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NIXON - FORD (PROGRAMS/POLICIES)

I am here to address six years of leadership -- my record as President during the past two years and what I will do, if elected, over the next four years.

I am accountable -- a responsibility I welcome -- for my record, my policies, my decisions. My predecessor's policies are not my responsibility.

When I became President, inflation was skyrocketing. Now it is cut in half.

When I became President, unemployment was increasing. The trend is now down (4,000,000 new jobs in 17 months) .

When I became President, people distrusted the White House. I restored trust and domestic tranquility.

When I became President, there was open conflict in the world. Now we are at peace.

For follow-up question:

After becoming President, I sat down to decide which programs and policies to keep, which to reject and which to change. For example:

- I chose to keep revenue sharing which I fought for as  
Minority Leader of the House.
- I chose to reject the policy of using wage and price controls.
- I chose to change our health insurance policy.

- I chose to keep strong foreign and national defense policies and to fight off efforts to undermine both.
- And, I chose to fight inflation even in the face of an opposition Congress determined to go the other way.

IMPROVING THE QUALITY OF LIFE

Q. What have you done to improve the quality of life in America?

A. When I walked into the Oval Office, this country was in a state of physical and mental pain:

- The economy was sick.
- Our national pride was ~~completely affected~~ <sup>damaged</sup>.
- The people were furious and disgusted, because their faith in their leaders was gone.

Mr. Carter has very honestly and kindly attested to the change that has been brought about, and I thank him for it.

The first and most important quality of a President is leadership. The most important quality of leadership is judgment. It was my judgment that the American people should calmly assess the extent of the damage of what has always been a solid structure and begin to rebuild the damaged areas. There was no room for more hysteria, deception, or empty promises. Most of all, there was no need for fast answers and quick fixes.

I believe that there is no magic in the solution. Like everything else, it's simple, hard work. One step after another, over the last 25 months, we have made a successful journey:

- reducing inflation;
- putting four million people back to work;

*C. L. ...*  
*...*

-- and giving the American citizen the knowledge that his government is solid, and honest.

Now that we have laid a solid foundation, the country during the next four years has an ideal opportunity to move ahead in many areas that have come to be associated with the quality of life. We can work toward a day:

-- When every American who wants a job can find one;

-- When every American who wants a home and is willing to work for it can afford good housing;

-- When every American who wants to enjoy the great American outdoors can have access to a national park; and,

-- When every American can count upon this nation being at peace.

These are my goals for the next four years.

## WHY YOU SHOULD BE ELECTED

Question: Can you give four or five important reasons why the American people should vote for you on November 2nd.

Answer:

One: my performance in Office. In the past two years, inflation has been cut from over 12% to under 6%. More Americans have gone to work in the last 18 months than in any similar period in our peacetime history. America is finally at peace once again, and trust and faith have been restored to the White House.

Number two: experience. I have had the privilege of serving the people of Michigan and the people of the United States for over 27 years. I have dealt first hand with our national and international challenges. (I might add that over the past 60 years, the American people have never elected a President who had virtually no experience with national and foreign affairs of our nation. I don't believe that this is the year to break tradition).

Number three: specific, reliable programs for the future. I have laid out a specific set of policies and programs to restore full prosperity and keep America at

peace. It's on the record for all to see. (I believe that the voters deserve more than smiles from a candidate, more than cleverly chosen words; they need specifics, and I've got them.)

Number four: candor and trust. In the last two years, we have tried to make candor and trust the hallmarks of this Administration. As I said in my inaugural address, truth is the glue that holds the nation together. The American people can count on me for reliable, honest leadership, and I think they know it.

FORD - NIXON DIFFERENCES

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

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

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

- Proposed biggest tax cut in history; <sup>'28</sup>
- First comprehensive energy policy in our Nation's history (1975 State of the Union);
- Brought federal budgetary processes under control; *level growth?*
- Catastrophic health insurance;
- Proposed comprehensive reform of all federal regulations
- Proposed consolidation of federal programs such as education, health and child nutrition;
- Parks program;
- 1975 Sinai Agreement;

*Wage & Price controls.*

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

*African Policy.*

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

\* I have rejected the idea of an Imperial Presidency; we have seen too much raw power concentrated in the Oval Office in the last 15 years.

