several years ago?

A. The Family Assistance Program (FAP) proposed by Nixon in 1969 would have guaranteed families an income of \$2,400 per year. It was passed by the House but died in the Senate. Nixon's plan would have guaranteed non-working persons an annual income, thereby doubling the federal cost of welfare. Lack of action suggests the problem of divided government, and the inability of a Republican President to get meaningful action.

Q. Do you support the Long tax-credit proposal and the WIN program?

A. The Long tax credit--Senator Long was the chief sponsor of the Earned Income Tax Credit which provides a tax credit of up to \$35 for individuals who earn less than \$8,00. The credit

A. Public jobs are one way to provide work to those who are expected to work. More use should be made of existing CETA funds. Greater incentives for job creation in private sector through tax credits, and other measures should also be made.

is refundable if tax liability is less than the credit. Its 1976 cost to the Treasury was \$1.5 billion. The justification for the credit is to reduce the burden of Social Security and other taxes on low income workers, thus encouraging them to seek employment. ~~The concept of relief from taxes for the working poor is~~ a good one. I believe we can do more to create ^{as a goal one} incentives for people who take jobs.

The WIN program requires adults receiving welfare benefits to register for work with the Employment Service and to take jobs if they are found qualified and jobs are available.

The program, as a result of new emphasis on job placement rather than training, has placed a higher number of people in jobs in recent years -- up 25% since 1973.

On the other hand, placements have declined by 4% between 1974 and 1975. Registrants are not being given significant training or good jobs (average wage \$2.68 per hour). Also, only 52,000 people earned enough to leave the welfare payrolls because of WIN jobs. This is only 6% of those who registered for the program and one-half of 1% of the 11.5 million persons on welfare. Finally, only half of those declared available for work were placed in jobs.

Q. How does your program take account of the working poor who are not on welfare, but who would come out worse under your program than those on welfare?

A. Standard Welfare. Tax credits and other incentives to the working poor.

Q. You have recently been quoted in NEW YORK MAGAZINE as indicating that the federal government should take over all the states' share of welfare costs. How can this be afforded and how much would it cost?

A. ANSWER: My position is that over the long term - more than four years - we should work toward this goal. First we should start by freezing the state and local share at its present level. Gradually, as revenues permit we should begin ~~phasing out this~~ removing this burden from state and local taxpayers. ~~Inaccurate. Restate position.~~ This would involve about \$5 billion over a period of years.

Q. Would you agree to federal financing of child care so that mothers on welfare would be able to work? If so, how much would such a program cost?

A. My position is that over the long-term -- more than four years-- we should work toward this goal. First we should start by freezing the state and local share at its present level. Gradually, as avenues permit we should begin removing this burden from state and local taxpayers. This would involve about \$5 billion over a period of years.

Q. Would you agree to federal financing of child care so that mothers on welfare would be able to work? If so, how much would such a program cost?

A. In some cases child care may be needed, but federal government should be hesitant to underwrite large child care program. See next question and answer.

Q. Do you support the Mondale child care bill which has a \$15 billion price tag?

A. Mondale introduced a bill, which has now been shelved by Congress, which provides \$1 billion of authorization for services to families, including child care, on a voluntary basis with safeguards to insure local participation in decisions about how the money was to be used. The bill was the object of a smear campaign that raised the specter of the government taking over American children, dictating family patterns, etc.

1) I endorse the goal of allowing parents to choose whether they wish to stay home and raise children or take employment, without government interfering with or prejudicing their decision.

2) Parents should have the right to raise and care for their children as they see fit. Eight percent of all child care is provided in a family setting by friends or relatives. These choices deserve to be respected by the government.

3) Further government child care should be approached carefully by the government given the high cost--up to \$2,000 per child--and the need to protect the rights of American families.

4) We need to protect the health and safety of children in publicly supported child care facilities. President Ford just signed legislation providing \$200 million more funding to help states to provide day care and other family services after vetoing an earlier measure. I am glad to see he has changed to a more reasonable position.

Q. How do you have a welfare system which does not force the father out of the home without having guaranteed an annual income?

A. Standard welfare answer. Emphasis on separating those who can work from those who cannot.

VETERANS

Q. Would you keep the VA system separate from national health insurance so that it would continue to serve only veterans?

A. Veterans health care must always be second to none. At present, the specialized, high quality care needed by veterans is only available through the veterans health care system. The 171 hospitals, 215 out patient clinics, and the 106 nursing homes and domiciliaries, staffed by 136,000 health care personnel at a cost of more than \$4 billion annually should be continuously upgraded to insure that high standards are maintained. As we move toward national health insurance on a phased basis the independence and integrity of the VA system should be carefully preserved and coordinated with any national plan to assure continued top-flight service to veterans.

Q. Do you feel that VA hospitals are in proper condition and what would you do to improve their condition?

A. Veterans hospitals have been criticized for their long waits, the age of their facilities, and their apparent understaffing. The staff to patient ratio at community hospitals, for example, is almost twice that at veterans hospitals, and half

of all VA hospitals were built prior to World War II. I believe that the process of continually improving the VA health care system must continue. Of course, there are many demands on limited federal resources. We cannot make all the improvements we might want immediately. But the health of those who have served their country in war surely must be given a high priority.

Q. What would you do for the Vietnam veterans and would you preserve educational benefits for peacetime veterans?

A. The Vietnam veteran has not received the same honor and generosity from this country as veterans of earlier wars. He has been laughed at and shunned for his decision to defend his country in an unpopular war. Worse, his right to education and employment on his return home has not been protected as well as veterans of previous wars.

Today more than 500,000 young Vietnam-era veterans have no jobs. The unemployment rate of young black veterans is 28%. Hundreds of thousands of veterans who want to complete their college education and training will exhaust their benefits this year.

We need to assure that the veterans hiring preferences written into present law are vigorously enforced. The lack of firm leadership from the White House and the Department of Labor

in protecting the employment rights of veterans needs to be remedied. In addition, we need to extend the period during which veterans can claim their education benefits and to protect these benefits from erosion by inflation. These steps may have slightly higher short run costs but over the long term they will return greater benefits to society. Under the 1974 GI Bill which Congress passed overwhelmingly over President Ford's veto, single veterans are paid \$270 per month to attend school. Education and training benefits now cost the government \$4 billion per year. But each dollar spent on GI Bill education benefits has been shown to return 4 to 6 dollars in added tax revenues due to the higher earnings of educated veterans. And of course, it is far preferable to have a veteran employed and contributing to society than it is to have him collecting unemployment and food stamps.

We have a great debt to repay those who served in the Vietnam war. It is a debt of honor and gratitude and respect, but also a debt of education and training and employment. In the future I believe we should continue to provide for the education, employment, and training of those who serve in war. For those who serve entirely in peaceful eras I would hope that our future budget will allow their pay and benefits to remain comparable to what is now available to veterans.

THE ELDERLY

Q. What would you do to assure the stability of the Social Security system's financing?

A. The Social Security system should be put on a sound financial footing by:

(A) Raising the wage base rather than the contribution rate. This will make the tax fall more equally on all income classes and it will also benefit higher income earners by raising the amount of money they can receive in retirement.

(B) Stabilizing the replacement rate. This step will insure future workers the same retirement benefits as present workers, based on a stable percentage of wages. At present benefits (which are tied to wages) are indexed for inflation, while wages are also moving up with inflation. Workers are effectively receiving double protection against inflation. This step will cut the prospective deficit in the Social Security fund by half.

(C) Eventually, we may have to raise the contribution rate slightly. There is already an increase of one percent which is scheduled to go into effect in the year 2011. This may have to be moved up to take effect sometime in the 1980's. Initially

part of the money raised from this increase could be used to help finance the Medicare system. Alternatively, we can consider using money from general revenues. In the short term the stabilization of the replacement rate and an increase in the wage base can meet foreseeable financial needs. The decisions concerning increases in the rate and possible use of general revenues do not need to be made immediately.

Q. What would you do about the large deficit in the Social Security fund?

A. There is not a large deficit. The Social Security system currently has about 38 billion dollars in it. Although over the short term the fund is being depleted, the changes outlined above can stabilize the fund.

Q. How would you finance national health insurance without placing intolerable burdens on the public?

A. People are already paying most of the cost of a national program to private insurers. Last year America spent an average of over \$2,000 per family on health care. The national health insurance program will shift part of these expenditures into

the government sector but there will not be a significant increase in overall costs. This nation is willing to support the costs of good health if the programs are carefully and conservatively designed with effective controls to curb inflation and fraud in health care costs.

Q. What improvements would you make in the Medicare system?

A. (1) First, I would not attempt, as the current Administration has proposed, to increase the deductible costs of medical treatment under the Medicare program. The elderly, especially those on fixed incomes, should not be taxed more heavily to pay for adequate health care. The proportion of the health care costs of the elderly that are paid by Medicare has already fallen from 46 to 38 percent since 1969. There is no reason for this ratio to fall further.

(2) I would attempt to improve preventive care services under the Medicare system. Presently the system is almost exclusively oriented to treatment of illness rather than to the tests and services that can prevent and detect illness early. Moreover, I think we need to give greater attention to home health care rather than relying so much on hospitalization and institutionalization.

(3) I would make a greater effort to control costs. The current system of reimbursing hospitals for services after they are provided gives little incentive to hold down costs.

(4) I would also explore the ways in which the Medicare system can be streamlined and integrated into a national health care program. There is no reason for us to continue to operate more than 100 federal health programs.

Q. Do you have a program for the elderly?

A. (A) I have a deep concern for the elderly. My views contrast sharply with those of President Ford who:

(1) Voted consistently against increases in Social Security as a Congressman;

(2) Voted against Medicare when it was passed in 1965;

(3) Voted against housing programs for the elderly and as President continued the Nixon-imposed moratorium on federally-financed Section 202 housing for the elderly;

(4) As President proposed a reduction in the guaranteed cost of living increase for Social Security recipients from 8% to 5%;

(5) As President proposed increases in the amount of money which many of the elderly poor would have to pay for food stamps, and proposed cuts in the Meals-on-Wheels program

that was going to 300,000 older people;

(6) As President proposed increases in the cost of medical care for the elderly under the Medicaid program.

(B) ~~In addition to the financing of the Social Security~~ system as above, I would:

(1) End the practice of mandatory retirement. There is no reason why people who want to work, who are capable of work, and who have jobs should be forced to quit work.

(2) Work to prevent age discrimination in employment. Older people are more likely to suffer long term unemployment when they lose jobs.

(3) Toughen crime control measures, including swift, mandatory sentencing of those who prey on the helpless in our cities.

(4) Raise the earnings limitation in the Social Security system. Currently retirees younger than age 72 are penalized if they earn more than \$2,760 per year. This limitation is unrealistically and unfairly low. (Note: This is in the Democratic Platform but we have not yet taken the position publicly. It is popular but can be fairly expensive, depending on how liberal the earnings test is made--from \$0 to 6 billion.

(5) Insure that a national health care program is developed that fully protects older people against poor health and that holds down the rapidly escalating cost of health care.

(6) Change current health care policies that encourage institutionalization of disabled people in favor of programs that could help provide for them in their own homes and in those of their families. Neither the aged nor their families nor the taxpayers want a system that forces infirm, older people into lonely, expensive institutions.

(7) Insure that government policy toward the elderly is coordinated by establishing in the Office of the President a Council On Aging to develop innovative programs and to insure that government action fully takes into account the concerns of the elderly. (Although I will continue to receive advice from her, I wish to deny rumors that I will appoint Miz Lillian to this post.) There are between 134 and 180 programs available for the elderly. (Neither the GAO nor the Office of Aging can establish exactly how many. In fact, the Office of Aging recently commissioned, at a cost of \$90,000, a study to find out exactly how many programs are available to the elderly.)

(8) Promise to channel more funds to the successful "Section 202" housing programs for the elderly.

TRANSPORTATION

Q. What is your position on the transfer of funds from the Highway Trust Fund to mass transit?

A. I have supported a substantial increase in the amount of money available from the Highway Trust Fund for public transportation, and a change in the current restrictive limits on the use of transit assistance funds for operating and capital needs. Local jurisdictions need greater flexibility to establish local transportation priorities. The Highway Trust Fund has well served its original purpose of providing assured financing for the construction of our interstate system. We need now to devote greater attention to providing adequate mobility within our cities. For this reason we must make it easier for urban jurisdictions to fund high priority transportation projects--whether they involve mass transit or highways.

We must insure that federal money is spent in accordance with wise planning and careful consideration of all interests, including national, environmental, and energy needs. We must establish a sound balanced national transportation policy. But we should not dictate transportation plans for local communities.

Q. What is your view on the necessity for deregulating the motor carrier industry and specifically your view on the Ford proposal for motor carrier deregulation?

A. Reform of motor carrier regulation is clearly needed. In particular the speed with which the ICC makes decisions must be stepped up for the benefit both of consumers and of carriers. In some cases the regulatory commission seems to have become the captive of the industry and to have lost sight of the best interest of consumers. Rules that too sharply limit rate competition, that force carriers to return home empty when there are cargoes they could carry, or that prevent companies from entering markets to encourage healthy competition need to be reconsidered. The revolving door by which individuals move between the regulatory agency and the industry needs to be closed. As much as feasible we should encourage a return to the free market in motor carrier transportation.

As we move toward these reforms, however, we need to be careful to insure that the process is orderly and carefully considered. It would not make sense to change precipitously to a completely unregulated market if this led to large job losses or monopolistic conditions within the industry. In particular we need to be sure that the needs of small towns, smaller cities and rural areas are adequately met, and that the competitive position of small firms is not unfairly compromised. Moreover, changes

may need to be phased in to ease the problems of carriers that have capitalized ~~on~~ the current regulatory structure by investing heavily in right to provide service on certain routes.

As we develop a more detailed program for regulatory reform we should proceed judiciously and in close consultation with all affected interests, including consumers, large and small carriers, shippers, representatives of various localities and others. In the interim, we can promote a healthier regulatory environment by making sure that appointees to regulatory bodies are individuals of top caliber who will protect the interests of consumers and the public.

The Ford Administration's bill to change the regulation of the motor carrier industry provides some reforms that appear to be in the public interest. But because the bill may create other problems I cannot support it in its entirety.

I believe that our free enterprise system has served America's needs well--both those of consumers and of producers. We should continue to trust and support a market governed economy where the system functions to promote fair and efficient production.

Q. What is your position on the deregulation of the airline industry?

A. We need to move toward more competition in the airline industry. The Civil Aeronautics Board has apparently worked to protect the status quo in the industry and to keep airline fares

at higher levels than they need to be: For example, between 1950 and 1976 the CAB received 79 applications to enter air service from firms outside the domestic scheduled industry. It granted none. To take another example, the minimum fare between Boston and Washington on airlines regulated by the Civil Aeronautics Board is \$54. But for the trip between San Francisco and San Diego, which is almost exactly as far, but which is not regulated by the federal bureaucracy, the fare is \$31.75.

While there is a clear need for less regulation, the process of moving toward a freer market must be carefully considered and planned. We should consult carefully with all carriers in the industry as well as with consumer groups and representatives of various cities and communities. We need to be careful to insure that our regulatory reforms do not leave small communities without air service or cost the public more in subsidies than they save in air fares. We need to insure that freer competition is approached in a way that does not lead to chaotic conditions within the industry or to massive job losses.

As we move toward regulatory reform we can improve the functioning of the airline regulatory bodies simply by appointing individuals to them who are both knowledgeable of the industry and protective of the public interest. The sweetheart arrangements between the industry and its regulators must be ended.

Q. Do you favor the landing of the SST even on a trial basis?

A. I do not favor landing rights for SSTs operating under foreign flags. The possible risks and environmental dangers of this plane seem to me to far outweigh the benefits which a few wealthy air travelers will realize. In particular, I am concerned that the plane does not meet Congressionally-mandated noise standards. Had I been President when the decision on the SST trial flights was made I would probably have preferred that these environmental risks were tested in other countries.

However, since the plane has been granted a 16 month trial period which will be over by next year I would not suspend these experimental flights should I become President. I will wait for the full evaluation report to be completed and I will make a decision at that time weighing our responsibilities to our environment, the needs of air travelers, and our international commitments.

Q. What can be done to upgrade the Merchant Marine? How much would such a program cost? Is there justification for the current subsidy to the Merchant Marine? The Labor Movement has supported the requirement that a certain percentage of goods be moved in American vessels. Do you support this requirement?

A. The United States needs a strong, privately owned and operated American flag merchant fleet capable of carrying its domestic water-borne commerce and a substantial proportion of its foreign commerce and available for instant response to the needs of defense in time of war or national emergency. An effective American flag fleet must be backed by seasoned managerial organization, by a force of skilled and highly trained seamen, and by a complex of shipyards able to produce and maintain naval vessels of all types.

In 1970, Congress with only two dissenting votes enacted a 10-year program to construct 300 merchant ships. Unfortunately, that program is not meeting its objectives. After six years only 58 vessels have been contracted for construction, and funds requested by the President and approved by Congress for merchant ship construction remain unspent.

