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File
outside
advice

* Jim Karayan
333-8975

DLC

our

Ads ~~print~~ buying print

* debates are test of leadership
not but TV personality
contest.

use different tag or intro
was M + N + ~~the~~ Pacific
to runs of Acceptance
Speech. - different than
Eastern / Central.

* also Press Plan
- surrogates

Ads NE
Karn
Sunbelt

a cut-out list points
to judge Ford / Carter.

also: Carter has 3 positions on
..... ; which one will
Carter use tonight.

Fast debate Ads
Night of debate.
use Carter data to
target



Spot buying

- off-network

- Independents

Ruth Jones (still best?)
(worked for Trelovan in '72)



Cost per thousand

30 sec 20% less than 60

~~Q - what is~~

Q - is 30 sec enough
- do we have to explain
or deny.

P -

no entrapment
no gimmickery

NO ONE should put
out he is rehearsing.

After debate

10:45 - Baker addresses

all Campaign work
on radio immediately
following debate.

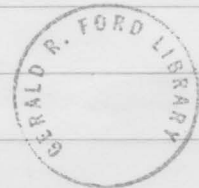
"P made following points....
+ established"

plus Ads.

And RADIO

Can we long time immediately
ahead + after debate
get option in

~~★~~ ~~★~~



also buy radio time.



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Carter Going by 'The Book' in Intensive Preparations for Key Debate With Ford

BY ROBERT SHOGAN

Times Political Writer

ATLANTA—Next to the Bible, it might turn out to be the most important book Jimmy Carter ever reads.

Dubbed simply "The Book" by its authors, it is a compendium of facts and figures, sample questions and suggested answers about domestic and economic policy. Its purpose is to prepare the Democratic presidential candidate for the Sept. 23 debate with President Ford, which some strategists at Carter's campaign headquarters here believe could be the decisive factor in the 1976 campaign.

Work on "The Book," still under way, is just part of the intensive preparation intended to develop and implement successful strategy for the critical confrontation on national television.

The Carter plan probably will not be set until the last minute. But interviews with Carter's top strategists this week suggest some of the major guidelines they will propose to the candidate:

—Aim mainly at solidifying Carter's support rather than striving to woo Ford backers. Carter has a 15-point lead over Ford in the polls, and his aides hope mostly to harden that advantage. "I don't see this as a conversion exercise," Carter's pollster, Patrick Caddell, said.

—Broaden answers to questions, going beyond specifics, to dramatize the main themes of the Carter candidacy, such as the need for a responsive government and vigorous leadership.

—Treat Ford with respect—and restraint. "We don't want him to try to demolish Ford," said Carter media adviser Gerald Rafshoon, who is concerned that overly aggressive tactics by Carter would provoke a "sympathetic reaction" for Ford.

The two candidates will not address each other directly, as they would if the standard debate format were followed. But the rules adopted by the League of Women Voters, sponsor of the event, permit each candidate to comment on the answers the other gives to questions from a panel of three journalists.

Meanwhile, groups to help ready the candidate for what looms as the severest test of his career are going forward or planned on several fronts:

—Research. Two issues specialists and veterans of presidential campaigns, Ted Van Dyk, a political consultant, and John Stewart, on leave from the staff of Sen. Edward M. Kennedy (D-Mass.), have been brought here from Washington to assemble the book. Carter's main briefing document. Their overseer is Carter's issues director, Stuart Eizenstat, whose staff is providing much of the raw material for the book. The purpose is to give the candidate a thorough grounding in 10 to 15 basic areas in which debate questions are most likely to arise.

—Polling. Caddell has conducted a "major analysis" of public opinion surveys taken after the 1960 John F. Kennedy-Richard M. Nixon debates. He has also done his own polling on public expectations for the 1976 debate.

The 1960 analysis shows, Caddell said, that the first Kennedy-Nixon debate, which had the greatest impact of the series, "was not the great Kennedy victory many people now think it was. It solidified Kennedy's own support and gave him a break with the undecided."

The 1976 survey shows that Carter and Ford supporters each think their man will win the debate, and most of the undecided voters think Ford will win it. Caddell said, because he is President and because they believe he will spend more time preparing for it. "We have to remember that one of the things we have to do is appeal to all voters," Caddell said.

—Rehearsal. A few key Carter aides are expected to meet with the candidate shortly before the debate to fire practice questions at him. This would be the first time since he began to run for the Presidency that Carter has resorted to that sort of drill.

Rafshoon thinks the practice session will be similar to the filming of Carter's TV commercials, which Rafshoon handled. "My feeling," he said, "is that we will do it, and do it and do it over again," a procedure that could take the better part of a day.

Rafshoon said that no one would serve as a stand-in for Ford. "We don't want to make a Hollywood production out of this," he said.

The debate preparations are proceeding against the unusual and unsettled backdrop of the 1976 campaign, which makes the likely impact of the event hard to assess.

Ordinarily a debate between an incumbent and a challenger offers the challenger the greater potential advantage. But in this case, with challenger Carter leading incumbent Ford in the polls, the stakes are different.