\* Instead, I have unclogged the lines of communication and authority to the President.

\* I have taken power away from the White House staff and restored it to the Cabinet where it belongs.

\* And I have taken the Presidency to the people with an unprecedented number of regional briefings, meetings and press conferences.

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

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

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

ANSWER:

FOR EXAMPLE

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

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

I reject:

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

I supported increased assistance for mass transit.

GEORGIA STATE GOVERNMENT UNDER CARTER

BUDGET

FY 1971 \$1,862,891  
FY 1975 3,036,002

Percent increase: 62.97%

LONG-TERM DEBT

FY 1971 \$ 931,125  
FY 1975 1,148,785

Percent increase: 23.38%

PUBLIC EMPLOYEES (Full and Part Time)

October 1970 61,142  
October 1974 79,100

Percent increase: 29.37%

SOURCE: U.S. Bureau of Census  
(see attached tables)

NOTES: Carter was inaugurated in January, 1971 and left office in January, 1975. The Georgia fiscal year runs from July 1 through June 30.

AGRICULTURE

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

Iowa State Fair  
August 25, 1976

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

Des Moines Register

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

Capital Times - Wisconsin  
March 25, 1976

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

Des Moines Register  
April 4, 1976

Flip 3.) -- In August Carter issued a statement saying he was taking no position on Proposition 14, a controversial item on this November's California ballot.

Flop -- On September 5, however, Carter called a convention of the United Farm Workers and said that "I support the objectives of Proposition 14." The union then endorsed Carter.

-- On September 7, Congressman Sisk, a Carter supporter, resigned from the Carter-Mondale Committee because of Carter's frequent change of position on the issue.

Los Angeles Times  
September 8, 1976

BUSING

Flip

2.)

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

Atlanta Constitution  
February 25, 1972

Flop

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

Washington Post  
March 7, 1976

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

Congressional Quarterly  
June 24, 1976

CITIES

Flip

1.)

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

New York Times  
March 31, 1976

Flop

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

Business Week  
May 3, 1976

FOREIGN TRADE

- Flip -- During the primaries Carter frequently criticized the loss of U.S. jobs resulting when American companies locate abroad.
- Flop -- On July 22, Carter said foreign investment by U.S. companies was "very healthy."

U.S. Journal  
July 23, 1976

HEALTH CARE

Flip

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

Philadelphia Inquirer  
April 12, 1976

Flop

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

Boston Advertiser  
July 25, 1976

TAX POLICY ON HOUSING

Flip

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

Flop

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

TAX REFORM SPECIFICS



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

Wall Street Journal  
May 13, 1976

WAGE AND PRICE CONTROLS

Flip

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

Atlanta Journal  
April 19, 1973

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

Cincinnati Enquirer  
January 10, 1976

Flop

-- Latest Carter view -

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

Los Angeles Times (Interview)  
August 24, 1976

REVENUE SHARING

Flip

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

Atlanta Constitution  
January 12, 1973

Flop

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

Speech, Conference of  
Mayors - June 29, 1976

Flip

-- Carter does not endorse the "counter-  
cyclical" plan to concentrate revenue  
money in the areas of highest unemploy-  
ment.