The demands of national defense and economic security require a clearly defined and implemented national maritime policy. It should include:

(1) A commitment to a higher level of coordination of the diverse sub-Cabinet activities involved in maritime policy.

One way this might be achieved would be through appointment of a maritime affairs advisor to the President who serves as a member of the National Security Council.

(2) Continued commitment to the program set forth by the Merchant Marine Act of 1970 and to its objective of maintaining, under the American flag, a fleet whose vessels are in all respects competitive in original cost, operating cost, productivity and versatility to foreign flag fleets.

(3) A commitment to develop a national cargo policy to assure the American flag fleet access to a fair share of all types of cargo in the American trade.

A national maritime policy, as outlined above, would insure U.S. political and economic independence in a period of world turmoil and aggressiveness. At the same time these policies would preserve many productive jobs, improve our balance of payments, increase our tax base, provide an incentive for private capital investment, and maintain the American flag as a strong force worldwide.

Q. You have indicated that you would like to shift the emphasis in the construction of ships to private yards. What impact would this have on employment and on maritime unions?

A. I feel that as much as possible we should construct our American vessels in the most productive and efficient of American yards. In some cases private yards have excellent records for productivity, safety, and efficiency and I believe such high performance should be rewarded with additional shipbuilding contracts.

I would not, however, favor transferring all shipbuilding from publicly operated yards. Rather, I would seek to make public yards fully competitive with private ones and to maintain their production if possible. In some cases in which the awarding of new contracts involves significant job losses, transfers, or union rule changes, I would want to insure that workers were fully protected.

Q. What is your position on the need to improve inland waterways?

A. Our 25,000 miles of inland waterways carry 16% of our domestic freight and form a vital part of our transportation system. Movement of freight by barge is energy-efficient and cheap. For midwestern farmers and many of the industries in the Mississippi and Ohio Valleys barge traffic is a particularly crucial link ~~to distant markets.~~ ^{to distant} We must be sure that the flow of traffic on this vital system moves smoothly and without impediment.

Our waterways must of course be part of a balanced transportation system. For this reason we must carefully consider the impact of new waterway construction on the environment and on competing transportation systems. In the case of Lock and Dam 26, for example, there is ~~still controversy~~ ^{still controversy} concerning the need for new facilities and the impact which these might have on railroads and on the Mississippi River ~~ecosystem.~~ ^{ecosystem,} I have not had the time to study this matter in detail, and I understand that the data concerning costs, environmental damage, and economic impacts need to be more ~~fully determined.~~ ^{fully determined} For

this reason I would have to suspend judgment on this project.

(Note: Try to avoid addressing user charges and only comment on Lock and Dam 26 if pressed. User charges should be phrased in language indicating that "public subsidies to all transportation modes should be carefully evaluated to insure that the overall public interest is served.")

I. I am a native born American Citizen, self employed in private business-professional field, a veteran of World War II of some 5 years service and the only government service experience, an enthusiastic Democrat who hopes for a Carter-Mondale Victory in November. For various reasons, none immoral or illegal, I do not wish to identify myself beyond the above summary. I have thus chosen the code name of ..., the three dots and one dash stands for the letter V in the Morse Code and signifies my hope for Victory in November. Also it stands for Verity. I contacted Mr Carl Shepherd of the Washington Office and gave him some of the same material enclosed here again. Also there is some new material. This is an attempt of a private citizen attempting to furnish some input, hopefully beneficial to the campaign. Please excuse the type errors and apparent errors in grammar for I do not have the time to edit and I wanted to type this myself.

II. REPUBLICAN QUOTES

a.

John B. Connally
Former Governor of Texas

I don't think we need any more "Republican prosperity." I've got all the Republican prosperity I want. I've got all the 9 and 10 per cent interest I want. I've got all the unemployment I want. Thank you just the same.

Plano, Tex., Oct. 9
The Washington Post, 12-25: A1

The paper marked "A" above refers to a quote in 1970. I leave it to the judgment of the staff as to its value either in national or Texas use.

II(2)

b. The paper marked "B" is the Simon quote which I feel could be used to a great advantage. It should convey to the American Worker that a \$60,000 a year bureaucrat in Washington does not have any feeling for him. However I think this will have to be related to those who are now working as well as those unemployed to be fully effective. The dangers of future dislocation of jobs with this kind of ideas will have to be pointed out and that this Simon or a future Republican Simon may say their job is not important and that it can be sacrificed in the War against another target in the future. One does not see Lynn, Simon or Burns or others in the Republican High Command coming forth to volunteer in the so called WAR AGAINST INFLATION. They go down and asks for pay raises. These quotes were in the program Meet The Press, August 4, 1974 and I have checked the news accounts which verify the remarks. I understand Merkle Press Inc, 810 Rhode Island Avenue, N. E. Washington D. C. has transcript copies still available. I feel sure however that he has been quoted correctly. Again, the threat to those presently employed must be brought forth. This brings it home to him and his paycheck and will make him think. ANY attempt to evoke a feeling of concern for others in the job market (Unemployed) will not be as near effective.

III. DEFENSE SPENDING AND DEFENSE BUDGET

a. This correspondent believes that most Americans, including, Governor Carter and Senator Mondale, are in favor of an adequate defense budget. Any direct and broad axe attack on the defense budget would play directly in the hands of the Republicans and would no doubt seriously harm the Democrats. This does not mean that it cannot be discussed and it does not mean that savings cannot be made. Mr Ford has already taken the position that Governor Carter is harming defense by discussion of the budget. But see Papers Marked "C" 1 and 2. Despite the attempts to be evasive, Ford seems to say the budget is not sacred and thus is not above question.

b. The Republicans cannot say that the Democrats/^{in Congress} have neglected national defense. During the fiscal years of 1970-77) The Nixon-Ford years the Congress has appropriated 695.3 Billion dollars for defense and that's a lot of money. Again you don't have to appear against the appropriations, just inform the public of this great amount. James Lynn of the Office of Management and Budget has already set the tone of one position that Ford will make in the October 6th debate. The percent distribution of the budget for national defense has declined in the recent years while the Human Resources percent has increased. See Paper marked "D". There is a fallacy here. Lynn confuses facts on purpose. They equate Human Resources with WELFARE, but it actually includes Social Security collected by contributions to the Old Age Insurance Program and not as general tax collections. Sure Social Security Payments have increased in recent years but so have contributions until the contributions have kept pace with the outlays for the program

III(2)

b.(2) The funds in the Social Security Programs cannot be used for general budget items and the taxes collected for general budget items (ie: National Defense and other general government programs) cannot be used for Social Security. Lynn and Simon lump them all together under the unified budget concept, label them Human Resources and then equate this with welfare. This sounds like Goldwater of 1964 when he opposed Social Security but at least he was honest and came out with his opposition. They also label Veteran Benefits ~~xx~~ under Human Resources their ^{word} code/for Welfare. As A Veteran I resent ~~this~~ label for I consider Veterans Benefits as being expenditures on behalf of National Defense. The only way one can become a veteran is to engage in the defense of his country, and most of the veterans benefits are for service during war times. (Check Mr Ford's opposition to the education bill for Veterans of The Vietnam War. Also his shouting match with the Veterans out West is interesting in November 1974 I am sorry that I did not have the chance to get this material but it should be easy to get). When I look at the budget for 1977 (See Paper ^{"E"} Marked) I regard the following items as national defense ~~it~~ expenditures: Military, International affairs, veterans benefits and services and at least 75% of the interest on the National Debt. During World War II, when up to 85-90% of the budget was for the war we ran up deficits because the Republicans did not want to raise taxes to pay for the War and since the National Defense ^{items} ~~xxxxxx~~ have loomed large in the budgets. If these items are included in the general budget and the Social Security Receipts are excluded it gives somewhat different but a more honest picture of the national budget ~~o~~ than the one ~~xxxxxxx~~ given by Lynn.

III(3)

b.(3) I come up with the following : (all figures are in the billion of dollars) Total Outlay 394.2 less 115 for Social Security contributions which leaves the general budget of 279.2. Then is we total the Military 101.1, Veterans Benefits 17.2 and 75% of the 41.3 interest on the national debt which comes to 30.9, we come up with a national defense expenditure of 149.2 or 53.4% of the national general budget items. Without taking a stand against national defense, these figures would be used to explode Lyran's and Ford's claim that the expenditures for the national defense has declined in favor of Human Resources(Welfare) in the past few years. No veteran will appreciate being called on welfare when he takes advantage of the benefits set up for veterans. If International Affairs and portions of other items beneficial to National Defense are included, then the per cent total is higher. Example: The Interstate Highway System benefits the military today in movement of troops and supplies and in a future emergency would prove a great benefit.

IV. REBUTTAL TIME

a. I feel that Ford and the Republicans have distorted Carter and the Democrats views in many ways during this campaign and does not surprise me. This is par for the course. How to rebut is the question. The Press will do a very poor job of this. It will depend on the candidates Carter-Mondale and I feel the present ^{format} ~~format~~ of the so called debates is not a good one. Maybe in the 3rd debate but my idea would be for some 3 ten minute slots on national TV would be better. 30 minutes is probably too long and anything less than 10 minutes too short. I feel that a good job could be done to rebut Ford and the Republicans and therefore ^{HAVE} thrown in some ideas here.

b. Mr Ford brags that 88 million Americans are now employed. He leaves the impression that this is a 40 hour full time employment. But see the figures on Paper marked "F". This gives somewhat of a different picture of the employment situation. These fully employed have decreased in the years.

c. The tax reform situation, I feel, is Mr Carter's trouble. Ford has tried to portray him as high tax on the lower and middle income persons and the Democratic Congress as the culprit in the deficit field. Lets take a look at the 1969 Tax Reform Bill. Papers Marked "G" 1 and 2. In that bill Albert Gore, Democrat of Tenn, proposed an \$800 exemption on the income tax instead of \$600. The Republicans in the Administration lobbied ~~gax~~ against the measure and ~~though~~ though it passed the Senate, Nixon said he would ^{VETO} ~~vote~~ the bill. Senate and House Conference killed the exemption. DOLE voted against the \$800 exemption and the lower and middle income taxpayers. Alas Ford voted for the reform bill in the house (It did not contain the \$800 exemption ~~when~~ when he voted). Dole and his Republicans did vote against the lower and middle income taxpayers. Would Ford's promises have the same effect?

IV(2)

d. Ford and the Republicans label the Democrats as big spenders and this does have an effect in the country. However there is a flaw in the argument. From 1962-69 (Kennedy-Johnson) the deficits were 53.9 billion while 1970-77 (Nixon-Ford) the deficits were 245.3 or about $4\frac{1}{2}$ times as high. The constant during this period was DEMOCRATIC CONGRESS the variable was the PRESIDENCY. Democrats during the low years, Republicans during the high. The present deficits began in Fiscal 1972 (July 1, 1971) during Nixon's term. This was to heat the economy and help Nixon in November 1972. Thus the Republicans were greatly to ^{BLOW} ~~blame~~ for the INFLATION. They will point to OPEC and price of oil and the grain crop failures in the world and the sales to other nations of our grain supplies. They were in charge during this period and they just mismanaged the foreign policy. They heated the economy up, created inflation and then imposed the cruel recession on the American People to try and correct their own mistakes. It would be of ^{interest} ~~some~~ ~~interest~~ to the voters if a study could be made of the Fiscal 1972 general budget items vote in the House and see what per cent Ford voted in favor of. My guess would be in excess of 85%, ^{probably} ~~probably~~ higher. ^{ie: Busing}

e. I am glad that ~~Civil Rights~~ has not surfaced as a great issue, although Dele tried it in ~~South~~ South Carolina, calling Mondale "Mr Busing". It will be well to keep in mind that Ford and Dele were liberal in the Civil Rights act of the 1960s and that Warren Burger wrote the busing decision in Swann v. Board of Education (1971) And he was the Republican from ^{WYO} ~~Miss~~ ~~which~~ was appointed to the SupCt by the Republicans. Dele voted to confirm

CIA OPERATIONS

QUESTIONS

1. Continue to allow covert operations?
2. How control illegal domestic actions of CIA?

ANSWERS

A. Attack Points

1. Administration has made only cosmetic changes to control our intelligence agencies; the Control Board intended to monitor the agencies has done nothing to arrest abuses recently disclosed-- it has almost no staff or budget.
2. Administration failed to cooperate fully with Congressional committees investigating abuses; and failed to clean house at conclusion of investigations; failed to prosecute any of those who broke the law--domestic spying, break-ins, opening mails.
3. Administration learned nothing from revelations; tried to conduct CIA covert war in Angola; tried to give greater wiretap authority to govt.--allowing wiretaps of citizens not even suspected of criminal activity

B. Positive Points

1. Country needs its intelligence agencies--perform vital function; planning our defense depends on getting best information possible.
2. Information can be gathered mostly from open sources, though some clandestine ones also needed; doesn't require subverting or overthrowing govts.; assassinating foreign leaders; surveillance of our own citizens; opening our citizens' mail; conducting secret wars-- these types of abuses undermine our democratic system more than they preserve it.
3. Would take following steps to end abuses:
 - end all CIA activities inside U.S.
 - stop covert action against other countries except under the most extraordinary circumstances truly threatening our security, and then only under closest personal control--Angola was not such a circumstance
 - clean house in intelligence agencies
 - work with--not against--Congress to adopt precise legislation adopting authority of intelligence agencies
 - take personal responsibility for actions of our intelligence services -- not allow them to operate on their own.

4. Would be a President who took charge and made sure laws obeyed; officials caught violating laws would not escape prosecution--as in this Administration; only professional and thoroughly honest officials would be placed in charge of intelligence agencies.

SOUTHERN AFRICA

QUESTIONS

1. Won't support for the blacks lead to guerrilla warfare, dictatorships, and communist influence?
2. Failing to stop the Russians in Angola -- isn't that a signal that we've lost our will?
3. How can you gain South African cooperation for Rhodesia and Namibia, when South Africa's policy of apartheid is the root cause of these problems?
4. Do you support Kissinger's South Africa policy?
5. Would you use economic leverage to influence South African policies?

ANSWERS

A. Attack Points

1. For years the Administration has ignored the rights of the majority, under a policy begun by Nixon and Kissinger with National ~~Strategic~~ Study Memorandum #39, in 1969. *Policy was based on false belief that colonial regimes were here to stay.*
2. The first U.S. veto in U.N. history, in 1970, was against further sanctions on Rhodesia.
3. With the Byrd Amendment in 1971 the U.S. became the only country in the world to support sanctions of Rhodesia, and then violate them. Ford led House fight for Byrd Amendment.
4. Only after the Angola fiasco, which was ~~ended~~ *stopped* by Congress, did Secretary Kissinger finally see the need to support majority rule and end colonialism.

B. Positive Points

1. I welcome Kissinger's belated efforts; I also hope they will hold up, unlike the Vietnam peace settlement.
2. Doubts about rabbits out of the hat
--how much will it cost?
--what assurances has he made?
--will the black leaders unite?

~~3. The best way to counter Communism is to live up to our principles and beliefs as a nation.~~

3. We must avoid such crises by better understanding of the aspirations of the other peoples.

(Prime Minister Smith has talked of "categorical assurances" from Kissinger)

1. For years the Administration has ignored the rights of the majority, under a policy begun by Nixon and Kissinger with National Security Study Memorandum #39, in 1969. Policy was based on false belief that colonial regimes were "here to stay."

2. The first U.S. Veto in U.N. history, in 1970, was against further sanctions on Rhodesia.

3. With the Byrd Amendment in 1971 the U. S. became the only country in the world to support sanctions of Rhodesia, and then violate them. Ford led House fight for Byrd Amendment.

4. Only after the Angola fiasco, which was ended by Congress, did Secretary Kissinger finally see the need to support majority rule and end colonialism.

B. Positive Points

1. I welcome Kissinger's belated efforts; I also hope they will hold up, unlike the Vietnam peace settlement.

2. Doubts about rabbits out of the hat

--how much will it cost?

--what assurances has he made? (Prime Minister Smith has talked of "categorical assurances" for Kissinger)

3. We must avoid such crises by better understanding of the aspirations of other people's.

Rebuttal to Ford Charges of Misstatements in Second Debate

1. Charge: Carter lied in saying he had never advocated \$15 billion defense cut.

Rebuttal: 1) Did not recall saying it; said once/twice two years ago.

2) For two years been saying \$5-\$7 billion cut is possible; well-known as my position; Ford trying to cloud issue of Defense waste.

2. Charge: Carter wrong about Ford Administration's overthrow of Chile government.

Rebuttal: 1) Did not say "Ford Administration" but "this Administration", meaning Nixon-Ford.

2) Under Nixon-Ford, CIA covert operations to destabilize Allende government led directly to the military coup; confirmed by Church Committee.

3. Charge: Carter wrong about Ford's permitting Arab boycott; began in 1952; Ford first President to take anti-boycott actions.

Rebuttal: 1) Said in debate that Ford permitted boycott to operate effectively; from 1952 until Ford, wasn't enforced.

