The original documents are located in Box 23, folder "Q & A Briefing Sheets" of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

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Duval / Nesson / Chammet 4/2/76

Texas Follow-up Questions

- Q. Have your chances for the nomination been diminished because of the Texas vote?
- A. No. I will be the Republican nominated. I have consistently said that I will win in Kansas City and in November. The vote in Texas will not change this.
- Q. Will you change your compaign strategy?
- A. No. My first responsibility is to the Office I hold. I will continue to place the highest priority on the demands of the Presidency. To the extent I have time, I will campaign hard on my record as President and my proven experience in dealing with challenges of national and international leadership.

I will continue to level with the American people -- to present the facts on the important issues facing our Nation.

- Q. Do you now think you need Reagan as your running mate in order to carry the South?
- A. I understand that he does not want to be considered for the Vice Presidency.
- Q. Does Reagan now have the momentum to beat you in next week's primaries?
- A. All four primaries next week -- Indiana, Alabama, the District of Columbia and Georgia -- are important. I have entered every primary -- the easy ones and the tough ones. I might well lose some down the road, but our delegate count keeps mounting. We will win at Kansas City on the first ballot.

- Q. What went wrong with your Texas campaign, especially after such a massive effort -- did your attack on Reagan at Tyler backlash against you?
- A. It's too soon to make any detailed analysis of the Texas vote. It is, however, clear that a very large number of Democrats were urged to vote in the Republican primary. Thus, it is not appropriate to consider the vote in Texas as reflecting Republican opinion across the country.

Concerning my Tyler speech, I believe that all candidates for the Presidency must act and speak responsibly. I will continue to challenge inaccurate and distorted claims, especially when they affect our national security.

- Q. Do you think an endorsement by former Governor Connally would have made a difference in the Texas vote?
- A. No.
- Q. Will you still consider Connally as a running mate?
- A. I have made no decision concerning a running mate. Former Governor Connally is one of many highly qualified possibilities.
- Q. You said that the Wisconsin primary was a vote of confidence in Secretary Kissinger. Do you think the Texas vote reflects dissatisfaction with Kissinger's policies?
- A. No. The large number of votes by Democrats makes it impossible to reach such a conclusion.



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May 5, 1976

Memorandum for: From: SUBJECT: JIM SHUMAN JEANNE HOLM PRESIDENT'S BRIEPING BOOK

In several Q and A sessions the President has had in farm areas, a question on transfer of property between spouses has come up. This has been heightened by an article entitled "Let's Get Rid of the Widow's Tax" which has appeared in the <u>Farm Journal</u>. Several petitions have been circulated by this group.

It would be good for the President to mention this initiative particularly in the farm states.

Attached are two Q and A's on the inheritance and estate tax issue.



Attachments

- Q: In your estate and inheritance tax recommendations, have you proposed any changes in marital tax deductions and inter-spousal transfer taxes?
- Yes, I have. This particular problem has been addressed by my A: Commission on the Observance of International Women's Year. As you already know, my proposal to increase the inheritance tax exemption from; \$60,000 to \$150,000 would ease part of the financial burden imposed upon survivors by the existing laws. This is an important revision with regard to property transfer taxes because by increasing the exemption to \$150,000 a more equitable amount of property will be able to pass to a decedent's family than will with the present \$60,000 exemption. Inter-spousal transfer taxes, on the other hand, need further revision. The purpose of inheritance tax laws is to prevent the passing of undue wealth between generations; this purpose is not met by taxing transfers between husband and wife. My recommendation to change this was reported by Secretary Simon to the Congress in March. Under this proposal, which would eliminate the transfer tax between spouses altogether, property transfers between spouses would not be taxed, but merely recognized as incidents in the daily management of a family's household. Therefore, when one spouse dies, the other would automatically recieve one-half of the estate without having to pay tax on it.

- Q: There is a growing concern over existing inheritance and estate tax laws, particularly in farm states. You have proposed an increase in the tax exemption from \$60,000 to \$150,000. Could you briefly explain your recommendation as to its intent and what it would accomplish?
- Inheritance and estate tax law reforms are indeed long overdue. I have A: proposed this exemption increase to alleviate many of the problems particular to farm areas associated with inheritance and estate taxes. First of all, increasing the exemption from \$60,000 to \$150,000 would help those whose property investments are over \$150,000; the investment in most modern farms is well over \$60,000, and this exemption increase would permit surviving spouses and children to retain an equitable portion of the family property. I have further included in my recommendation changes in the present system which would make it easier for survivors to continue family ownership of farms. I have proposed at the estate's option a 5-year moratorium during which time no interest will accrue on the tax liability qualifying for the present 10-year installment plan, and no principal or interest payments will be required. At the end of this 5-year period, the deferred tax will (again at the estate's option) be payable in annual installments over a 20 year period at an interest rate reduced from the current 7% to the proposed 4%. The burden imposed upon survivors by the present estate and inheritance tax structure would be greatly reduced by this plan.

FORD-CARTER DEBATES

- Q- Hamilton Jordan, Carter's campaign manager, indicated (on Sunday's <u>Meet the Press</u>) that Govenor Carter may be willing to debate the Republican nominee. Will you agree to debate Carter if you are the Republican nominee?
- A- I will make my position on debates known soon after I am nominated.

As a general matter, I want the Presential campaign to be based on the issues -- and on specifics. Debates may be one of several ways to achieve this objective.