Boston Globe  
February 16, 1976

Flop

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

Speech, Conference of  
Mayors - June 29, 1976

## MEDICAID

- NATION'S COMMITTED TO INSURING ACCESS TO HEALTH CARE FOR OUR LOW INCOME PEOPLE.
- THOSE WHO DO NOT HAVE THE MONEY TO GET HEALTH CARE FOR THEMSELVES AND ESPECIALLY FOR THEIR CHILDREN, SHOULD RECEIVE OUR HELP.
- MEDICAID WAS ENACTED TO HELP WITH THESE CONCERNS, OVER THE LAST 10 YEARS HAS BEEN SUBJECT OF FRAUD AND ABUSE. MANY OF THE PROBLEMS ARISE BECAUSE THE PROGRAM DESIGN HAS SERIOUS FLAWS. EVEN STATES THAT HAVE TRIED HARD HAVE HAD PROBLEMS. GOVERNOR BUSBEE, THE GOVERNOR OF GEORGIA, TESTIFIED BEFORE CONGRESS TWO MONTHS AGO THAT WHEN HE TOOK OFFICE, THE PROGRAM IN HIS STATE WAS IN A SHAMBLES. HE SAID IN 18 YEARS IN THE STATE LEGISLATURE, HE NEVER HAD SEEN SUCH AWFUL FRAUD AND ABUSE.

(OVER)

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

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

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

# Mudslinging on Medicaid

This year's presidential campaign, like most of its predecessors, confirms the political axiom that the contest for the nation's highest elective office may well be the worst possible vehicle for serious discussion of the crucial issues facing the country and its people.

Romantics regularly argue that the presidential race could and should be the forum for a major national debate on the future of our society, but politicians persist in mangling and distorting the issues to meet what they perceive to be their personal campaign requirements.

As a result, the campaign to date—including three hours of highly touted, nationally televised, head-to-head “debates” between the two principal contenders—generally has been devoid of worthwhile discussion on the issues confronting the country as it proceeds into its third century.

**Example:** A representative case involves the federal-state Medicaid program that finances the principal health care needs of 24 million poor people at a current annual cost of approximately \$17 billion—\$10 billion federal and \$7 billion state money.

That program is consuming both federal and state funds at an alarmingly rapid rate, as a report in *National Journal* (Vol. 7, No. 38, p. 1319) indicated more than a year ago:

“Though the federal government is by far the nation's largest purchaser of personal health services, it has not been able to translate this economic leverage into controlling costs. . . .

“Medicaid expenditures have grown far more rapidly than Congress originally anticipated because of three factors: increases in enrollment, rising medical costs and changes in service.”

In late August of this year, the Senate Special Committee on Aging said in a report that one-fourth to one-half of all Medicaid funds expended are being lost through fraud, deficient patient care, maladministration and issuance of benefits to ineligible recipients.

**Carter:** The Democratic presidential nominee, Jimmy Carter, had nothing especially constructive to say about the problem, but he immediately sought to turn the Senate allegations into a partisan campaign issue.

“Special interests in the delivery of health care have gotten rich and the people have suffered,” said Carter, who then added:

“When the Senate was investigating the management of Medicaid, where was the President, where were the officials of the executive branch who are supposed to administer the program? I don't know. Sitting in the White House perhaps, timid, fearful, afraid to lead, afraid to manage. That's something they're going to have to answer for.”

One month earlier, in late July, Georgia Gov. George Busbee, a Democrat, testified before the Senate Finance Subcommittee on Health about the conditions he found in 1974 when he took over from Carter as Georgia's chief executive:

“One of the first acts I took after being elected governor and prior to taking the oath of office was to request from then-Gov. Carter's emergency fund the resources necessary for

an analysis of Medicaid provider payments in order to detect any potential program abuses. . . .

“We discovered nursing homes billing the state for a water ski boat, trips to Hawaii and purchases at a large Atlanta department store for which there was no accounting. We had dentists who, in recent years, had billed the state more than \$200,000 for work which, upon examination, was simply not found in the mouths of patients.”

In addition, a federally commissioned review of Georgia's Medicaid program found more than \$4.6 million in physicians' fees erroneously expended during a 15-month period in 1972-73—in the middle of Carter's governorship.

Busbee's testimony about “waste, extravagance and outright fraud” is especially significant in light of Carter's repeated boasts of streamlining state government, making it more efficient and more responsive to the needs of the people. The one agency in which he displays particular pride is the Department of Human Resources, which administers scores of social program in Georgia, including Medicaid.