2) Now 94% compliance rate; and Ford opposed anti-boycott legislation (despite his claim in last debate).

3) Ford also failed to disclose names of participating companies, despite pledge in last debate.

4. Charge: Carter wrong about State and Defense having approved GAO Mayaguez Report.

Rebuttal: 1) Said understood that they had approved, but did not know.

2) But also said important to have facts out; unfortunate that White House -- unlike State and Defense -- blocked release of report for five months; all material should have been made public immediately after Mayaguez.

5. Charge: Carter did advocate a Communist government for Italy.

Rebuttal: 1) As said in debate, ridiculous to say a Presidential candidate would advocate such a thing.

2) My quote now cited by Ford -- to effect that if Italian government had some Communists in it, U.S. should not close doors to friendship thereby forcing government to turn to Soviets -- in no way is advocacy of Communist government.

3) If Ford thinks friendship with government having Communists in it is unthinkable, what about detente?

6. Charge: Carter was inconsistent; said U.S. not strong anymore; later said U.S. as militarily strong as any nation.

Rebuttal: 1) No inconsistency; U.S. is not strong in terms of leadership, underutilized economy, vision of future.

2) U.S. is strong in strictly military terms; will ensure it stays that way.

7. Charge: Carter wrong that U.S. not respected anymore by foreign countries.

Rebuttal: 1) Ford's evidence is a few quotes from foreign leaders (France, Germany, Ireland) saying U.S. ties are closer than recent past; closer ties is not the same as respect.

2) Ford can supply no quotes in which respect is favorably discussed; truth is that Republicans have lost respect of Truman and Kennedy years; does remark about Eastern Europe bring respect for our leader's abilities?

3) To say respect is down is not to criticize American citizens -- it is only to criticize those who run the country so poorly.

8. Charge: Carter wrong that 80 F-14's went to Iran before our own forces' needs were met.

Rebuttal: 1) While our Navy did receive some F-14's before Iran, our own delivery schedule was stretched out so Navy will be getting many F-14's only after deliveries to Iran.

2) Delay in our own deliveries is proof of preference to Iran (with which Nixon signed unlimited arms sale agreement).

9. Charge: Carter wrong that Helsinki Agreement not enforced and that progress not made.

Rebuttal: 1) Rate of Jewish emigration lower than pre-Helsinki.

2) Radio Free Europe and Radio Liberty jammed.

3) Soviet Nobel Peace Prize winner (Sakharov) not allowed to accept in Oslo.

4) No evidence of diminished oppression of human rights.

10. Charge: Carter wrong that Angola would turn into another Vietnam; American troops never intended to go there.

Rebuttal: 1) American people not told of \$60 million spent or planned for covert CIA operations in Angola.

2) No way of telling how this similarly open-ended commitment to Angola would have resulted; forces may have been sent.

3) Secrecy in Angola war policy is enough of analogy to Vietnam.

LEGISLATIVE SUMMARY

Table of Contents

<u>Bill</u>	<u>Page</u>
Antitrust Enforcement	1
Automobile R & D	1
Clean Air Act Amendments	2
Congressional Budget Resolution	2
Corporate Bribery	3
Electric Car	3
HEW Appropriations	4
Health Manpower	4
Land and Water Conservation Fund	5
Lobbying	6
Medicare & Medicaid Reform (Talmadge Bill)	7
Outer Continental Shelf Leasing	8
Public Works Appropriations	8
Revenue Sharing	9
Synthetic Fuels	9
Tax Reform	10
Toxic Substances	12



ANTITRUST ENFORCEMENT BILL

Status:

Passed Senate on Sept. 8; passed House on Sept. 16; signed by the President Sept. 30. Justice Dept. originally endorsed even stronger bill, but Ford strongly denounced it in March, 1976. Dole voted against all attempts to clear bill (e.g., filibuster cloture), but voted for final passage. Strongly opposed by big business. Strongly endorsed by all 50 state attorneys general and consumer groups.

Major Provisions

1. Authorizes parens patriae suits against price fixers by state attorneys general on behalf of all injured citizens
2. Increases authority of Justice Dept. to obtain business information for civil suits
3. Expands program requiring pre-notification by firms intending to enter into potentially anticompetitive mergers and giving courts authority to enjoin them

AUTOMOBILE R & D BILL

Status:

Cleared Congress on Sept. 13. Vetoed by President. The House overrode the veto, but the Senate sustained it.

Major Provisions

1. Would have authorized ERDA to develop test vehicles with cleaner, more efficient engines
2. Would have authorized \$100 million over next two years

CLEAN AIR ACT AMENDMENTS

Status:

House and Senate passed different bills. Conferees agreed to compromise, but Conference Report was never approved, largely because of Administration opposition. Senate bill acceptable to environmental groups. House bill was not, but supported by Administration.

Major Provisions

1. Both bills provide for "nondegradation"--i.e., more stringent air pollution standards in areas of country where air is relatively clean. New restrictions would apply only to new emitting facilities, not existing ones.
2. Both bills strengthen existing enforcement provisions.
3. Senate bill extends from 1978 to 1980 the date on which the more stringent emission requirements for autos found in present law would go into effect. House bill would extend date to 1982, but would require some phase-in of standards for unburned hydrocarbons and carbon monoxide (but not nitrogen oxides) before that date.

CONGRESSIONAL BUDGET RESOLUTION

Status:

Cleared by both Houses. Did not require Presidential approval.

Major Provisions:

1. Imposes on Congress spending ceiling of \$413.1 billion and revenue floor of \$362.5 billion for FY 1977
2. Ceilings and floors will be binding on both Houses for first time. Legislation that would raise ceiling or lower floor is out of order.

Impact:

Compares with Ford FY 1977 budget, as updated in July, as follows (figures in billions):

	<u>Administration</u>	<u>Congress</u>
Receipts	\$352.5	\$362.5
Outlays	400.0	413.3
Deficit	47.5	50.8

CORPORATE BRIBERY BILL

Status:

Passed Senate unanimously. Died in the House.

Administration Position:

Proposed a bill only requiring reporting of corporate bribes to foreign officials, which reports would be kept secret for one year. Opposed Senate bill.

Major Provisions

1. Makes it a crime to make or promise a payment to a foreign official for a corrupt purpose
2. Maximum penalty is 2 years and \$10,000 fine.

ELECTRIC CAR BILL

Status:

Enacted on Sept. 17, after Senate and House overrode Ford veto of Sept. 13. Vetoed on grounds it was too costly and development should be left to private industry

Major Provisions:

1. Authorizes ERDA to do research and development on electric-powered vehicles
2. Authorizes government purchase 7,500 electric vehicles for demonstration programs
3. Authorizes \$100 million for research and \$60 million loan guarantee authority over 5 year period

HEW APPROPRIATIONS BILL

Status:

Cleared by Congress on Sept. 17. Ford vetoed because size of appropriation was \$4 billion over his request. Congress overrode veto.

Major Proposals:

1. Appropriates \$57 billion for HEW
2. Prohibits use of Medicaid funds for abortion, except where mother's life is in danger. Unclear whether it also provides exception when mother has certain diseases or is victim of incest or rape

Impact:

Prohibited most of the 250,000-300,000 abortions paid by Medicaid last year, at cost of \$45-55 million. However, lower federal court in New York has ruled that this anti-abortion limitation is unconstitutional. Decision is on appeal.

HEALTH MANPOWER BILL

Status:

Cleared by Congress and signed by President October 13. A similar bill that was more restrictive in terms of doctors' freedom of choice in selecting place to practice was pocket vetoed by Ford in 1974. Upon signing current bill, Ford took credit for the idea.

Major Provisions:

1. Authorizes \$2.1 billion for medical school scholarships, student loans and capitation grants.
2. Ties almost all scholarship grants to enlistment in National Health Service Corps, which places doctors in area of need.
3. Requires medical schools with teaching hospitals to set aside increasing proportions of residency training positions--up to one-half by 1980--to general and family practice and pediatrics.

LAND AND WATER CONSERVATION
FUND ACT AMENDMENT

Status:

Cleared by Congress and sent to President on Sept. 16
President signed.

Administration Position:

Ford has opposed this legislation in the past, and was expected to veto. Did not veto apparently because of his own parks initiative and because overwhelming margins of passage (282-3 in House; unanimous consent in Senate) indicated veto override anyway. Bill authorizes more money for parks acquisition than Ford's recent initiative.

Background

Current law, passed in 1965, creates Land and Water Conservation Fund and authorizes \$300 million per year. 40% to be used for acquisition of federal recreation areas, and 60% to states on formula basis. Fund cannot be used to develop existing parkland. Under Nixon-Ford, federal portion has been used only sparingly, and large backlog has developed, which Ford now intends to use in his new proposal.

Major Provisions:

1. Would increase funding level to \$600 million in FY 1978; \$750 million in FY 1979; \$900 million in FY 1980 thru 1989.
2. Administration required to use all of federal portion of appropriation.
3. Sec. of Interior must submit extensive review of urban recreational needs within one year of enactment.

LOBBYING BILL

Status:

Senate passed bill in June. House passed a different bill, which died when sent back to the Senate. Senate bill strongly opposed by many public interest groups, most of which would have to register under it.

Major Provisions

Senate Bill--

1. Requires all organizations and businesses to register as lobbyists if they (1) have more than 12 oral lobbying contracts with members of Congress (other than their own representatives or employees of the Executive Branch regarding pending legislation or grant or contract in excess of \$1 million in 3 mo. period; (2) spent more than \$250 in 3 mos. to hire lawyer to lobby; or (3) spent more than \$5,000 in solicitation campaign to influence legislation.
2. Local affiliates of national organizations are exempt if they are controlled by the parent and make fewer than 12 oral contacts thru paid employees.
3. Detailed registration statements and quarterly reports are required. Report requires among other things list of all contributors of more than \$2,500 to the organization.

House Bill--

1. Defines lobbyist as organization that employs at least one full-time person spending more than 20% of his time trying to influence government.
2. More simplified reporting procedures than Senate bill. Requires disclosure of contributors of more than \$2,500 if that represents 5% or more of receipts of organization.

MEDICARE AND MEDICAID REFORM (TALMADGE) BILL

Status:

Talmadge bill died in Senate. On Sept. 20 Senate attached rider to irrelevant House bill that would adopt three key provisions of Talmadge bill and add two others. Rider died in the House.

Major Provisions

Senate-Passed Bill--

1. Establishes central fraud & abuse unit under Inspector General, who reports only to Sec. of HEW.
2. Prohibits factors from discounting Medicare & Medicaid receivables under power of attorney.
3. Upgrades Medicaid and Medicare fraud from misdemeanor to felony.
4. Requires disclosure of ownership and financial control of Medicaid mills.
5. Requires Sec. of HEW to give priority in investigations to referrals by professional standards review organization.

Talmadge Bill--

1. Items 1, 2 and 3 above.
2. Combines Medicaid performance standards for states and provides penalties for violations and technical assistance to assure compliance.
3. Establishes Medicaid performance standards for states and provides penalties for violations and technical assistance to assure compliance.
4. Establishes uniform cost accounting systems for hospitals and mechanism for reimbursement for routine operating costs for hospitals, giving incentives to those hospitals with below average operating costs.
5. Establishes incentives for physicians to accept "reasonable" Medicare charges a full billing amount.
6. Makes more equitable the procedure for determining "reasonable" charges.
7. Places controls on payments to nursing homes.

OUTER CONTINENTAL SHELF LEASING BILL

Status:

Bill cleared Conference Committee once, but House voted to recommit it to Conference where it died the second time. Strongly supported by coastal states; opposed by oil companies and Administration.

Major Provisions:

1. Requires Secretary of Interior to prepare five-year leasing plan.
2. Requires leaseholders to submit development and production plans, which are to be reviewed by regional advisory boards established by governors of coastal states.
3. Revises bidding practices to allow government to call for bids on the extent to which government would share in profits, rather than present system of specific price for the lease, plus fixed percentage of profits. Would make smaller companies more competitive.
4. Authorizes Interior to do exploratory drilling to have better idea of how much oil and gas will be recovered.

PUBLIC WORKS APPROPRIATION BILL

Status:

Conference Committee agreed to final provisions. Final clearance by both houses on September 20. Ford signed. A bill authorizing these expenditures (Emergency Public Works Bill) was enacted earlier this year over Ford veto.

Major Provisions:

1. Appropriates \$2 billion to provide 100% funding to state and local governments for construction of public facilities. Projects must be started within 90 days, and 70% of funds must be spent in areas with above average unemployment.
2. Appropriates \$1.25 billion to provide countercyclical aid to state and local governments. Will enable states to maintain essential services without increasing taxes.
3. Appropriates \$480 million for grants to states to construct wastewater treatment plants.

Impact:

Total FY 1977 appropriations \$3.73 billion. Will create as many as 300,000 jobs.

REVENUE SHARING BILL

Status:

Approved by Congress Sept. 30 and signed by President. Bill provided less money and for shorter period of time than proposed by President.

Major Provisions:

1. Extends revenue sharing program through September 1980.
2. Authorizes \$27.2 billion over 4 years (\$6.65 billion first year, \$6.85 billion thereafter). Does not require further congressional appropriation.
3. Strengthens enforcement of provisions against discrimination on basis of race, color, national origin or sex and extend coverage to include religion, age or physical disability.
4. Makes it clear that funds can be used to support religion-supported social welfare programs that give preference to members of their denomination. Religious groups (especially Catholics) strongly support this concept, and you have endorsed it.

SYNTHETIC FUELS BILL

Status:

Cleared Senate. Died in House when House failed to adopt rule to bring it to floor.

Major Provisions:

1. Authorizes \$3.5 billion in loan guarantees over two years for commercial scale demonstration plants to produce synthetic fuels from coal (especially gasification), oil shale, solar, biomass and renewable resources.
2. Authorizes \$500 million in price supports for synthetic fuel plants.

TAX BILL

Status:

Cleared by both Houses on September 16. President signed.

Impact:

Net revenue increase of \$1.6 billion next year; \$2.4 billion by 1981, but these amounts to be offset by loss of about \$1 billion per year beginning in 1978 because of new estate tax exemptions.

Major Provisions:

Individuals --

1. Extends antirecession tax cuts of 1975 and 1976.
2. Increases deductions or credits for child care (and eliminates anti-grandmother provision), alimony, retirement and moving expenses.
3. Tightens deductions for use of home for business purposes and rental of vacation homes and exemption for persons working for U.S. firms abroad.
4. Eliminates sick pay deduction.

Investors:

1. Substantially strengthens the minimum tax provisions, increasing coverage from 30,000 to 300,000 taxpayers and increasing revenue from \$1 billion.
2. Tightens rules on tax shelters such as real estate construction-oil and gas drilling, sports franchises, and on use of maximum tax limitations by higher salaried persons.
3. Eliminates tax benefits for stock options.

Corporations:

1. Extends tax credit through 1980 and makes it more useful for railroads, airlines and shipbuilders.
2. Extends tax reduction on first \$50,000 of profit of small businesses.
3. Extends minimum tax provisions for corporations, increasing revenues \$60 million this year, \$200 million by 1981.

Estate and Gift:

1. Doubles exemption to \$120,000; increases to \$175,000 in five years; provides relief to farms and small businesses.
2. Changes tax basis for inheritances to value at time of purchase, rather than time of inheritance.

Miscellaneous:

1. Imposes tax penalties for companies complying with Arab boycott (this is only provision Ford Administration strongly opposed).
2. Increases public access to tax rulings, and strengthens limitations on disclosure of tax returns.
3. Provides deduction of up to \$25,000 per year to businesses for removing barriers to the handicapped.

TOXIC SUBSTANCES BILL

Status:

Approved by both House and Senate. President signed, calling it one of the most significant pieces of environmental legislation ever passed by Congress.

Previous Administration Position:

Although Ford will probably try to take credit for bill during debate, Administration was generally opposed to key pre-marketing notification and testing provisions. EPA Administrator Train strongly supported bill throughout.

Major Provisions:

1. Bans manufacture or importation after two years of PCB, a chemical used in electrical capacitors and transformers and known to cause tumors and other disorders.
2. Authorizes EPA to require new chemical substances to be subjected to testing if there is potential health risk.
3. Requires 90-day prenotification of intent to market new chemical, which EPA can extend for another 90 days.
4. Authorizes EPA to ban new chemicals presenting health risk and to seek injunction if more testing is required.

Impact:

Subjects the approximately 1,000 new chemicals marketed each year to possible testing. Previously, only pesticides, food and drug additives were subject to testing.

