

The original documents are located in Box 28, folder “Second Debate, 10/6/76: Rebuttal Letter to Carter, 10/16/76” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE
WASHINGTON



October 7, 1976

MEMORANDUM FOR

JIM CAVANAUGH
MIKE DUVAL

FROM:

BILL GOROG *WKG*

SUBJECT:

Foreign Policy Debate

Last night, Carter accused the President of deliberately distorting his position by claiming that Carter had earlier called for defense cuts of \$15 billion. According to the RNC Quote Book, Carter told a Beverly Hills news conference, as reported by the L.A. Times on March 20, 1975, that "the Ford defense budget could be reduced by about 15 billion dollars without sacrificing national security."

Without some sort of rectification, Carter's accusation of a deliberate distortion is allowed to stand with the electorate. I believe we should call him on this publicly as an example of the type of deceitfulness that he practices.



U.S. FOREIGN AID
AS A PERCENTAGE OF GNP*

(\$ in Billions)

*File
Second
debate*

	Fiscal Year					
	1975		1976		1977	
	<u>Request</u>	<u>Actual</u>	<u>Request</u>	<u>Actual</u>	<u>Request</u>	<u>Actual</u>
<u>Foreign Aid</u>	7.5	5.1	8.3	6.7	6.9	6.1
(Percent of GNP)	(0.51)	(0.35)	(0.51)	(0.42)	(0.37)	(0.33)
 <u>Foreign Aid and Other Interna- tional Programs</u>	 8.3	 5.8	 9.1	 7.4	 11.1	 8.9
(Percent of GNP)	(0.57)	(0.40)	(0.57)	(0.46)	(0.60)	(0.49)

* Gross National Product was \$1.45 trillion in 1975, \$1.61 trillion in 1976, and \$1.84 trillion in 1977.



10/4/76

INTERNATIONAL AFFAIRS
(Budget Authority in \$ millions)

	1975		1976		TQ		1977	
	Request	Actual	Request	Actual	Request	Actual	Request	Actual
<u>Foreign Aid</u>								
Military assistance	2,591	1,379	1,813	1,588	64	173	1,207	1,012
Foreign economic and financial assistance	4,871	3,704	6,479	5,114	795	690	5,650	5,109
Total	7,462	5,083	8,292	6,702	859	863	6,857	6,121
<u>Other International Programs</u>								
Conduct of foreign affairs	755	674	842	782	377	363	991	983
Foreign information and exchange	374	354	414	420	105	104	386	386
International financial programs* (of which Export-Import Bank)	-50	-50	-50	-50	-	-	3,298	1,966
Offsetting receipts	(2,986)*	(1,443)*	(2,913)*	(1,100)*	(616)*	(232)*	(3,348)*	(1,916)*
	-268	-263	-370	-462	-114	-114	-464	-527
Total	811	715	836	690	368	353	4,211	2,808
TOTAL	8,273	5,798	9,128	7,392	1,227	1,216	11,068	8,929

*Export-Import Bank was off budget prior to 1977. In each year, Congress has enacted the program limitation requested by the Administration. The difference in budget authority between request and actual results from lower activity levels than anticipated.



FACT SHEET

U.S. Official Development Assistance

Official Development Assistance (ODA) is a concept used by the OECD which includes all economic aid and excludes military assistance. Disbursements are net of repayments on loan principal. The United States is usually ranked toward the bottom among major donors measured by ODA as a percent of GNP.

<u>Country</u>	<u>% of 1975 GNP</u>
U.S.	0.27
England	0.38
Germany	0.40
France	0.63
Italy	0.11
Japan	0.24
Norway	0.66
Sweedden	0.82
Austria	0.17

FACT SHEET

Military Personnel Costs

Generals and Admirals

- A total of 1158 General and Flag Officers are currently authorized.
- The direct cost of pay and allowances for these officers is approximately \$50 million per year.
- The total cost to maintain these officers (including all fringe benefits) is approximately \$63 million per year.

All Officers

- A total of 261,854 military officers are currently authorized.
- The direct cost of pay and allowances for these officers is approximately \$5.6 billion per year.
- The total compensation costs of these officers is: \$6.9 billion per year.

Enlisted Personnel

- If the salaries of all enlisted personnel were reduced to the poverty level, the Federal Government would save \$8.6 billion.