6/20/76 MD

NEBRASKA -- BIG GOVERNMENT

Q.

Why do you think you're the best candidate to reduce the size of the Federal Government?

A. That's simple. I'm already on the way to accomplishing that.

I set forth a plan in my State of the Union message to reduce the size of the Federal Government and make it responsive to the American people. We're already beginning to implement that plan and we're having some success.

It's not only a question of reducing the size of Government, it's also important that we make certain that civil servants understand that they're just that -- servants of the people. I have brought in new Cabinet officers who understand that they're there to serve the people and to make sure that their employees do likewise. It is a big Government we inherited and it takes a little time to get the word down through the ranks, but I can assure you we're hammering it down hard.

The most difficult obstacle to overcome in getting Government off the backs of people is Congress. Let me tell you something about the Congress. I've fought against big Government from within the Congress for twenty-five years and I had considerable success in fighting off big spending programs in more and more Government regulation. However, from the Presidency, I am having even greater success. Although outnumbered in the Congress two to one by the Democrats, I have fought them off with veto after veto of unnecessary programs designed to put more red tape on Americans and to take more tax dollars from them to accomplish unnecessary programs.

What I bring to each Republican in Nebraska is a philosophy of reducing Government, a plan which is already underway to do so, and a record of experience in successfully fighting off the Democratic Congress.



- Q. Obviously, Secretary Kissinger's trip to Africa seriously damaged your primary fights in Texas, Georgia, Alabama, and Indiana. In fact, the policies he announced in Africa have been generally criticized here in Nebraska. What are you going to do to counter the problems to your candidacy because of Kissinger's policies?
- A. The policies of the United States are my policies. As President, I have had to make tough decisions in the national interest, in the interest of every American, without regard to their near term political impact on my candidacy.

Certainly, I am a candidate for the Presidency and one who is running hard for that office. But more importantly, I occupy the chair in the Oval Office, and therefore my first responsibility is to the Constitutional oath I took as President.

Whether I am President until January 20, 1977 or January 20, 1981, I will be guided by what I see as the right course of this nation.

If in making these tough decisions I incur a near term political penalty -- so be it.

I happen to think that the people of Nebraska are savy enough to understand that the business of the world must go on and the interests of the United States must be protected. I think I'll get the credit for that in their eyes and they will understand why I had to take unpopular action and make some unpopular decisions.

As long as Henry Kissinger continues to follow my orders and carry out my policies, he'll stay on as my Secretary of State.

NEBRASKA -- WIN/LOSE

Q. Will you win the Nebraska primary?

A. I don't know. I intend to fight hard for a primary victory and I believe that Nebraskans will react to my record of accomplishments and the need for the Nation to continue on the course I have set.

A large turnout by Republicans will be very important if I am to win. Our Party is made up of people who represent the broad spectrum of American thinking. We can win in November because we recognize that the basic strength of this country is found in individual Americans, not in Government solutions. It is just as important for this primary election as the general election that we display this broad base of support.

I firmly believe that if all Republicans turn out to vote in this primary I will win, and if I come out first in Nebraska I'll win in the first ballot in Kansas City and I'll win in November.



NEBRASKA -- CAMPAIGN STRATEGY

- Q. What changes are you making in your campaign strategy in light of your recent losses to Reagan?
- A. My campaign strategy has always been based on one objective -- winning.

The recent losses have simply made me more determined to fight harder and to fight on the battlefield of which I can do best, which is my record as President.

I am going to continue to hammer away at the issues because we have turned this country around over the last twenty months and it is essential that the United States stays on the course I have set.

NEBRASKA -- REAGAN ATTACK

- Q. In Tyler, Texas, and other previous campaign stope, you directly attacked Governor Reagan. Are you going to continue your attacks on Reagan here in Nebraska?
- A. I am here in Nebraska to talk about the issues. After twenty months as President I know the hard decisions that come to the Oval Office. I know that the great National issues cannot be dealt with by rhetoric and generalities.

Whoever my opponent is in the primaries or in the general election in November, I will challenge him or her on the issues and on the specifics involved. For example, in dealing with the great foreign policy problems, there is far too much at stake -- in maintaining world peace and in protecting the interests of the United States -- to take a chance with a President that does not have a clear record of reasonableness, toughness, and who is not armed with specific answers and specific plans for the great problems we face.

Nebraska -- Losing Streak

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- Q. You have lost more primaries than any incumbent in modern history. Why?
- A. Undoubtedly, there are a variety of reasons which vary state by state. One reason which has been suggested is the cross over of Democrats who no doubt would rather not see me as their opponent in November.

But regardless of what went wrong in the past, the key point is that I must work harder here in Nebraska and right through to victory in Kansas City and in November.

I know this, and I am eagerly accepting the challenge.

FOR

M.D. 5/6/76

Nebraska -- Carter

- Q. Carter says you are part of the Washington problem. Are you? [or any Carter attack question]
- A (with a smile) I am looking forward to campaigning against Jimmy Carter -- any Democrat has got to be easier than fighting a fellow Republican.

Actually, Carter's positions are very vague and the people of Nebraska -- and the rest of the country -- will insist on knowing exactly what a person stands for before they let him or her into the Oval Office.

After twenty months as President, I can assure you that there is no way to lead this country with just rhetoric and generalities.

So, I am looking forward to comparing my record and position on the issues with Jimmy Carter's after our Convention in Kansas City.



M.D. 5/6/76

NEBRASKA -- KISSINGER

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