WFM Requests

debate

- ① Ford W-H Staff cuts.
 - ② Compare dist. of \$10.6 w/ alt. credit.
 - ③ Cost of Rep. defense platform.
 - ④ Answer on loa. leg.
 - ⑤ Anal. of Carter leadership + savings.
 - ⑥ Budget ~~FF~~
voter
- ① Overall financial impact — did we save?
- ② Membr. voting with us.
- ③ Sen who voted for all the provisions.
- ④ Arguments on P.W. :
(a) cost
(b) lag
- ⑤ People out of poverty
rush power
wage

Best way to hit
Fund on A-A?

bob - Sunday

for - rdy - - - -

① \$1,000 from
really hard

② \$106 - alt
credit

③ really man
tax cut

④ ~~lose~~ \$60's
lower now

⑤

Pardon

Mr. Lee's heavy
delicious meat
west

Food w-14
2000's - 1980's

Pub A for
jobs

MEMORANDUM

DOLE'S RECORD ON DEFENSE ISSUES

The attached material reviews Dole's record, identifies possible political vulnerabilities and suggests lines of argumentation. Several votes marked "CR", are not analyzed because they are probably not political debate material. In addition, several potential issues arising from votes in the 94th Congress are included.

ALL PAGE REFERENCES REFER TO THE CONGRESSIONAL RECORD OF THE DATE SPECIFIED.

A. Military Spending

1. Summary

Despite his frequent cries for fiscal responsibility, Senator Dole has both initiated and supported legislation in this Congress to spend an additional \$218 million against the recommendations of the Department of Defense and the Office of Management and Budget. Moreover, another \$40 million saving was voted against by Dole even though the DOD planned to place the system on standby by the end of the fiscal year. Dole also fought legislation which could have saved \$6 billion in earlier sessions of Congress (ABM and European Troop Reductions). None of these wasteful projects would significantly enhance U.S. security.

2. VOTE: Dole's amendment 1699 to H.R. 12438, the DOD Authorization Act, FY 1977 (p. 8095, 26 May 1976).

ISSUE: Whether to increase the naval reserve to 92,000 personnel, some 40,000 above the DOD/OMB request and 12,5000 above the level recommended by the Armed Services Committee.

SIGNIFICANCE

Senator Dole himself admits his amendment would cost \$12.3 million more than the strength authorization of 79,500 as reported out of the Committee. Senator Nunn, the Armed Services Subcommittee chairman, however, listed the additional costs as \$30 million (p. S.8096 and S. 8101, 26 May 75). Indeed the difficulty with wisely spending these additional funds is cited by Dole in the debate when he quotes the Report of the Defense Manpower Commission:

There is a need for the Navy to make better use of its selected reserve... to assign and clarify reserve missions... to stabilize its reserve programs and to improve top-level management and support of Naval Reserve Units.

In the face of that indictment, in the face of the Administration's and DOD's and the Armed Services Committee unwillingness to add personnel, Senator Dole asks us to spend between \$12.5 and \$30 million for people the Navy doesn't want and evidently cannot effectively manage.

3. VOTE: Dole amendment to H.R. 12438, the DOD Authorization Act, FY 1977 (P. 7727, 20 May 1976).

ISSUE: Whether to add 22,500 personnel to the Naval Reserve 904, personnel to the active Navy to administer reserve programs and 181 civilian personnel to help administer the reserve programs (total added 23,585).

NOTE: Committee recommended (vote 11-4) 79,500 and this exceeded by 27,000 the Republican Administration request of 52,000. In contrast Dole wants to exceed by 50,000 people an Administration request.

SIGNIFICANCE (see item 2 also)

Dole himself admits the cost would be "\$38 million additional to raise the strength to 102,000.

These units that were added back are low-priority units not immediately essential for combat. The Department of Defense did not request another 50,000 personnel. Senator Dole is wasting \$38 million

4. VOTE: G. Hart amendment 1662 to H.R. 12438, DOD Authorization Act, FY 1977 (p. 8029, 26 May 1976).

ISSUE: Whether to delete 24 A-7D aircraft costing \$120 million from the bill.

DOLE: No MONDALE: Yes

SIGNIFICANCE

Senator Dole again voted to exceed budget requests. The Pentagon did not request these aircraft. The Air Force fact sheet distributed noted "Additional A-7D's are not required by the Air Force. General James B. Currie, USAF, said that by the availability date of 1979, "we USAF would essentially have completed our modernization program for the fither force in the Reserves." Further Aviation Week and Space Technology (24 May 1976) noted serious engine problems in these aircraft accounted for a majority of the nine A-7's lost in the last eight months of 1975. Whose judgement are we to accept -- Senator Dole or the Pentagon and the Air Force -- when they tell us

a weapon is not necessary.

Besides the obvious waste of \$120 million hard-earned tax dollars, Dole voted to endanger the lives of other pilots by continuing unnecessary procurement of a troublesome aircraft.

5. VOTE: Dole amendment 507 to S. 920 the DOD Authorization Act, FY 1976 (P. 9824 5 June 1975).

ISSUE: Whether to increase the naval reserve by 20,000 personnel. REJECTED BY A VOICE VOTE.

SIGNIFICANCE

Once more Dole wants to add personnel neither the Department of Defense, the Administration or the Armed Services Committee desire or need. Even his fellow Republican Senator Goldwater, a retired Air Force Reserve Major General, disagreed saying "there is no use for additional reservists." (P. 9795, 5 June 1975). More importantly, as Senator Nunn of the Armed Services Committee noted, "What is their job? Nobody can tell us." (p. 9796, 5 June 1975). Yet, Dole persists in wasting money for reservists with no mission

COST: No cost figures were provided in the debate. In the 1976 debates 12,500 reservists cost between \$12.5 (Dole) to \$30 billion (nunn) and 22,500 reservists cost \$38 billion (Dole). I have therefore arbitrarily assigned a value of \$30 million to these additional 20,000 reservists, conservatively computed by reckoning nearer Dole's own figures of \$38 billion for 2,500 more people one year later.

6. VOTE: Kennedy Amendment to H.R. 9861, DOD Appropriations Act, FY 1976 (P. 20314, 18 November 1975).

ISSUE: Whether to mothball all ABM (antiballistic missile) facilities at Grand Forks, North Dakota, except for the Perimeter Acquisition Radar System.

DOLE: NO MONDALE: Yes

BACKGROUND:

1972: U.S. and U.S.S.R. agree to limitation of 2 ABM sites.

1975: U.S. and U.S.S.R. Agree to limitation of 1 ABM site.

This site protects only about 100 Minuteman missiles of more than 1,054 land-based missiles. Further, if we consider our Polaris submarines and bombers, we have a total of more than 2,200 strategic "launchers". Thus, the ABM site only "protected" 4.5 percent of our strategic force. Was that investment worth \$6 billion?

NOTE: However, it was only after the Senate approved ABM in 1969 that the Soviets agreed to SALT talks. But, it can be argued that eventually the same economic common sense reasons which affect both sides would have produced a SALT-type negotiation.

SIGNIFICANCE

Dole has consistently voted against reduced ABM funding (6 Aug 1969; 15 December 1969; 12 August 1970; 29 September 1971; 5 June 1975; 18 November 1975). On this particular amendment Dole voted to spend an additional \$40 million (Hose Appropriation Committee estimate) despite the fact that Deputy Secretary Clements said DOD planned to place all operations-except the PAR system - on standby on 1 July 1976. The amendment thus allowed the vital acquisition radar to continue but mandated an earlier curtailment of other unnecessary operations. Fortunately, the amendment carried but Dole voted to waste \$40 million in 1975. Small wonder, what's \$40 million after supporting a \$6 billion boondoggle!

NOTE: Mondale should make clear he favors:

- Mothballing to preserve capability
- Supported PAR to allow further developmental work given continued Soviet missile development
- Tell citizens there is also money for advanced ballistic missile defense technology in the Research and Development side of the budget (\$70 million in 1975). If for some reason the U.S. had to develop an ABM system the technology funded by this program (advanced interceptor missiles, radars, target discrimination devices) would be the key to a successful defensive system. Thus Mondale is preserving our national security but not wasting taxpayer funds.

7. EUROPEAN TROOP REDUCTIONS

(p.42911-42913,23 November 1971)

Issue Whether to delete 50,000 personnel from U.S. NATO forces authorization levels.

Significance

Dole, in a statement, argued against any reduction saying such a move "would be ominous in a military sense and it would be politically injurious to the United States." His basic argument was that raising the issue weakened President Nixon's negotiating position regarding Mutual Balanced Force Reductions (MBFR).

Well, a test of leadership is how well an idea stands the test of time. Dole flunks. Five years later we are still negotiating on MBFR with no real results. More importantly, because of the Nunn amendment, the Army has proven there was excessive fat in our European support structure and by eliminating this waste gained tens of thousands of combat troops. Thus, we could have safely reduced by minimal numbers in 1971.

Equally significant and unmentioned in Dole's 1971 analysis was the economic growth of our European allies. For example, the Federal Republic tripled its GNP between 1950 and 1970. As Europe recovered from the effects of WWII, it is only fair these European states assume a more equitable share of the defense burden.

B. EXECUTIVE WARMAKING POWER

1. Vote : Eagleton Amendment to FY 1973 Second Supplemental Appropriations Bill, 29 June 1973.

Issue Whether to prohibit any funds in that bill or previous bills from being used to support combat activities in or over Cambodia and Laos.

DOLE: No

Significance

The effective date was 15 August 1973, months after American troops had left these combat zones. Yet, Dole voted to allow the broadest possible use of war-making powers by President Nixon. Although Dole had cosponsored the repeal in the Gulf of Tonkin resolution (24 June 1970?), he was unwilling to limit Presidential powers. By voting to reject

Congressional funding procedures, he approved of Nixon continuing to wage war without a congressional declaration of war. Further, by his devious attempt to amend this provision he sought to preserve excessive power by linking it to MIAs. The irony of his amendment was that, by allowing Nixon to continue bombing Cambodia and Laos, he increased the number of men captured or missing in action.

Only after seeing the tragic consequences of Viet Nam did Dole in July 1973 vote for curbs on excessive power (War Powers Act). Earlier, on April 13 1972, Dole voted against limiting Presidential war powers. A year prior, 18 June 1971, Dole voted no on an amendment requiring that a congressional declaration of war exist before the draft could be utilized--in effect, today's law.

C. DEFENSE JOBS

1. Vote Tower amendment 534 to S. 920, DOD Authorization Act
(p. 9933, 6 June 1975)

Issue Whether to guarantee military personnel that if they remain on active duty, they would not forfeit cost of living raises they would have received as retirees.

DOLE : Yes MONDALE : No

Significance : Although the amendment had some merit because, by increasing retention it might save dollars, it was fundamentally inequitable since it ignored 2,800,000 civilian government employees. Moreover, the analysis offered lacked any budget estimate or financial analysis. Finally, although the sponsor cited urgency in justifying the amendment, the problem has existed since 1971 with little positive action by the Nixon-Ford administrations.

The point to emphasize is that Dole evidently does not care about civilian government employees.

2. Vote Proxmire amendment 516 to S. 920, DOD Authorization (p.9650, 4 June 1975)

Issue : Whether to reduce civilian DOD employment by an additional 17,000. The Armed Services Committee had already recommended a reduction of 32,000 people.

DOLE : Yes MONDALE : No

Significance : Dole, who supports almost any weapons system, voted for forced layoffs and job losses in a recession. These additional cuts

could not be made through attrition (as was the 32,000) and lacked detailed analysis. Despite these faults, Dole voted to reduce jobs, a continuation of his anti-employment votes.

D. MISC.

1. Commisary subsidy

Vote : Bellmon amendment to H.R. 14262, DOD Appropriations ()

(p. 13601, 2 August 1976)

Issue : Whether to phase out over a six year period the clerk-hire subsidy for commissary personnel costs.

DOLE : Yes MONDALE : Absent

Significance : This is an emotional issue to military personnel which can be wielded against Dole. By voting to delete this subsidy he hurts military families.

The Bellmon argument that these funds would be used to increase combat capabilities is absurd. When did anyone see Congress identify savings, then turn around and earmark them for spending?

2. ARMS CONTROL

Votes : DOLE No : to establish an Arms Control Agency (19 Sept. 1961 and 23 Sept. 1961 Conference report)

DOLE No : To extend the existence of the Arms Control and Disarmament Agency through 30 June 1970 (6 March 1968)

Significance

Dole has voted overwhelmingly for weapons systems and against arms control measures. It is precisely such efforts that led to the Nuclear Test Ban Treaty and SALT I. Neither we nor the Soviets can indefinitely spend more, more, on arms but Dole only approves of negotiations when they are pushed by a Republican President.

THE ECONOMIC RECOVERY UNDER FORD

QUESTIONS

1. Didn't Ford inherit a pretty poor economic situation? Hasn't he really done a good job on the economy?

2. Inflation is now half what it was when Mr. Ford took office, there are more workers employed now than ever before, and economic growth has averaged over 5% this year. Isn't that really a pretty good record for Mr. Ford? And isn't the economic recovery on the right track?

ANSWERS

Theme: The economic recovery may exist in the minds of Mr. Ford's economic advisers but it hasn't gotten home to the pocketbooks of our people.

Ford's policies have added more workers to the unemployment and welfare rolls than the job rolls. Prices still out of control, rising twice as fast today as earlier this year. Value of average worker's paycheck lower today than when Ford took office. Deficits and debt are at an all time high. American people will have to judge whether this recovery is on track and whether the Administration has done a good job in putting our people back to work and getting prices under control. Carter programs stress putting our people back to work, getting the economy moving again, and getting the budget under control. Carter will be a President unafraid to speak out and exercise leadership in the fight against inflation. If on January 20 Carter is President and the recovery is still slumping, he will recommend to Congress a substantial tax cut for individuals to spur increased buying power.

A. Attack Points

1. Let's look at the record.

2. The unemployment rate is almost 8% and there are almost 7½ million workers unemployed. That's 2½ million more people unemployed than when Mr. Ford took office. The average worker has had a better chance at losing a job than finding one during the past two years.

3. Mr. Ford always talks about creating private jobs but the fact is there are fewer workers on private non-farm payrolls today than there were when Mr. Ford took office. The growth in employment Mr. Ford keeps talking about is primarily in government jobs.

4. In 1968, a dollar was worth a dollar. Today it's worth 61¢. And if you spend it just for groceries, it's worth only 57¢. Cost of the average new home is over \$40,000, more than twice as high as it was 8 years ago. Prices are rising today twice as fast as they were at the beginning of this year. Because of high inflation, the average worker's weekly paycheck is worth less today than it was in 1968 and less than when Mr. Ford took office. When paychecks can't keep up with the cost of living, I wouldn't say we're having a recovery.

5. Deficit spending and debt are at all-time highs. Mr. Ford's most recent deficit (\$65 billion) was the largest in our history and greater than all the deficits for the Kennedy-Johnson years put together.

6. Behind all these numbers are the tragic realities of family breakdown, increased crime, workers on an economic treadmill, families having to cut back on the quality of food they put on their table.

7. American people will have to judge whether this Administration's economic policies are on the right track. They will have to judge whether people are being put back to work. When they go to the supermarket or the automobile showroom or try to buy a new home, they will have to judge whether prices are under control.

B. Positive Points

1. Carter rejects Ford's policy of high unemployment and high interest rates as a way to fight inflation. Carter programs will take on unemployment and inflation at the same time because we won't make any progress trying to fight them separately.

2. Carter programs will stress putting our people back to work and getting the economy moving steadily ahead. Employment programs will be targetted to those geographic areas and those groups in the labor force suffering the highest unemployment. We'll use a wide range of policies to fight inflation, from a food reserve program to increased cooperation among labor, business, and government to an activist President who is not afraid to speak out against inflationary wage or price decisions.

3. Carter will manage the federal budget and get it under control. This Administration has lost control of its own budget -- currently there's \$15 billion they can't account for. That sounds like a lot of money to just lose or misplace -- but somehow they've done it.

4. If on January 20, Carter is President and there's still high unemployment, a slumping economy, and no real consumer buying power, Carter will recommend that Congress enact a substantial individual tax cut.

5. With steady economic growth and competent management, we can get full employment and stable prices. JFK and LBJ did.

C. Likely Ford Responses

1. Ford Comment: The number of people employed has been higher under the Ford Administration than at any time in our history. Ford has created ___ million new jobs in the last ___ months. And the high unemployment rate is misleading because it is a function of a very rapid growth in the labor force.

Carter Response:

(a) The fact is that Mr. Ford's policies have added more workers to the unemployment and welfare rolls than the job rolls. Actually, the number of workers employed fell by 162,000 last month. The labor force fell significantly, indicating that a lot of people are becoming so discouraged about not finding work they are giving up and dropping out of the labor force.

(b) Mr. Ford always talks about creating private jobs but the fact is there are fewer workers on private non-farm payrolls today than there were when Mr. Ford took office. The growth in employment Mr. Ford keeps talking about is primarily in government jobs.

(c) The principal reason for the growth in the labor force that has occurred is that a lot of families now need two breadwinners in order to keep up with the rising cost of living. Is Mr. Ford blaming the American people for the high unemployment rate because they need to work because of Mr. Ford's failure to hold down inflation?

INFLATION AND SPENDING

QUESTION

1. The Administration and others charge that you are for a lot of big spending programs, including the Democratic Platform, that would accelerate inflation. Won't your spending proposals start a new round of inflation?