10/4/76

Mr. & Mrs. Roy A. Palmquist
2244 - 2nd Avenue
N. Riverside, Illinois 60546
312-447-0399

A NOTE FROM
ROY A. PALMQUIST

9/28/76
President Gerald R. Ford

Hi -

Re - your up coming
Foreign Affairs Defense
debate Oct - 6, 1976

Point out Truman's
foreign policy toward
China (mainland) for 25
years from freedom -
(over)



also - probably caused
Iron Curtain problem
with Truman's action
at Potsdam - I know
Democrats of some brand
historians like Schlesinger -
try to make Truman a
sinner here - his actions
there (Truman) and sending
Russia with our airplanes
since after 1945 to 1950,
caused Russia to start
Korea war - Truman failed
to get all Berlin, when our bombs
were there, he let 95% of space people
go to Russia also flight - ^{consequently,} 12/5/51



P.S. also Remember some turn of century, 1950
& wars by 41 - under 4 Democratic Presidents, plus
recessions such as 1956 - 1957-74, caused by
Republicans stopping war in Korea
Vietnam - and always

reg in economy, because of
adjustment from war
to peace -

P.S. Carter in his acceptance
speech at Dem. Convention said
lets get back to greatness of JFK -
what greatness - Bay of Pigs,
missile crisis, Viet-Nam war -
if that is greatness - give me the peace and prosperity of
a Coolidge or a Ford -



FOR IMMEDIATE RELEASE

October 16, 1976

Office of the White House Press Secretary
(Lincoln, Illinois)

THE WHITE HOUSE

TEXT OF TELEGRAM

Mr. James Earl Carter, Jr.
Plains, Georgia

Dear Jimmy:

I am in receipt of your telegram of October 15, 1976, and appreciate your desire to clarify your positions on the issues. I think it is vitally important that the American people understand exactly what you do stand for, and I am delighted to assist in that effort.

Your telegram to me this morning unfortunately leaves unclear whether you are repudiating positions that you have taken on these important issues, or whether you are persisting in denying that you took these positions in the first place.

Frankly, you have changed your positions on these and other important issues so often that it is difficult for me and the American people to understand who you are and what you really represent.

Let me take up the specific issues that you mention, one by one.

First, you claim that I misrepresented your position in saying that you have called for a \$15 billion cut in defense spending.

The fact is that the Savannah Morning News for March 18, 1975, quotes you as telling the Savannah Rotary Club that "\$15 billion could be cut from the defense budget and not weaken this nation's military capability."

Again, on March 20, 1975, the Los Angeles Times reported that you told a Beverly Hills News Conference that "The Ford defense budget for this year could be cut by about \$15 billion without sacrificing national security."

I recognize and have stated that at other times you have promised defense cuts of varying sizes -- always in the multi-billion dollar category. The point is that you would make huge cuts in America's defense preparedness -- just how huge you evidently are not sure. If you have changed your position on this issue once again, I and the public would appreciate clarification. Second, you say that I have incorrectly charged you with advocating "tax increases for low and moderate income wage earner."

With regard to "moderate income wage earners," on September 18, 1976, you answered a question from the Associated Press on how you would change the tax burden by saying, "I would take the mean or median level of income and anything above that would be higher and anything below that would be lower."

The interviewer pointed out that the median is "somewhere around \$12,000" and you agreed. There is no public record that you have ever repudiated that statement. Your specific reference to raising taxes for everybody above the mean or median income -- actually now around \$14,000 still stands. Third, you deny having proposed "elimination of the mortgage interest tax deduction."

. more.

Actually, you made this promise at the League of Women Voters candidate forum in Boston on the night of February 23, 1976, before a national television audience. You have since been more general in your promises to close "tax loopholes." But this is the one loophole that you are specifically on record with a promise to repeal.

THE WHITE HOUSE

Finally, you say that I have unfairly accused you of favoring "spending programs that would total over \$100 billion."

Actually, the total cost of the Democratic platform, which you have endorsed, would be far more than \$100 billion -- probably in the neighborhood of \$200 billion.

The \$100 billion figure, to which I have referred, is the cost of only four specific programs that are provided in the Democratic platform. These are: The Humphrey-Hawkins Job Bill, costing \$10.3 billion in the first year; the Kennedy-Corman National Health Insurance Program, costing \$70 billion in the first year; the Griffith Negative Income Tax, costing \$9.9 billion the first year; and the Perkins Federal Education Bill, costing \$12 billion the first -- a total cost of just over \$102 billion in the first year. Costs in subsequent years would be sure to rise rapidly, requiring higher taxes, higher inflation, or both.

It is, of course, your right to change your position on any or all of these issues. What you have done instead is to claim that you never took the positions in the first place.

The facts, however, are part of the documented record.

So long as you do not acknowledge these views and publicly reverse them, it must be assumed that these are still positions which you stand behind.

While your current effort to clarify your positions on the issues appears to be limited to the above items, it seems to me there is the need for further clarification on many additional issues. I would also like to assist your clarification effort in a few additional areas:

1. Do you really believe, as you stated in San Francisco, that America is no longer respected?
2. Do you really believe, as you stated in San Francisco, that our country is not strong any more?
3. Do you really believe, as you stated in an interview with Liberty Magazine, that church property, other than the church building itself, should be taxed?
4. Do you really believe we can defend freedom and avoid Communist domination of our allies by withdrawing our troops from Korea and reducing other commitments overseas?
5. Do you agree with your chief economic adviser who, according to the New York Times of Monday, said that your economic policies will increase inflation?
6. Do you agree with your chief economic adviser who, according to the New York Times of Monday, said that a Carter administration would not cut taxes?

I, and the American people, look forward to your answers and clarifications.

GERALD R. FORD

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