**Response:** When Carter discovered that President Ford's campaign organization was planning to use Busbee's testimony for its own partisan purposes, he promptly back-pedaled. In mid-September, Carter offered this admission:

“As governor of Georgia, I saw the system with all of its problems first hand. I worked for four years to try to straighten it out. I never succeeded. Instead, I passed the problem on to my successor, and he hasn't solved it either. . . .

“The Ford Administration is, as usual, passing the buck, blaming the states. But the law is clear. The responsibility of the federal government is clear—to keep costs down, to have a system that works and to eliminate fraud.”

But independent authorities unanimously agree that, under the law, it is the states that have principal responsibility for honest and efficient administration of the Medicaid program. Some states, such as Michigan and Texas, have developed sound management programs. Others, including New York and Georgia, have poor records.

**Debates:** In the first of the televised debates between the two candidates, Ford raised the issue, attempting to attack Carter through the use of Busbee's Senate testimony. Said the President: “He (Busbee) testified—and these are his words, the present governor of Georgia—he says he found the Medicaid program in ‘shambles.’”

In fact, Busbee never used the word, “shambles,” in his Senate testimony.

In summary, here is what the Ford-Carter dialogue on the Medicaid issue has produced to date:

Carter opened the exchange with what can only be described as a “cheap shot” at Ford, then attempted to walk away from his responsibility for maladministration during his tenure as governor.

Ford, after telling a television audience of more than 80 million people that “these are his words,” proceeded to misquote the governor of one of the 50 states.

And nobody in the presidential contest has offered any thoughtful alternatives to remedy a quite serious problem. □

Q. Mr. President, there is increasing public concern about the ability of Americans, especially young Americans, to afford their own home. Is the "American dream" of homeownership dying, and what can you do about it?

A. The American dream of homeownership is not dying. In fact, more and more Americans own their homes each year. The data make this very clear:

Percent of Americans Who Own Their Own Homes

<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>Today</u>
55%	61%	62%	65%

Percent of Young American Families (Under 35) Who Own Their Own Homes

<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>Today</u>
38%	48%	49%	56%

And first-time home buyers are becoming younger.

Percent of First-Time Home Buyers Under 35

<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>Today</u>
No Data	49%	54%	62%

## GOVERNMENT REORGANIZATION

You don't make the government work better just by moving its functions or agencies around. How a government agency is set up depends on what it has to do. Unless you change what it is doing, reorganization merely changes the letterhead on the stationery.

For example, I have been convinced for a long time that the government does a poor job of providing medical services through Medicaid and associated programs. That's why I proposed last January to reorganize the whole program, consolidating the money normally allocated to these various programs into one single payment allocated to individual states.

This would have improved the way medical services reach the individual and allowed a sharp tightening up of the management of these programs. It would have cut the bureaucracy and saved money.

The Congress, though, due to special interest pressures, ignored this and other major reorganizations.

To be honest about it, there's just no short cut to government efficiency. Simply reshuffling bureaucrats won't do it. We must change the existing laws.

## GRAIN EMBARGO

I will directly answer the question, but first some perspective.

One thing about being President, you have to make decisions. You just can't straddle and wobble around in the Oval Office. Like President Truman said, "The buck stops here."

Sometimes your decision is unpopular -- not because it's wrong -- but because critics make a big issue out of one aspect of it. That's the case respecting my decision on the grain embargo, and I understand how some farmers feel about it. The way I see it, freedom for the farmer means freedom to look at circumstances of embargo. The outcome has been grow and sell. If he is asked to achieve full production, then the government is obliged not to interfere with his ability to sell what he produces.

Farmers, like other Americans, have the right to have a President they can trust. I recognize my obligation to them. I recognize their need for trust.

I foresee no circumstances in which I would impose an embargo on farm products.

While that answers for the future, your question raises circumstances of the past.

One can fairly argue that the embargo lasted too long, but it's important to look back and see why it was imposed at all. Had we not acted, the maritime unions, or the Congress, would very likely have done

something far worse to farmers. President Meany of the AFL-CIO and others were threatening to stop all shipments to the Soviets, including the 10 million tons already sold. Some 70 Members of Congress were moving to put all grain export sales under the control of a government board. Their bill was supported by Mr. Meany and other union leaders, and by Senator Mondale who called for strict export control licenses.