ANSWERS

Theme: The waste in federal spending and the huge budget deficits we have had under Mr. Ford do contribute to inflation. Mr. Ford has had the highest spending and biggest deficit record in the history of this country. The billions of dollars he has spent to keep people on welfare and unemployment compensation contributes nothing to the production and supply of goods and services in the economy. The Administration is paying people to do nothing, which adds to the cost and inflationary pressures in the economy. I am totally opposed to these huge deficits, and I would decrease inflationary pressures by investing this money in productive activities that would achieve full employment and a balanced budget.

A. Attack Points

1. The 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. Mr. Ford himself has proposed deficits of \$140 billion. 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.

2. Much of the Ford spending is to keep people on welfare and unemployment compensation, which does not increase production and the supply of goods and services. We are paying people to produce nothing and that increases costs and inflationary pressures.

3. 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 years. 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 needy, 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.

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 5.5% annual growth achieved in the Kennedy-Johnson years (1962-66).

2. Last year alone we spent about \$17 billion, or roughly \$300 for each family in the land, for increased unemployment benefits and welfare costs brought on by the Republica 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 reduce 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 too.

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 20 to 22% of our total national income, which is less than the proportion today.

5. Finally, I would fight inflation directly by increasing productivity, eliminating outmoded government regulations, and increasing competition in the private economy. I believe more competition is a key way to reduce inflation. I would implement an anti-trust policy that would encourage small business and make big business more competitive. I would also have a tough anti-inflation agency to investigate and prevent unjustified increases in prices by giant corporations.

DEFICITS

QUESTIONS

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

ANSWERS

Theme: I'm for saving money, but you don't do it by paying people not to work. By ~~concentrating~~ his vetoes on jobs legislation, Mr. Ford has weakened the economic recovery, increased unemployment, encouraged people to accept welfare instead of work, and brought this nation the largest budget deficits in our history. The way to save money is to get the economy moving again and put people to work.

A. Attack Points

1. Mr. Ford's vetoes show a misunderstanding of our economic problems and how to save federal dollars. He represents the Republican party's negative stance of opposing, rather than proposing, solutions to the nation's problems. We know what Mr. Ford's against, but we don't know what he and his party are for. Every major social advance of the last fifty years has been preceded by a Republican charge that it couldn't be done. Mr. Landon was opposed to Social Security. Mr. Nixon said we couldn't afford aid to education. Mr. Ford voted against Medicare as a Congressman.

2. The Ford vetoes have saved little money relative to the tax dollars wasted on recession - related expenditures for welfare payments and unemployment compensation. The Senate Budget Committee has estimated that the dollar savings from the Ford vetoes is only \$4.0 billion. Most of this money was for jobs (\$2.4 billion) -- putting people to work where they can become tax paying citizens, contributing to a reduction of our deficit and taking them off of welfare and unemployment compensation. The cost of recession related welfare expenditures and increased unemployment last year alone was about \$17 billion and the Ford deficit was \$65 billion. I'm for saving money, but you don't do it by paying people not to work.

3. Mr. Ford's deficits are directly due to Republican economic mismanagement. His budget deficit last year was the largest in U.S. history. You cannot balance the federal budget by unbalancing the budgets of American families.

4. And there are questionable Ford vetoes that did not involve funds, such as the amendments to the Freedom of Information Act, which would have allowed citizens to obtain more information from government bureaucracies.

B. Positive Points

1. You cannot oppose, you cannot veto, and you cannot say no to all the problems this nation faces. As Governor, I vetoed many bills and would not hesitate to veto bad bills passed by a Democratic Congress. But we must have some positive solutions offered to our problems - some vision and purpose of what we should do in this country to get it moving again.

2. The way to end budget deficits is to put our people and plants to work to restore strong economic growth and eliminate waste in the Federal government. We would have a balanced federal budget today if we cut waste in government and had full employment.

UNITED NATIONS

QUESTION

View on whether U.N. has become forum for abuse of U.S. and is worth continuing in present form?

ANSWERS

A. Attack Points

1. Administration has allowed U.N. to turn into forum for abuse of U.S.:

--made no proposals to change current voting system--now 150 members (originally 51); all have equal votes--some have only 16,000 people compared to our 235 million.

2. Administration has made no attempt to involve Congress or people with our U.N. policy; if U.N. was not in this country, Americans would never know what goes on.

3. Administration has pushed third world into a bloc, instead of treating each country as an individual situation.

B. Positive Points

1. U.N. has valuable work to do -- especially its parts which are concerned with lives of children; and with world health; should work to preserve these parts of U.N. -- and should insist that those nations which most benefit from these operations stop playing petty politics in U.N.

2. Would propose a weighted voting system in General Assembly, taking into account such factors as population and financial considerations.

3. Would appoint an ambassador willing to stand up in General Assembly for America, Israel and other protectors of freedom.

INTERNATIONAL TRADE

QUESTIONS

1. Implement a different trade policy?
2. How protect U.S. workers from import competition?

ANSWERS

A. Attack Points

1. Under Republican Administration, nation recorded its first trade deficit in 1973 (imported more than exported); for first half '76 - running deficit at annual rate of \$5.3 billion

2. Trade balance will continue to worsen as long as American economy continues no-growth performance; unemployment is at second levels; value of dollar is weakened as result of rampant inflation; and the no-energy policy requires massive importing of expensive foreign oil.

3. Administration allowing current round of trade negotiation in Geneva--which would broaden greatly the markets for American products (especially agricultural)--to bog America down and become deadlocked

B. Positive Points

1. First step toward improved trade balance is improved economy: need to reduce unemployment, curb inflation, utilize full industrial capacities. Strong domestic economy will not only strengthen our trade balance but also lead to improved world economy.

2. Also must adopt a national energy policy that can produce domestic energy at affordable cost (example: expand coal use, develop solar economy); get away from Ford's policy of higher prices and increased Arab imports (more now than before embargo).

3. Must get trade negotiations off dead center; can do this by applying greater pressure and by showing far greater concern for the problem; because the subject is boring, Kissinger has not become interested enough to show that concern. Our goals in negotiations should be to reduce both tariff and non-tariff barriers, in order to expand markets for us *to him,*

4. ~~Until final negotiations are completed, it may be necessary to slow down temporarily growth of imports in certain industries, or to provide other types of financial and technical aid. Would support temporary legislation to do that.~~

1. First step toward improved trade position is improved economy: need to reduce unemployment, curb inflation, utilize full industrial capacities. Strong domestic economy will lead to improved world economy.

2. Also must adopt a national energy policy that can produce domestic energy at affordable cost (example: expand coal use, develop solar economy); get away from Ford's policy of higher prices and increased Arab imports (more now than before embargo).

3. Must get trade negotiations off dead center; can do this by applying greater pressure and by showing far greater concern for the problem; because the subject is boring to him, Kissinger has not become interested enough to show that concern. Our goals in negotiations should be to reduce both tariff and non-tariff barriers, in order to expand markets for us.

① *vision*
DEBATE Q. AND A. - AVOIDING FUTURE WATERGATES

Q. What can be done to avoid future Watergates, particularly in light of your wishes to restore an honest government?

A. We Americans have always shared one thing in common: a belief in the greatness of our country. We have dared to dream great dreams for our Nations. We have taken quite literally the promises of decency, equality, and freedom - of an honest and responsible government.

Recently we have discovered that our trust has been betrayed. The veils of secrecy have seemed to thicken around Washington. The purposes and goals of our country are uncertain and sometimes even suspect. Our people are understandably concerned about this lack of competence and integrity. The root of the problem is not so much that our people have lost confidence in government, but that government has demonstrated time and again its lack of confidence in the people.

With the shame of Watergate still with us, it is time for us to reaffirm and to strengthen our ethical and spiritual and political beliefs. There must be no lowering of these standards, no acceptance of mediocrity in any aspect of our private or public lives.

There is of course one simple and effective way for public officials to regain public trust - be trustworthy. High government positions must never be used simply as a reward for ^{personal or} party loyalty or as a dumping ground for out of work politicians. If I am elected, I promise that all of my appointees will be people of demonstrated ability to do the tasks that must be performed and commitment to uphold the public interest.

But simply appointing good and capable people is not enough

to assure honest government over the long run. There will always
be a few who will try to take advantage of their position, even
though we can hope never to find the epidemic of abuses we have
seen in recent years. To minimize the chances for this kind of
abuse, we must take a number of steps to tighten up the rules
and procedures designed to expose wrong-doing:

First, we must require public disclosure of the income and financial holdings of all major public officials, and the elimination of the conflicts of interest that are revealed.

Second, we must impose restrictions on the sweetheart arrangement between regulatory agencies and the industries they regulate, by imposing restrictions on the employment of such individuals by the industries they are supposed to control.

Third, we must adopt an all-inclusive "sunshine law" so that in normal circumstances government agencies will meet, deliberate, and decide in public, with the votes recorded and the news media present.

Fourth, we must require full disclosure of the activities of lobbyists in both the legislative and the executive branch, including their contacts with government officials and their expenditures of funds.

Fifth, Congressional elections, like our Presidential elections, must be federally financed to eliminate the ^{inordinate} influence of large contributors in our legislative process.

Finally, we must have provision for a court-appointed Special Prosecutor who can investigate claims of wrongdoing should they arise.

Every one of these proposals could have been adopted by

now if President Ford had actively pursued them. Several could be adopted even yet by Executive Order if President Ford wanted to do that. Others could have been pushed through Congress if the Administration had developed proposed legislation and supported it. Instead, the Administration has vacillated on the Special Prosecutor, dragged its feet on the pending sunshine law, and shown complete indifference to the rest.

If we are to insure against a recurrence of the evils of Watergate, we must elect a President who not only promises honest people, but will institute the legal and structural reforms that will keep people honest.

I. THE PRESIDENCY

President Ford has restored trust and credibility to the Presidency. Mr. Carter would only mean a return to big-spending liberal Democratic programs the country can't afford-- he is inexperienced and an unknown quantity.

Basic Statement. I favor an active Presidency and an open Presidency - - - active, because the people deserve energetic problem-solving leadership equal to our problems; open, because only the open conduct of the people's business can and will be worthy of their understanding and support. I also favor a Presidency that will listen as well as act. We are coming to an end of an eight-year period in which the Presidency has been conducted, first, in a negative, secretive and destructive way and, now, as a drifting, unresponsive caretakership with limited vision of where America ought to be headed.

1. The Presidency should once again reflect the character and the will of the American people.

- - - Americans are not deceitful; they are open and truthful. They are not fatalistic, waiting for problems to overtake them. They are optimistic and they work hard.

They believe that problems can be solved--or at least challenged. There is hope and energy in this country that has been suppressed and dampened for the past eight years. The President should call these qualities forth again.

-- I believe that the American people would rather be told the truth about the country's problems--and then be asked to make the sacrifices it will take to solve them--rather than being given bland reassurances day-to-day that everything will somehow work out. The energy crisis is a prime example. Today, we are importing 25% more foreign oil than we did when the Arab embargo took place three years ago, and at three times the expense. Over 40% of our oil today is imported--and an increasing share of it from the very countries that imposed the embargo three years ago. But there is still no coherent national energy policy emanating from the White House. Only token basic conservation measures have been implemented here at home and most of that has been initiated by Congress. So far we have no energy policy--only a slogan. "Project Independence" is the energy equivalent of WIN buttons. The President should not hesitate to ask more of our citizens, rather than little, in such a critical issue.

2. The President should have a view of the country as a whole -- not just a knowledge of recent Washington bureaucratic and legislative history.

- - - As Governor of Georgia, I was on the receiving end of many Washington programs and regulations. Almost all put heavy bureaucratic burdens on state and local government. For example, in order to establish a statewide drug abuse program, we were forced to deal with 13 separate and uncoordinated Federal agencies. As a Navy officer, as a businessman, as a nuclear engineer, as a farmer, as a state legislator, governor, and taxpayer--not as part of the Washington establishment-- I have become convinced that many government programs have become ends in themselves. As Governor of Georgia, I instituted "zero-based budgeting" procedures - - - making each state government agency justify its programs and expenditures from the ground up, rather than being automatically funded, year to year. I reorganized state government to make it more efficient and more responsive to ordinary citizens.

- - - I intend, as President, to request authority from the Congress to undertake a federal government reorganization with exactly the same objectives in mind. I have been warned by some people, who have been in Washington for many years, that I ought to set this effort aside . . . that it would be just too difficult and painful to attempt such a thing. I know one thing: it will never be done if there isn't a President willing to make the effort. (I heard exactly the

same thing, by the way, when I said I wanted to streamline and reorganize state government in Georgia).

I believe every problem should be addressed at the lowest level of government able to deal with it.

3. I believe we need to make a change in the way we view the office of the Presidency.

- - - We have seen the Presidency slowly but surely evolve into a kind of imperial office in which our chief executives, and the people around them, have come to be treated as monarchs and princes. Big black limousines. . . trumpet flourishes . . . black-tie and white-tie pomp and ceremony - - - I suspect President Lincoln or President Truman would be shocked at what the office has become. I believe the President should be seen as Temporary First Citizen - - - a hard-working able citizen, in his shirtsleeves, who is at the head of government for four or at most eight years--not as some remote, glamorous figure whose wisdom and purposes are to be regarded as somehow beyond the understanding or questioning of the rest of us.

- - - If I am elected, for instance, it would be my intention to hold nationally-televised sessions in which the American people could call me by telephone, for an hour or 90 minutes at a time, and ask me anything at all about their

government. In Washington, and as I traveled around the country, I would set aside a specific time in my schedule to talk with ordinary citizens and to hear their ideas, criticisms, and suggestions. I did this in Georgia and it worked. I would look forward to having this regular communication with the American people, and to being held accountable by them.

4. Finally, beyond the openness and activeness, beyond the application of management that has been lacking, I believe the President must offer the country a vision for the days ahead.

- - - Contrary to what the Republican Party would have us believe, we cannot retreat to the warm nostalgia of remembered times.

- - - My own vision is of a country where fairness and excellence can live side by side. By fairness, I mean a country where each citizen pays his fair share of taxes, no more or less . . . where there are no artificial barriers to anyone's chance to live, work, or worship where he chooses. . . where there is a job for every able-bodied person who can fill one . . . where we care as a society for those who cannot adequately care for themselves. . . where every citizen will have the chance to satisfy his maximum potential as a human being, without regard to sex, or race, or region, or the spelling of his name.

By excellence, I mean a country where every man or woman will do the best he can in his or her daily life. This means that our educational system will have to take greater care that our children are able to read, to write, to use mathematics skills, to reason and to think beyond the levels reached in our schools today--so that excellence can be reached. It means a pride in the quality of work - - - whether that work is being done by an astronaut on a mission in outer space . . . by a farmer on his land . . . by a teacher or automobile worker or by the President of the United States. It means a renewed faith in ourselves and in what our country represents to mankind - - - the stronghold of the idea, for 200 years now, that people of all kinds can live together, and with others, in peace; can govern themselves; and can protect the safety and liberty of all. That is my vision and it would be my guide as President.

Presidency Questions

Question #1: "Governor, you say you want to end the Imperial Presidency and restore trust. But hasn't Mr. Ford done that? His administration has been honest and open--certainly the opposite of the Nixon Administration."

No one accuses Mr. Ford of sharing Mr. Nixon's personal corruption. There's a substitute quarterback off the bench, but the players are the same. He is an honest man, but he has not given us open government. His Secretary of Commerce had to be cited for contempt after 5 months resistance to telling the Congress about the anti-Israeli boycott. Inactivity and drift are not the key ingredients in restoring trust and responsiveness to the Presidency. It will only come from an open, active and compassionate administration with new people and perspectives--able to make a fresh start.

The White House staff is still much larger than under either President Kennedy or Johnson. The White House budget is four times larger than it was in 1969 when the Republicans took office. There are at least 27 chauffeur-driven vehicles for White House staff. Mr. Ford's staff now fills four buildings.

Followup question: "What are your own specific plans to end the Imperial Presidency and restore trust?"

--First, and most important, I would regard the office, if elected, as a place where I was serving as Temporary First Citizen, not as some imperial potentate.

--I would consciously cut back the White House staff to about half its present size.

--I would return much operational responsibility to the Cabinet members, who in recent years have become rubber stamps and figureheads for hidden and unknown White House staff members. People should know who's in charge and have access to them.

--I would insure application in the executive branch of a sunshine law providing that important meetings and deliberations were open to the public. I would require complete financial disclosure of all main officials. No gifts. No conflicts of interest. No secrecy.

--I would regularly make myself available to the public not only through regular press conferences but also through regular, nationally-televised programs and regular meetings in the country, in which I would receive and answer questions by ordinary citizens, without any rehearsal or screening.

--At the same time, and make no mistake about it, I would actively and energetically push hard to address and solve our national problems. The President should exert leadership, but not abuse power. There's a big difference. (N.B.: While Ford has reduced the Nixon White House staff from 540 to 485, the staff budget has increased from \$3.5 million to \$16.5 million. The Executive Office of the President has continued to grow. There are twice as many people making over \$40,000 per year.)

Question #2: "Governor, you've been charged, however, with surrounding yourself with young, inexperienced Georgia aides--much like Haldeman and Ehrlichmann were before 1968--who carry out your instructions but who have no independent experience or judgment of their own. Wouldn't this lead to abuses of power, and insulation from reality, such as that in the Nixon White House?"

No. I think you should look at my record as Governor if you want to see how I would form my administration. I sought, and appointed, the best people I could find--in Georgia and outside Georgia--to manage the departments and agencies of state government. They were not political appointees, in the sense in which the phrase is usually used, but were solid, able people with integrity and independence.

Question #3: "We hear you already are forming a new Administration? Isn't this presumptuous? You haven't won the election yet."

--No, I am not taking the election for granted. A staff group is looking very carefully at legislative and administrative options and initiatives of a transition and which will face a new President in January, and will report to me if I'm elected. I in no way want to seem presumptuous in looking toward 1977, but if I should be elected, I want to be as well and responsibly prepared as possible. I think that is an obligation I have to the people.

Question #4: "Mr. Carter, you have talked about a Presidency unifying the country. But isn't your Baptist religion an obstacle to that? Many Jewish and Catholic voters, particularly, remember past intolerance toward them and, perhaps unfairly, associate it with the South and with your religion."

--I think very few Catholic and Jewish Americans really have that fear. If anything, I think my faith might be a reassurance to them. I have never used my office to impose my beliefs on others. One of America's great strengths is the pride our people have in their own cultural and religious

traditions. In any case, I would hope that, in 1976, someone's religious faith would not be considered an obstacle to the holding of any public office. I have no reason to believe that it is. My own state of Georgia, I might add, voted for Al Smith in 1928 and John Kennedy in 1960--he carried Georgia by a bigger margin than he carried Massachusetts.

Question #5: "You've said in your book, and elsewhere, that you are a man who does not like to lose. You have also said that your principal fault is stubbornness. You were in frequent conflict with the Georgia legislature. How do you expect to get such programs as reorganization and welfare-reform through a Congress that is independent and jealous of its prerogatives?"

--It's always been in my nature to fight hard for programs and policies I believe in.

--Before presenting my proposals to the Congress, I would counsel at some length with the Congressional leadership and with appropriate committee chairmen. I would hope that I could gain their support. I would certainly need their advice.

--I would not be bound, however, solely by the judgments of the Congress. There is a separation of powers, and it is the President's responsibility to exert leadership for his own goals and programs, just as it is his responsibility to sometimes veto legislation which he regards as not in the national interest. I would hope, though, that situations of such conflict could be held to a minimum. It would not be my intention to create them unnecessarily. By presenting a positive program to Congress, and providing constructive leadership, I believe I can avoid the unnecessary conflicts with the Congress which have hurt our country.

Question #6: "President Nixon abused power. But didn't Presidents Kennedy and Johnson also abuse power? They got us involved in Vietnam. There was the Bay of Pigs debacle. President Johnson lied to the country about the course of the Vietnam war, about the money that would be needed to pay for it, and set the stage for much of the current inflation by trying to finance both the war and the Great Society at the same time. There are those who say that President Ford, given the conduct of his office over the past two years, would be less likely to abuse power than you would. You are a far more active man."

--There is a difference between constructive use of the government's power and its abusive use, as with Mr. Nixon, or its disuse, as with Mr. Ford.

--It's often been said that to govern is to choose. The present Republican Administration, by choosing to drift and refusing to act, has in its own way abused the powers at its command. It is a passive abuse of power, in my judgment, to allow unemployment to remain near 8 percent, and inflation near 6 percent. It is a passive abuse of power for the government to sit vulnerably without an energy policy while we become further hostage, day by day, to OPEC oil blackmail. It is a passive abuse of power to permit disorganization, mismanagement, unqualified appointments, and secrecy continue on a business-as-usual basis throughout the bureaucracy. I would act to solve these problems--constructively and with full and responsible use of the President's authority.

Question #7: "Why do you want to be President? Why do you think you're qualified?"

--As John Kennedy said, when Richard Nixon criticized his qualifications, there are many paths to the Presidency.

I have taken a path through the private sector and state and local government, rather than the path of a career Washington politician. I've been a farmer, businessman, an officer on a nuclear submarine, a school board chairman, state legislator, and Governor of my state. I've experienced real-world problems and been on the receiving end of Washington programs and red tape. Over the past two years--as long as Mr. Ford has been President--I have criss-crossed this country, day after day, standing in the factory lines and the living rooms of America. I have been talking to, and more importantly, listening to, Americans from all walks of life. I think I know how government can serve people and not just the bureaucrats.

-- I want to be President because, all my life, I've wanted to give service to my country. For a time, I had a career in the Navy. When my father died, I returned home to run the family farm. But I remained dedicated to public service. During my years as governor, I became particularly troubled about our country and the performance of our national government. I've been concerned, as others have, about the drift and cynicism that have become too great a part of our life. I'm not a man who can stand by and see things that are wrong. I believe every citizen ought to do the most he can--to the limit of his abilities--to effect good and to help his country. For me, the Presidency offers the greatest chance to do that and to provide new leadership to move our country forward. The Presidency is not an end in itself. It is a way one person can help his country. The power is unimportant, the opportunity is everything. Finally, I believe I have the capacity to do it.

20

THE PRESIDENCY

Q.: Since Watergate, and since the war in Vietnam, we have come to look very carefully into the character of our Presidents and potential Presidents. It's been charged that many aspects of your character are like those of former President Nixon -- that is, you are a loner surrounded by only a handful of early supporters from Georgia, that you do not tolerate dissent easily, and that you would run a White House devoted primarily to the exercise of power, isolated and apart from the people? Are these unfair judgments? If so, why?

ANSWER:

You are entirely correct in stressing the very great importance of Presidential character. As I said repeatedly during my quest for the Democratic Presidential nomination, it is about time that the American people had a government as decent and as compassionate as they are. And a vital component in this government is the character of the President.

--Since it is impossible for a Presidential candidate to know personally only the smallest fraction of the American people, citizens must necessarily rely on the candidate's demonstrated record in public service. How did they behave when in office?

--I believe I do not overstate the case when I say that I conducted the most open and responsive administration in the history of the State of Georgia. I brought strict sunshine procedures to the conduct of state business. I enforced a very strict conflict of interest standard on all state employees.

I annually disclosed my personal income tax returns, in full, not just a summary, long before it was expected of public officials. I installed toll-free telephones so that any citizen with a problem could communicate directly with state officials. I conducted regular "peoples' days" when I would meet personally with any citizen who needed to talk directly with the Governor. I met regularly with the press. These strict standards of openness and accountability during my term as Governor paid real dividends. There was never the slightest hint or suggestion of scandal in my administration and I believe I provided the citizens of Georgia with high quality, responsive government.

--I would apply exactly the same standards and procedures to my conduct of the Presidency, if I am elected. Among my first acts as President I would sign executive orders requiring complete financial disclosure by all important officials, prohibiting all financial conflicts of interest, and requiring broad sunshine requirements for open meetings and open records. Mr. Ford has had two years to act in this fashion and he has chosen not to do so. I would drastically cut the size of the White House staff whose annual budget has increased from a \$3.5 million budget in Mr. Nixon's first year to a \$16.5 million budget that is proposed by Mr. Ford this year. I would drastically reduce the size of the White House staff that can only serve to isolate the President from his cabinet officers and the people. I would meet

regularly with the press, with no less than 20 news conferences per year. I would hold regular question-and-answer public forums with ordinary citizens outside of Washington.

--Finally, if you would examine the backgrounds of persons I appointed to high policy positions in my administration when I was Governor of Georgia, you would find that I searched the country for the best available persons. And, as President, I would have an administration that is representative of many points of view and these viewpoints would be welcomed and listened to. I'm smart enough to know that I don't have all the answers. ~~As a~~ matter of fact, it would be a welcome change to have a staff meeting when someone said, "Jimmy, now that's a good idea."

PRESIDENCY

QUESTIONS

1. What would you do to minimize the so-called Imperial Presidency which has developed over the years?
2. Hasn't Mr. Ford ended the Imperial Presidency and restored trust?
3. How does your concept of the Presidency differ from President Ford's?
4. Do you intend to have an open Presidency or to rely on a small number of close aides as you have during the campaign?

ANSWERS

A. Attack Points

1. Openness. Mr. Ford's White House has not been open -- too few press conferences; little contact with the people; vetoed amendments to the Freedom of Information Act; failed to support sunshine legislation or to impose sunshine requirements on Executive Branch; invoked executive privilege on Arab boycott names; continued Nixon secrecy in foreign policy development.
2. High Standards. Has not taken essential steps on financial disclosure or conflicts of interest. Has allowed White House staff budget to reach \$16.5 million from a 1969 Nixon budget of \$3.5 million, a staff which serves to isolate the President.
3. Leadership. Has failed to work with Congress and has not managed the Executive Branch.
4. Manipulation for Partisan Ends. Has manipulated policy -- grain support level, B-1, Israel arms sale timing, appointments, beef and wheat import quotas -- to serve partisan ends.

B. Positive Points

1. If elected, I would serve as Temporary First Citizen, not as some imperial potentate. I operated in this fashion as Governor of Georgia. Specifically, I instituted sunshine requirements, enforced strict conflict of interest standards on all State employees, annually disclosed my personal tax returns, installed toll-free telephone for citizens to call State officials, conducted "peoples' days," met regularly with the press and appointed officials solely on the basis of merit. With these types of standards, I believe Georgia's citizens received open, high quality and responsive government.

2. These same standards would apply to my conduct of the Presidency. I would cut back White House staff by 25%, return significant operational responsibility to Cabinet members, impose sunshine requirements upon Executive Branch, require financial disclosure and prohibit conflicts of interest.

3. Have regular press conferences and hold regular question-and-answer public forums with ordinary citizens outside of Washington.

4. Conduct a nationwide search for talented men and women, regardless of Party affiliation, of many points of view and appoint government officials strictly on the basis of merit.

5. Make government efficient, well-managed and responsive to meet real needs of people. Take aggressive action to reform and reorganize government and work with, not against, Congress by presenting positive programs and providing constructive leadership.

6. In foreign policy, full prior consultation with Congress and honesty with American people.

C. Likely Ford Responses

1. Committed to open Presidency. Already had many press conferences, meetings with members of Congress and visitors. Reduced size of White House staff and signed into law sunshine bill.

2. Committed to high standards in Executive Branch. Has made high quality appointments (e.g., Levi, Coleman, Justice Stevens), had no corruption in his Administration, restored trust in Presidency; imposed strict standards of conduct on White House staff and counseled Cabinet officers on conduct of their executive departments.

3. Committed to responsible government and control of reckless spending by and programs of Democratic Congress. Has taken action to get government off back of business (e.g., deregulation, reduction in paperwork), and is trying to keep down government spending.

D. Rebuttal

See above.

UNITED NATIONS

QUESTION

View on whether U.N. has become forum for abuse of U.S. and is worth continuing present form?

ANSWERS

A. Attack Points

1. U.N. is still worthy of our participation and commitment, but Administration has allowed U.N. to turn into forum for abuse of U.S. and Israel

-- made no proposals to change current voting system -- now 150 members (originally 51); all have equal votes -- some have only 16,000 people compared to our 235 million.

2. Administration has made no attempt to involve Congress or people with our U.N. policy; if U.N. was not in this country, Americans would never know what goes on.

3. Administration has pushed third world into a bloc, instead of treating each country individually.

B. Positive Points

1. U.N. has valuable work to do -- especially its parts which are concerned with lives of children; and with world health; should work to preserve these parts of U.N. -- and should insist that those nations which most benefit from these operations stop playing petty politics in U.N.

2. Would propose a weighted voting system in General Assembly, taking into account such factors as population and financial considerations so U.S. would have a greater voice.

3. Would appoint an ambassador willing to stand up in General Assembly, for United States, Israel and not bend to irresponsible pressure. Would not have eased out, as did this Administration, an ambassador like Moynihan; would support him.

EXAMPLES OF WASTE AND MISMANAGEMENT IN THE FEDERAL GOVERNMENT

Regulation

--Government regulation is still governed by the same concepts that were current during Queen Victoria's era, despite enormous changes in the economy. The amount of regulation, however, has exploded. In 1887 there was one federal regulatory agency -- the Interstate Commerce Commission. Today there are 82. These 82 agencies support 85,000 employees at a cost of \$2.9 billion. In 1975 they published 45,000 pages of rules, regulations and standards in the federal register, which required filings from industry that cost the consumers an estimated \$40 billion. The budgets of 11 of the most important agencies have increased four-fold in the last decade.

--The Civil Aeronautics Board, for example, has apparently worked more to protect the status quo in the airline industry than to help the public. Between 1950 and 1976 the CAB received 79 applications to enter air service from firms outside the domestic scheduled industry. It granted none. 90% of all air service is still provided by the same 16 (now merged to 10) companies that were in existence when the CAB was established in 1938. A recent study of the CAB found that two-thirds of its field investigative resources were directed to enforcing rules preventing airlines from charging "improperly low" fares.

--Regulation of the airline industry has apparently worked against the consumer rather than for him. For example, the minimum fare between Boston and Washington on airlines regulated by the Civil Aeronautics Board is \$54. For the trip between San Francisco and San Diego, which is almost exactly as far, but which is not regulated by the federal bureaucracy, the fare is \$31.75. Economists estimate that the CAB's present system costs consumers from \$1-\$3 billion per year.

--If the Civil Aeronautics Board allowed freer competition, international and coast to coast fares could fall to half their current level. Estimates by Boeing, Lockheed and others show that the New York-Los Angeles fare could fall to about \$90 one way (from its current level of \$180) if first-class were eliminated, more seats were added to the planes, and 65-70% of the seats were filled. Laker Airways has proposed to fly from London to New York for \$125 each way--a little more than one-third of the current economy fare. The CAB turned the proposal down.

--In 1963, the Chicago and Northwestern Railway applied to the Interstate Commerce Commission to acquire parts of the Chicago, Rock Island and Pacific Railroad. After 50,000 pages of testimony, 100,000 pages of exhibits, and 13 years they are still waiting for an answer. Meanwhile the Rock Island and Pacific, which has been losing money for nine years, has gone bankrupt.

Over 50% of all airline crashes world-wide occur when the pilot flies unknowingly into the ground. In 1972 and 1973, such crashes resulted in the loss of 1,120 lives and 20 aircraft. At that time the Federal Aviation Administration was aware of a device called a ground proximity warning system which could warn pilots with lights and loud taped voices to pull up should a plane be in danger of a crash due to inadvertant proximity to the ground. Though the cost of installing a warning system was only about \$11,000 per plane -- an insignifant amount compared to the \$5-25 million price tag for each airliner -- the FAA refused to require such devices on planes. Finally, in 1974 the crash of a TWA 727 with the loss of 92 lives prompted the FAA to require this device on all airliners by December 1976.

--In 1969 the Federal Aviation Administration issued an advance notice of a proposed rule setting smoke emission standards for aircraft interiors subjected to fire. On August 8, 1973 the widow of a crash victim killed by inhalation of smoke and poisonous fumes filed a motion for emergency action. No action has been taken yet and the FAA has done nothing to reduce the danger of passengers from toxic emissions from burning materials.

The Federal Power Commission has a computer program which was designed in 1968 to help the Commission to evaluate proposals submitted by the oil and gas industry for new pipelines. When the program was in use it reportedly saved the public hundreds of millions of dollars each year by establishing where the new lines were most needed. But the program was dropped during the Nixon years because the gas companies, who receive a fixed rate of return on their investment and thus have an incentive to build as many pipelines as possible, were opposed to it. (This example is documentable but is not yet in public domain.)

Recently the President's Council on Wage and Price Stability elected to release a long bottled up report on apparent monopoly pricing practices in the aluminum industry. The economists who wrote the original study recommended consideration of strong anti-trust action to forestall repetition of recent anti-competitive pricing policies. They cited the 100 + percent increase in aluminum prices over the past 3 years despite steeply declining demands. But after strong protests by the two largest aluminum companies the Council elected to delete the recommendation for action in releasing the report.

finally published, FDA took the extraordinary step of soliciting petitions from manufacturers for exemptions from it. Thereafter, FDA granted permission for noncompliance for three categories of aspiring products, and extended a deadline for compliance for other categories until 1973. According to FDA figures approximately 800 young children suffer accidental aspirin poisoning each month, and 90% of these could be prevented by special packages.

For over 34 years the Federal Communications Commission has been unable to resolve a dispute between radio stations KOB in Albuquerque and WABC in New York, which arose because the agency placed the two stations on the same frequency. Since 1941 an international agreement has been in effect requiring the FCC to find a new frequency for KOB. Since 1969 the FCC has had a proposed rule-making pending on this issue. Meanwhile, the delay has caused a paperwork nightmare at the FCC, cost the respective companies a fortune in legal fees, and left listeners of either station with interference from the other.