I rejected such action, having always fought against that kind of government control, and I will continue to do so. Instead, we negotiated a long-term grain trade agreement whereby trade with the Soviet Union will stay in private hands and our farmers will continue to produce for a market and not a government board.

This agreement has turned an off-and-on foreign buyer into a long-term stable purchaser.

The result is the circumstances that led to our problem in 1974 will not happen again because of the actions we have taken.

SOCIAL PROGRAMS/GOALS BLOCK

These are my personal goals:

-- I want every American who wants one to have a good job with a paycheck -- this is the number one cure for our social problems.

-- Every American should feel physically secure, free from the horror of war and the threat of crime.

-- Every American should have a home in a decent neighborhood with schools where our children can get a good education.

-- Every American should have the best medical care at costs which will not wipe out our savings.

-- Every American wants to work and relax in a clean, healthy environment.

Let me give you an example of how to get them. Good schools require continued federal aid but less federal interference. The block grant approach I have proposed has not been acted on by Congress. Until it is, we'll have federal bureaucrats continuing to reach into local school districts, rather than letting parents and teachers run the schools. I believe my election will be seen as a mandate for Congress to act.

## INFLATION/VETOES

We've cut inflation in half -- and we're going to keep driving it down.

Everytime I veto spending bills out of the Congress, I do it in the name of every American worker who wants his earnings protected; every senior citizen on a fixed income; every housewife who does the grocery shopping; and every taxpayer who has had it with bloated government. And, everytime the Congress sends me a bill that endangers the people's pocketbook, I'm going to keep right on vetoing it.

It's the only way I know to cut inflation. And it has worked at the same time we've been creating 4,000,000 new jobs in this country in the last 17 months alone.

Many of these vetoes have been a clean and hard message to Congress which said:

- remember not a few but all of the taxpayers,
- forget the special interests who live off the federal treasury,
- don't settle for bills that are partly good but mostly bad.

Congress got the message now and then and sent back better bills which I then could sign into law.

All in all, my vetoes have saved the taxpayers over 9 billion dollars. I find it interesting that Senator Mondale, who my opponent says is compatible on all counts with him, voted to override every one of these tax-saving vetoes.

## UNEMPLOYMENT

Let me say first, that in the last 17 months more new jobs have been created than in any similar period in the history of this country -- 4,000,000 new jobs in 17 months, and 500,000 in the last two months. And, if we stay on the same course, we'll keep making the same progress.

Furthermore, 2 years ago, millions of American workers were afraid they were about to lose their jobs. I don't think many feel that worry today. This economy is strong -- and I think the American people feel that that is true. They can remember how bleak things seemed two years ago. And we've done it, while cutting inflation in half.

No American President will ever be satisfied while there is one willing worker who can't find a decent job. But in pursuing jobs, no American President should make the mistake of backing spending programs which, through inflation, threaten the earnings of the 88 million Americans who are working.

Nor can a President allow the economic course he charts to be erratic by shifting emphasis from one policy to another. Candidates can live by the press release -- a new proposal for every problem every day. A President needs to set a stable course and pursue it, day in and day out. That may not be good politics, but it's what leadership is all about.

THE PRESIDENT HAS SEEN.

### SPENDING AND TAXES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

QUESTION:

THE PRESIDENT HAS SEEN....

Mr. President, what do you think about the question of victimless crimes such as prostitution, drug use and homosexuality?

ANSWER:

I have never been convinced that any crime can accurately be said to be victimless. It simply is not accurate to describe drug use as victimless. On the contrary, it is a major contributor to and cause of the crime problems we face all across the country today. With respect to prostitution, I think it is clear that such activities provide a major source of income for organized crime.

Even if it is not possible to identify a specific individual victim, the fact of the matter is society is a victim of such behavior and as long as we have made a judgment to outlaw such activities, the law should be enforced and those convicted of such crimes should be punished.