In 1959 the Food and Drug Administration proposed new rules setting the percentage of peanuts that should go into peanut butter. The FDA said it should be 90%; the Peanut Butter Manufacturers Association said it should be only 87%. After nine years, 7,736 pages of testimony including numerous citations from cookbooks, and millions of dollars of legal fees, the FDA issued its final order in the case: peanut butter manufacturers were required to increase the proportion of peanuts in peanut butter by 3%.

In March 1965 a trucker with a sense of humor applied to the Interstate Commerce Commission to carry a non-existent commodity -- yak-fat -- from Omaha to Chicago for 45¢ per hundred pounds. The application stated shipments would be accepted in quantities of up to 80,000 pounds in glass or metal containers, boxes, barrels, pails, or tubs. The request was promptly contested by a group of the nation's leading railroads, who, upset by the "non-compensatory" rate, immediately formed a yak-fat arguing committee. The railroads argued to the ICC that the minimum it should cost to ship the yak-fat from Omaha to Chicago was 63¢ and that the tariff was therefore 18¢ below cost. The ICC agreed and later that year denied the request.

In 1975, while the Environmental Protection Agency was pressuring utilities burning coal to switch to cleaner oil and gas, the Federal Energy Administration was requiring some of the same utilities to switch from short supplies of oil and gas to more plentiful coal.

Social Programs

Beneficiaries of federal welfare programs receive only about 88¢ of every dollar spent in the programs. The rest goes to the hundreds of thousands of middle-class bureaucrats who sit in offices filling out welfare forms. Social Security recipients, by contrast, get almost 99¢ of every program dollar. If welfare programs were run as efficiently as social security there would be \$2 billion more in cash available for poor families.

The Aid to Families with Dependent Children (AFDC) Program consistently gives money away to the wrong people, or gives the right people the wrong amount of money. In 1975, 7% of all welfare checks went to people ineligible for the program, while 17% were overpayments. The poor record was compiled after the Department of Health, Education and Welfare had gone on a year-long campaign to reduce errors. Efforts to cut errors in the AFDC program, even though they have

theoretically cut the error rate, have not apparently saved any money. According to a GAO study, cost savings have been overstated by as much as 100% and the error reduction program, in fact, may have cost more money than it saved. Since 1972 the administrative cost of the welfare program has more than doubled.

The Supplemental Security Income Program, was begun in 1974 as an attempt to consolidate and federalize aid to poor people who are blind, aged or disabled. The program, which promised efficiency and better administration, has turned out to be a nightmare of waste and mismanagement. In the program's first two years, a quarter of all payments were incorrect, and the Department of Health, Education and Welfare had managed to waste \$547 million in overpayments. These overpayments cause special hardships months later when the government demands repayment of money already spent.

The administration of the Food Stamp Program is a morass of errors, overpayments and fraud. In some counties of California, for example, up to half of all dollars spent for the food stamp program never get to the poor people who are supposed to receive them. They are wasted on printing, distributing, vending, redeeming and administering the stamps.

In 1974, the General Accounting Office found that 18% of all food stamp recipients were ineligible, and that error rates that were costing the government \$23 million a month.

According to the GAO, food stamps have become available to many college students. At San Francisco State University, 13% of all students were receiving stamps. At Portland, students receiving food stamps had average incomes of more than \$500 per month.

The GAO has found that about 24,000 eligible schools with 6.7 million students are not participating in the national School Lunch Program. This is because the schools have been unable to comply with the detailed Food and Nutrition Service regulations or have failed to send out the required application forms to all families in order to identify the needy children. Federal regulations are denying Congressionally legislated child nutrition help.

The administration of the Medicaid program has been a consistent scandal. In New York, Medicaid mills operate openly

out of store fronts, dangerously overtreating patients and fraudulently overcharging the government. Senate investigators estimate that hundreds of thousands of unnecessary surgical procedures were performed in 1974 alone, which may have led to as many as 1,700 deaths. Investigators have reported one case in which a man was given an x-ray to diagnose a bunion; in another a woman who sought treatment for her child's cold instead received treatment for herself and all 5 of her children at a cost to the taxpayers of \$100. Some doctors in New York have reported receiving over \$1/2 million a year in Medicaid payments.

The Department of HEW which is charged with policing the program, has done little or nothing to remedy the Medicaid fraud, which is estimated to be costing the federal government as much as \$3 billion per year. Though the Medicaid program suffers an estimated 40,000 cases of fraud each year, the Department of HEW has only 69 investigators - one-third fewer even than it is entitled to.

The Department of Housing and Urban Development. Tiano Towers in New York (Harlem) is an example of the Department of Housing and Urban Development's fiscal mismanagement. The residents in the low income units pay an average of \$113 per month; when the combined federal, state and local subsidies are added in however, the public is paying more than \$500 per month for these run-down apartments.

Since July 1970, there have been 1,233 indictments of individuals involved in Housing and Urban Development projects. Seventy-eight were employees of the agency.

HUD has lost \$2.1 billion in foreclosed mortgages and spends \$400,000 per day to manage them. In Detroit there are 8,400 boarded up HUD houses and 1,800 vacant lots; there have been 25,000 foreclosures there and the department continues to take **over** houses at a rate of 500 per month. In Chicago there are 2200 repossessed units in HUD possession with 4,000 mortgages in default. The GAO reports that HUD has lost \$24.6 million annually in cost overpayments to low income housing residents because of its repeated failure to monitor the income of recipients.

A classic example of the grandiose failures of the Department of Housing and Urban Development is the new communities program. Under the program, the federal government provided grant and loan guarantees to builders of 14 new, hopefully ideal, communities near urban areas. But the high hopes have never become reality. Today, eight of the new towns are in bankruptcy and all of the others are in trouble. One town has spent \$22 million without a single home to show for it. The government has already paid \$17 million in interest on the defaulted bonds and is obligated to pay up to \$354 million for other guarantees. A combination of poor management, insufficient initial funding, and unrealistic planning resulted in a fiasco that will be costing the taxpayers for years to come. (Note: The new communities program was LBJ's idea.)

In 1974 the Administration proposed, and Congress passed, a new housing program to subsidize poor persons renting private housing. The Administration sold the "Section 8" program to Congress as a replacement for earlier HUD programs the Administration had elected to shut down. Projections were that the program would produce 400,000 units of low income housing each year. HUD took 8 months even to write regulations and when they came out the regulations so restrictive that few units have been occupied or constructed. As of February 1976, 18 months after the program passage, Section 8 could claim

only 2,600 housing units constructed, most of which were disguised conversions from prior programs. Recent studies by the Library of Congress indicate that Section 8 housing is turning out to be the most expensive form of federal housing subsidy.

Transportation

During the Nixon-Ford years, the Department of Transportation has grown relentlessly while its efficiency has declined. From 1968 to 1976 the Department added 10,000 employees, but during the same time the delay between initial planning and final construction of highway projects grew from an average of two-three years to six to eight years.

The Department of Transportation has wasted hundreds of millions of dollars on outrageously extravagant projects. In Morgantown, West Virginia, for example, the Urban Mass Transit Administration built an exotic "personal rapid transit" system that cost \$112 million. The system was intended to replace a fleet of 30 buses worth about \$2 million. Even worse, the expensive technology breaks down so often that the buses are still in service.

Defense Department

In 1975, the Defense Department revealed that 47 construction projects originally estimated by the Army Corps

of Engineers to cost \$2.4 billion would in fact cost \$7.4 billion, a 300% cost overrun. In 1975, the Defense Department revealed that the Nautilus, the nation's first atomic submarine would cost \$48 million to overhaul. This was also 300% above the original contract.

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 2 months could have saved \$400 million in 1974 alone.

The Department of Defense estimates that cost overruns on the 45 weapons systems now under development will total \$13-\$14 billion dollars.

The ratio of students to instructors and educational support personnel is only 2.2 to 1 in military education and training programs. Simply increasing the ratio to 3:1 could save a billion dollars a year.

Almost four hundred personal servants for hundreds of generals and admirals cost taxpayers \$5 million per year.

Five executive dining rooms in the Pentagon cost taxpayers \$1 million a year. Though the generals and admirals pay only \$1.50 for a typical meal, the cost to the taxpayers is an additional \$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 camps for high ranking officers are costing taxpayers \$70 million a year to maintain and operate.

The Defense Department spends \$14 million a year to maintain 300 military golf courses in 19 foreign countries and the United States.

From 1964 to 1975 the total number of civilian employees in the Department of Defense was 13%. But while low level employees (GS1-11) increased only 8%, G. S. 12's were up by 38%, 13's by 47%, 14's by 22% and 15's by 25%. One Pentagon official estimates in department it could save \$1 billion per year if it could return to the 1964 grade structure.

In 1975, the administration's Office of Management and Budget added \$3.1 billion to its Defense appropriations request for fiscal year 1976 merely as a bargaining "cushion".

In 1974 the Army spent \$200 million to purchase 14,000 amphibious trucks which turned out, on testing, to sink.

The Defense Department has 6300 personnel who do nothing but public relations.

The Frills of Executive Office

Ford has increased funding for White House consultants by \$1.6 million since becoming President. In 1976 Ford requested a 100% increase from \$500,000 to \$1 million for the White House discretionary contingency fund. Also in 1976 Ford proposed a bill to exempt funds for White House receptions, travel, and entertainment from audit by the General Accounting Office. Ford spent \$537,000 to repair and decorate the new residence of the Vice President, an amount 3500% above his projected cost of \$15,000. After this expenditure, Rockefeller declined to live in the residence.

The Administrator of the Environmental Protection Agency, Russell Train, refuses to set an example by giving up his chauffeur driven limousine to come to work via a less energy intensive method.

The Federal Reserve Board recently built a bomb shelter for its staff at a cost of \$7 million.

While the number of staffers in the White House has declined (according to administration spokesmen) the payroll costs of the five councils that report directly to the President has increased by \$1.5 million or 22% since Ford took office.

REORGANIZING GOVERNMENT

Q.: You have talked about reorganizing government, but what are your specific proposals?

ANSWER:

You know, government reorganization isn't just a technical problem. It doesn't involve moving around some boxes on a chart or moving dollars from one place to another--it has a direct relationship to policy. Ten years ago, a scholar of mass communication told us that "the medium is the message." Well, by those lights, the operation is often the policy--the procedure often governs the substance. "We shape our buildings." Churchill once said, "and then our buildings shape us." Let's start with the White House staff itself. In the past two years under President Ford, the staff around the President has grown from ___ to ___, and the White House budget has grown from \$ million to \$ million. I would cut that staff by 25 percent and not just by squirreling the people somewhere else in government, where many additional White House staff people are today. I would further open up my Presidency and restore the independence of my Cabinet officers. Other agencies in the Executive Office of the President would also be abolished, such as the Council on International Economic Policy, which has not met for some time.

In other areas of the Federal government there are also serious problems.

--In 1975, you will not be surprised to know, there were 1267 advisory committees which required 1350 man-years of federal staff support and cost a total of \$52 million. Most of these should be abolished, and we'd still be getting enough advice.

--If there are 13 federal agencies involved with health programs--and there are--then some of them, perhaps all but one, should be consolidated. Not because it would be tidier, or even because the immediate result would be to save money, but because it just stands to reason that when there are thirteen different bureaucratic pressures pulling we can hardly have an efficient health program.

--Just to get ready for a national health insurance program, would mean--for instance--consolidating the Bureau of Health Insurance in the Social Security Administration (Medicare), the Medical Services Administration in the Social and Rehabilitation Service (Medicaid) and the Public Health Service. Then we'd be more ready, no matter what form National Health Insurance finally took.

--Obviously, these are just examples. There are others. For instance, Mr. Nixon set up an Office of Telecommunications Policy, mostly to harass the radio and television stations and

networks which didn't agree with him and his policies, or which tried to expose the crimes of his administration. It could be abolished.

--Drug enforcement is fragmented among Justice, Treasury, State and the investigative agencies like the FBI and the CIA. There is no question that better coordination and assignment of mission would yield better enforcement.

--Vocational education programs are also fragmented. Vocational education could be made much more effective by administratively bringing together the Office of Career Education (with \$10 million in programs), the Bureau of Occupational and Adult Education (with \$509 million in programs), the Education and Work Department of the National Institute of Education (with \$8 million) and the manpower efforts of the Department of Labor.

--But these reforms will not be easy. Nor will the application of zero-base budgeting and "sunset" laws to find out which programs are working and how well. But we accomplished a major result in Georgia, and I'm convinced it can be done in Washington, if the President makes it a high, personal priority.

REORGANIZING GOVERNMENT

Q.: You have talked about reorganizing government, but what are your specific proposals?

ANSWER:

There have been many issues in this year's campaign, but I believe that one question surmounts all others in the voters' minds. It is how--or even whether--we can bring our government under control and make it work again to solve genuine human needs.

I have made this theme the major focus of my campaign, and if elected, I will undertake as my major responsibility a complete overhaul of the federal government, as I did with the state government of Georgia.

We need a national leadership that can deliver on its promises rather than only make promises that disappear from the national agenda after election day. We need a national leadership that knows what it is like to contend with the federal bureaucracy from the receiving end--as the governors, mayors, and average citizens of this country must. We need a national leadership that understands government reform is more than a periodic exercise in drawing up new organizational charts. We need national leadership that can carry out its commitment to make government more open, responsive, and efficient.

My contract with the American people is to fulfill this commitment, and believe me it can and will be done. During my first four years you will know that a program for government reform is being implemented because it will require stepping on the toes of entrenched special and bureaucratic interests.

If elected my first task as President will be to do what any chief executive could do with the stroke of a pen if he were truly committed to government reform.

- We must open up the Presidency by a drastic reduction in the size and power of the White House staff. President Ford proposes to spend \$16.5 million for 485 White House staffers (plus \$4 million for consultants) compared to \$3.5 million requested 8 years ago. I will cut the White House staff by 25%.

- I will restore the independence of Cabinet officers and insure that no conflicts of interest can affect their judgments.

- I will protect federal employees who expose wrongdoing, political abuse, or waste and inefficiency in the executive branch.

- I will abolish numerous executive boards, councils and committees (over 1200 in 1975) which reach into every agency in the executive branch.

- To reduce waste and inefficiency I will institute zero-based budgeting and a permanent audit and evaluation of all programs.

- I intend to support sunset legislation under which programs will automatically end unless they can justify their continuation.

Immediately after assuming office, I will ask Congress to reinstate the President's reorganization authority. The current Administration has not submitted specific legislation asking for such a renewal. With this authority I will seek a reorganization of government along functional lines so that people can once again be able to understand and work with their government.

- I will abolish agencies within the Executive Office of the President that duplicate functions or serve no useful purpose, such as the Office of Telecommunications Policy and the Council on International Economic Policy.

-- Overlap and duplication in programs must also be reduced. There are 302 health programs administered by 11 separate federal agencies. with 17 of the 18 standing Senate committees having jurisdiction over these programs. We have 62 separate income security programs scattered among 9 Federal agencies, 11 House committees and 10 separate committees

-- I will treat as a priority the need to provide a structure in the Federal government that will be capable of developing a coherent and comprehensive energy policy. This can be accomplished by eliminating unnecessary waste and overlap among the 14 agencies currently involved in energy matters and by creating a structure that will permit the Federal government for the first time to speak with one voice on energy matters. I propose one energy agency to consolidate research and development and conservation functions now spread throughout the government.

-- Vocational education programs are also fragmented. Vocational education could be made much more effective by administratively bringing together the Office of Career Education (with \$10 million in programs), the Bureau of Occupational and Adult Education (with \$509 million in programs), the Education and Work Department of the National Institute of Education (with \$8 million) and the manpower efforts of the Department of Labor.

22

In Georgia, we implemented changes like these across the entire range of state government. Getting the plan adopted, against the bitter opposition of many special interests, was no easy task. It required struggle. It required appeals for public support.

But we succeeded in Georgia. With the support of the people, which I am sure we will have, we will succeed in Washington with top-to-bottom reform and reorganization of the bureaucracy.

Of course, no plan is perfect or permanent, in Georgia or in Washington. But we need to begin the process and to begin it with a President committed to reform in government. If results are to be achieved, the President must be actively involved in the process of reform, reaching into the bureaucracy to make it work for the people.

That is the process I propose to start.

NOTE: The Federal Energy Administration can be used as a fine example of runaway government, one to which the present administration gave birth.

(A perfect example of our runaway, out-of-control bureaucracy in operation is the Federal Energy Administration. This agency was originally created (as the Federal Energy Office) in December 1973, as a temporary solution to the Arab oil embargo. The embargo ended in the spring of 1974, but the FEA lives on.

It has grown into an enormous and evidently permanent bureaucracy, filling its shopping cart with any and every type of new program it could imagine--even when other agencies already have similar responsibilities. For example, the FEA in the past has set up a natural gas task force and an Office of Nuclear Affairs, even though these problems are already the business of other agencies (FPC, ERDA, NRC). The Wall Street Journal reported that FEA hired 112 public relations specialists to promote its survival. The Journal also reported that the agency had cultivated the aid of powerful special interest pressure groups to work on Congress. Treasury Secretary Simon stated that the FEA is an "outrage" which should be "abolished. . .tomorrow." But Mr. Ford asked Congress to extend FEA's life for three years. (In August Congress extended FEA for 18 months.) We need a major national energy department, like we need a national energy policy. But these changes should happen by direction from the top, not as an accidental result of bureaucratic empire-building ambitions.)

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 is 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.

BASIC STATEMENT

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 deliverers of services.

Great Democratic Presidents are remembered for the energy and commitment they brought to the priorities of their times. Now we need the same brand of leadership to meet the challenge 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 deliver on its promises and to restore pride to those who serve in government.

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. President Ford has been unable to renew his authority to reorganize government. It lapsed three years ago. He has also failed to use his existing power as President to achieve government reform.

A. Problem

(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. The federal government now spends about \$1 billion per day and our national debt grows at \$1 billion per week.

--In the last eight years, 10,000 employees have been added to the Department of Transportation but efficiency has decreased. Delays in the processing of highway

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

--This year alone there are over 1500 grant programs administered by federal agencies (259 community development programs; 189 income security and social service programs).

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

--The Federal Register, which publishes government regulations, increased in size from 29,000 pages in 1972 to more than 60,000 last year. The Gettysburg Address has 266 words. The Declaration of Independence has words. But a recent U.S.D.A. regulation setting guidelines for pricing cabbage has 26,911 words.

--Federal agencies spent \$15 billion in paperwork in 1973. There are nearly 5,000 different types of forms--the official records they generate each year would fill 11 Washington monuments. Individuals and businesses spend 130 million person-hours a year filling out forms.

(II) Overlap

--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

--The amount of waste is phenomenal. Senator Moss' recent study indicates we have been wasting up to half of federal Medicaid funds--up to \$3 billion a year.

--The Postal Service, which in 1976 lost a race to the Pony Express in the delivery of first class letters from Philadelphia to Washington, has 17 executives earning salaries higher than U.S. Congressmen. As the mail service does down, the salaries of its managers go up.

(IV) The slogan "regulatory reform" has been used by the Republicans to stimulate big business support rather than to promote competition and protect the public.

--In spite of the fact that the work force of regulatory 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 2½ 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 and props up unprofitable companies by giving them enough new routes to stay alive, but not enough to make a profit. 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 been unable 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 immediately by Executive Order where obvious administrative duplication and waste can be eliminated and to establish tighter standards for official conduct. These changes can make public administration a noble service again. In President Kennedy's terms: "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 it 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 Mr. Nixon's first year. The entire Executive Office of the President, including the White House staff, totals over 1500 people and costs \$66 million--a 272 percent increase since 1968.

(2) Protect federal employees by specific legislation

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

(3) Provide greater public access to the Presidency

through public forums outside of Washington where ordinary citizens will have an opportunity to participate.

(4) Adopt zero-base budgeting for the Executive branch

and support the concept of 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. We must never again repeat the instance where a federal official can negotiate for the U.S. in the Soviet grain deal while he simultaneously negotiates to join a private grain company, then joins the company and gets involved in the company's grain negotiations with Russia. The company signed a \$243 million deal, but the Republican Administration didn't see anything wrong.

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 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. 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.

GOVERNMENT REORGANIZATION AND REFORM

Governor Carter has based his campaign on the restoration of trust, confidence, efficiency, and effectiveness to 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.

GOVERNMENT REORGANIZATION AND REFORM

THE PROBLEM AND THE ANSWER

An answer to any question related to government reorganization or reform can contain a discussion of these issues in the following sequence: The Problem of Government Growth, The Meaning of Reorganization and Reform, Zero-based Review and the Budget Process, Functional Reorganization, Unnecessary Agencies, Competent Management, Regulatory Reform, Methodology for Reorganization, Georgia Experience.

The Problem of Government Growth

1950 ✓
more on # agencies

--The 1976 Catalogue of Federal Domestic Assistance lists 1,030 programs administered by 52 federal agencies. In the Community Development field alone there are 259 different programs. We have 189 income security and social service programs. There are more than 1,200 federal advisory boards, committees, commissions and councils, and more than 4,000 quasi-governmental units such as law enforcement planning regions and comprehensive area-wide health planning agencies.

1975: minuses

--According to the Library of Congress, from 1960 to 1974 329 new agencies, commissions, bureaus, and departments were created within the federal government. Of these, only 63 had been abolished by 1974.

--The Federal Register, which publishes government regulations, increased in size from a staggering 29,000 pages in 1972 to more

than 60,000 last year. It is estimated that federal agencies spent \$15 billion on paperwork in 1973--up from \$4 billion in 1955.

--The federal government expenditures are estimated at \$413 billion for 1977 and about 77 percent of this is classified as "uncontrollable."

The Meaning of Reorganization and Reform

--Governing well means more than simply scratching off boxes, shuffling boxes, or drawing lines on an organization chart. Viewing government reorganization as an exercise in numbers or arithmetic--the typical approach to reorganization--misrepresents the nature of the problem and is not a realistic view of the issues involved. Our goal is not to reorganize for reorganization's sake.

--The purpose of reorganization or more properly reform is to make government more open, responsive, efficient and effective. The process is as important as the structure. This view of reorganization and reform requires taking actions in many areas, such as,

--Reduce the size and power of the White House staff (Ford is proposing to spend \$16.5 million for 485 White House staffers. In Nixon's first year the figure was \$3.5 million. In addition, Ford is requesting \$4 million for White House consultants.

competitive figures
The EOP staff plus the White House staff total over 2,100 and cost \$73 million.)

- Give greater independence to Cabinet officers.
- Raise the quality of public appointments.
- Eliminate conflicts of interest for public employees and protect federal employees who expose wrongdoing, waste, or refuse to follow illegal orders. (As an example of the need to protect whistle blowers, the case of Ernie Fitzgerald could be cited. He was the cost control expert with the Air Force, who exposed in Congressional testimony in 1968 the \$2 billion cost overrun for the C-5A cargo plane. His job was subsequently "abolished.")
- Increase the access people and state and local officials have to the President and their national government.

These measures together with zero-based budgeting, sunset, reorganization and regulatory reform, constitute the reform package.

Zero-based Review and the Budget Process

ZBB: Under a system of zero base review, program managers and department heads are not only required to justify requests for additional funds, but must justify the continued existence of

their programs. In this way, obsolete programs and waste can be eliminated and resources channeled to more effective uses. A cap can be placed on the needless proliferation of programs and red tape.

Our current system of incremental budgeting and muddling through is simply not designed to force upon agencies the tough decisions--What programs have outlived their usefulness or are not effective? Taxpayers are no longer getting good value for their dollars and they know it.

--Long Range Budget Planning: Budgeting at the federal level is presently done on a yearly basis, and attention is focused on additions to the base budget. This does not allow adequate lead time to redirect federal resources. Spending is only uncontrollable in the short run. Consequently we must begin to plan our budgets on a multi-year basis.

--Sunset, a Congressional procedure that will require Congress to periodically review federal programs and act affirmatively to reauthorize those programs. Since it is always much easier to talk about program evaluation than it is to cut back on ineffective ones or reallocate resources, I think there is value in having some form of legislatively mandated process for Congress that will terminate programs unless they are reauthorized. It is a logical Congressional complement to executive branch zero-based budgeting, and it will permit the Executive and Congress to work in tandem to cut back wasteful programs and establish new priorities.

Functional Reorganization

In the federal government, you find not only a vast and growing number of agencies, bureaus, commissions, and committees, but many of these perform duplicate functions or have overlapping jurisdictions. For example, in the health field alone, we have 302 different programs administered by 11 separate federal agencies. In the United States Senate, 17 of the 18 standing committees also have jurisdiction over these same health programs. In the area of income security, we have 62 separate programs projected to total nearly \$150 billion in 1977 scattered among 9 executive agencies, 11 committees of the House and 10 of the Senate. We run into similar problems in education, energy, and equal employment opportunity.

In these areas, we must move towards an organizational structure that reduces this overlap and administrative chaos. It is no wonder that our health and welfare programs have earned a reputation for inefficiency and ineffectiveness.

Unnecessary Agencies

Beyond a reorganization along functional lines, that will reduce administrative units of government, we must eliminate those agencies, independent commissions, and Advisory Committees which are not needed. For example, do we need in the Department of Health, Education, and Welfare, a panel on Review of Sunburn Treatment, or an Advisory Panel for Anthropology or a Theatre

*more
examples*

Advisory Panel, or one on anti-perspirants. It is questionable that tax dollars are well spent for an Interdepartmental Radio Advisory Committee or the Federal Fire Council which until recently had an annual budget of \$67,000 and had met twice in the last 7 years. Do we need to have an Office of Telecommunications Policy in both the White House and the Department of Commerce when they perform similar functions?

- other examples
- major proposal

In 1974 alone, 85 organizations were created, and only three of these were subsequently abolished. We must stop the proliferation of non-essential government agencies, and weed out those that have no useful purpose.

Competent Management

In many areas, waste and inefficiency can be eliminated by a commitment in the executive branch to improved personnel policies and better management and oversight. For example:

- In the Bureau of Land Management, useless paperwork, 155 pages of requirements, including 23 fold-out diagrams, on a contract award, increased the cost of fire equipment for two pick-up trucks from \$4,000 to \$15,497.
- After three years, with a staff of 800 and millions of dollars, the Consumer Product Safety Commission wrote its first original safety standards. Despite the numerous common products with high rates of injury, the commission chose swimming pool slides for its first regulations. The regulations themselves are so obvious and predictable that a 12 year old could derive them in an hour.

Regulatory Reform

--Examples of Failure

--In spite of the fact that the work force of regulatory 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 2½ 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. 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.

Principles for Reform

--Regulatory agencies were created to protect the consuming public where competition could not give the people the services they needed at a reasonable price or insure adequate health and safety standards. But today our regulatory process is often working against these goals. The agencies have become agents for the very firms they are supposed to regulate, and are often obstacles to competition.

--Regulation must be evaluated on the basis of its effects on the consuming public, and the public has the right to be heard. A consumer advocate would have the right to intervene in regulatory proceedings when necessary to assure that the interests of the consumers are represented. Decisions on regulations should be made through public hearings where the people and press can listen to the arguments and hear the evidence presented to the agencies.

--Competition is preferable to regulation and government has the responsibility to remove obstacles and barriers to competition. Regulatory reform means more than price deregulation. It means permitting new entrants into the market.

--As observed during the Kennedy Administration "Good men can make poor laws workable; poor men will wreak havoc with good laws." There are bad laws, but our regulators have often succeeded in making even the good laws unworkable. We must replace the recent mediocrity with the desire for excellence.

The Methodology for Reorganization

--Briefings with experts and practitioners in areas from economics and social welfare policy to foreign policy and energy have identified major problems in the structure and process of making decisions. The need for reorganization has cut across all of these substantive areas. It is clear that the process of making and implementing decisions is as important as the substance of the decision.

--A comprehensive and more importantly a workable and effective plan cannot be worked out during a demanding and rigorous campaign. However, if elected, I will immediately establish working groups on the major problem areas that have been identified through my briefings, conversations with state and local officials, average working Americans and my staff. I will also during this period develop my legislative request for reorganization authority.

--In developing these plans I will work closely with mayors, governors, business and labor representatives, members of Congress and agency employees. The fault with recent reorganization plans is that they were developed in isolation in the Executive Office and then sprung as a surprise package. Unfortunately such plans rarely have more than cosmetic or political value. A serious reorganization effort is predicated on openness in formulating the plans, wide participation, and honesty in presentation.

--After January, I will implement immediately those elements that can be accomplished through executive order such as zero-based budgeting and requirements to eliminate conflict of interests. The legislative components of my proposals will be introduced during the first year of my term.

Georgia Experience

Despite the fact that there is always some lag between when you assume office and when your policies are implemented, as Governor I was successful in increasing efficiency and reducing

the costs of government services. You have to take a close look at the trends in spending and employment and what was accomplished with the dollars spent.

For example, through reorganization and zero-based budgeting we were able to bring the annual growth rate of state employment down steadily from a high of 14 percent in 1969 to about 2.2 percent in 1973. As ineffective programs were discovered, when problems were being solved, or as priorities changed we shifted resources to more effective uses. As a result we were not constantly hiring new people. Instead we moved them to where they could be more effective, and when vacancies occurred through attrition, we reserved the right of not filling them.

With respect to the budget, I believe we were able to begin to stabilize the costs of government and create incentives for much better management. For example, in the first year of zero-based budgeting, the Georgia Highway Patrol was able to get substantial savings in salaries, improve the use of its manpower, and increase the effectiveness of patrol officers. It was discovered under the zero-base review that over a million dollars could be saved and at the same time the effectiveness of the program could be increased by over 90 percent.

POSSIBLE QUESTIONS ELICITING GOVERNMENT REORGANIZATION ANSWER

--During the primaries one of your major themes was government reorganization, but you did not have a plan. Can you tell us tonight what you specifically propose to do?

--You have proposed to reduce 1900 federal agencies to 200. Is this realistic and can you tell us what agencies you will abolish?

--In Georgia, despite zero-based budgeting system and reorganization, your state budget went up each year as did the number of total state employees. Aren't you misleading people with your campaign for reorganization?

--As you must know, the federal government is vastly different from state government. Isn't it naive to think you can accomplish your goal of reducing 1900 federal agencies to 200?

THE FORD APPROACH

In seeking to preempt this issue President Ford could argue that he has moved forward with reform proposals, but has had no cooperation from a Democratic Congress. Specific examples will be his "The Agenda for Regulatory Reform Act," and his four block grant proposals for nutrition, education, health, and social services.

Secondly, Ford has under consideration an energy reorganization plan and has established a program for every Cabinet level department which will result in proposals for internal reorganization, program evaluation, and increased efficiency in program development and administration. All of these initiatives are documented in the September 4 note book on government organization which was developed by Jack Watson.

GOVERNMENT REORGANIZATION

BASIC STATEMENT

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.

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.

A. Problem

(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.

- In the last 8 years, 10,000 employees have been added to the Department of Transportation, but efficiency has decreased. Delays in the processing of transportation (over)

-This year alone there are 1030 programs administered by 52 federal agencies (259 community development programs; 189 income security and social science programs)

-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

of highway construction has increased by 2 years in the past decade.

-- The number of middle and high-level bureaucrats in the last 8 years has increased in HUD and HEW at a faster rate than that of low level civil servants.

regulations, increased in size from 29,000 pages in 1972 to more than 60,000 last year.

-Federal agencies spent \$15 billion in paperwork in 1973.

(II) Overlap

-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

-The amount of waste is phenomenal. Each year we have been wasting up to 1/2 of the \$15 billion we spend on Medicaid

-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 big business rather than promote competition and protect the public.

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

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. 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 never asked to have this authority renewed so he could reorganize.

C. Procedures to Follow for Reform

- Immediately after assuming office, ask Congress to reinstate President's reorganization authority.
- Act whenever possible by Executive Order

-Submit any supplemental legislation within first 6 months in office (Do not say you're going to setup a study commission.)

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 \$14 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 2,100 people and costs \$73 million.

(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 Fitzgerald be fired for exposing a \$2 billion cost overrun on a C-5A cargo plane.

(3) Provide greater public access through regular

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

(4) Adopt zero-base budgeting for the Executive

branch and support sunset legislation so that useless programs can be ended, and adopt long-range budget planning,

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

Abolish useless entities like:

- (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 costs \$52 million per year.

Basic Question: Governor, you have talked a lot about government reorganization but have told us very little about it. What is your plan?

Answer: See "Basic Statement"

Follow-up Question #1: You have proposed to reduce 1900 federal agencies to 200. Isn't this unrealistic? Are there really that many agencies?

Answer: Yes, it is not only realistic. It is imperative. There are some 1854 agencies, advisory groups, offices and bureaus at the federal level - and we're still counting.

Follow-up Question #2: Isn't it true that most of the agencies you abolished were just paper entities that didn't even have funding and that you reduced the number of agencies only from 66 to 33?

Answer: There were 300 governmental entities, of which 66 were major agencies. There were 22 major operating agencies after our reorganization, and 11 independent fiduciary entities without budget authority. We did get rid of useless entities even if their cost was minimal.

Follow-up Question #3 Isn't it true that there were actually no savings from your reorganization and that your budget actually increased each year?

Answer The Georgia Office of Planning and Budget estimated that the first year after reorganization there were \$53 million in estimated benefits (N.B. not in "savings")

The budget increased each year as it should have because of economic growth. Our surplus increased each year. The surplus was \$48 million the year I took over as Governor and \$132 million the year I left.

Follow-up Question 4: Governor, isn't it true that taxes actually increased while you were Governor?

Answer There was a mild increase in gas and cigarette tax but not in statewide income tax. We returned \$50 million in tax rebates.

Average per capita tax collections obviously increased because, thank goodness, our per capita income increased. Tax rates did not go up.