"We have more to gain and more to lose than Ford," said Carter campaign manager Hamilton Jordan. "Ford's image is well established and the debates will probably confirm that image. Carter can show he is as well informed and as bright as Ford is."

Caddell's polls reportedly show that many voters, although favorably inclined to Carter, are waiting for the debates to make up their minds. They apparently want to be convinced that Carter is knowledgeable enough and sound enough to be President.

But some Carter aides are troubled by the emphasis being placed on the debates by press and public. They fear this could diminish the impact of Carter's heavy campaigning and cut into his lead, particularly if the Georgian stumbles in the debates.

They note that while Carter has been intensively campaigning since Labor Day, Ford has only a limited campaign schedule between now and the first debate. Carter press aide Betty Rainwater worries that "Carter is going to be beating his brains out, talking directly to the people, while everybody concentrates on the debates."

Some Carter aides are reluctant to discuss their debate preparations, partly because they are afraid of creating the impression that Carter's grasp of the issues is weak.

"The American people don't want a President that has to practice to learn his job," Eizenstat said.

In addition, Carter strategists prefer to minimize their efforts in comparison with those of the enemy camp. "We're just 10 or 15 hardy souls who don't have as much information available to us as the President does," Eizenstat said.

"Don't underestimate the tonnage of material available to the President," another issues specialist said.

14

our most pressing need in America today
is more jobs.

Steering Comte

League Bd

League Staff

League Steering Comte

9/13/76

JEC

Response to question on Big Government

When left unchecked, every level of government has a tendency to grow. We have seen this in the past at local, state and federal levels. Keeping down the growth of government requires the direct attention of the Chief Executive; he is the person who is responsible. The Executive Branch has about 11,000 fewer employees today than when I took office a little over 2 years ago. The decline isn't dramatic but it is real, and it indicates that these trends can be reversed if the man in office wants to reverse them. The White House, for which I am directly responsible, has nearly 10% fewer employees than when I took office. That didn't happen by accident. It happened because I directed it to happen and because I followed up to make sure that it did happen.

[You may wish to note that in the period of time since you took office, Congressional staffs have grown by _____ %. In addition, in the 4 years during which Gov. Carter held office, state employment in Georgia rose by 24% from 34,322 to 42,400.]

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File

September 16, 1976

MEMORANDUM

TO: Mike Duval
FROM: George Van Cleve

Attached are some comments, one in detail and two in brief, on a couple of pages from the NSC material. The commentary is presented on the first three pages, and the NSC material follows.

The rest is pretty much in the same vein.

GWVC/bdk





Closer Relations with Allies

The most serious problem is the section suggesting a Carter "threat of unilateral U.S. withdrawal of forces from Western Europe." Taken in context the quotations cited as documentation provide very little support for this claim (See page 2, para. 2, attached).

- (i) Q. How long should American troops remain in Europe-- and how many?

A. I would not want to quantify my goals. I would like to see the NATO countries assume more and more responsibility for the defense of Western Europe. But I would not make an immediate withdrawal of troops. It should be a slow, very careful change in relative strength.

Newsweek International, May 10

- (ii) Reasoner: What would be some differences between a Carter foreign policy and a Kissinger foreign policy apart from the form?

Carter: I would strengthen the relationship among European countries in the NATO area. I think Secretary Kissinger has been inclined to treat those nations as individuals and to discourage their closer correlation. I think a strong Europe -- militarily, economically and politically -- would be to our own advantage.... (On the Western Hemisphere)... I think we need to have a much more comprehensive approach to the problems of mutual defense. We've not reassessed now our relative contributions to NATO since I believe 1967. And there's been a tremendous technological improvement in weapons systems since that time....

ABC News Interview, August 4.

- (iii) "We still have too many military bases and troops overseas.... Troop commitments to NATO territory in Europe and Japan should be reduced more gradually to a slightly lower number".

Troops Overseas, campaign statement, undated, cited in Common Cause, May '76.

It should be noted that the primary source for the third citation does not appear to be available to us.

For some reason an appropriate passage in the Democratic Platform, presumably a valid source, has not been cited, though its tone is considerably stronger than the above quotations.

- (iv) "The touchstone of our policy must be our own



interests which in turn means that we should not seek or expect to control events everywhere. Indeed, intelligent pursuit of our objectives demands a realization that even where our interests are great and our involvement essential, we do not act alone, but in a world setting where others have interests and objectives as well...

We should maintain in Europe a U.S. contribution to NATO forces so that they are sufficient to deter and defeat attack without premature resort to nuclear weapons. This does not exclude moderate reductions in manpower levels made possible by more efficiency, and it affirmatively requires a thorough reform and overhaul of NATO forces, plans and deployments. We encourage our European allies to increase their share of the contributions to NATO defense, both in terms of troops and hardware. By mutual agreement or through modernization, the thousands of tactical nuclear weapons in Europe should be reduced, saving money and manpower and increasing our own and international security.

Democratic Platform

In contrast to the above statements Carter has made a number of strong statements about the need for a well-defended Europe.

- (v) NATO's ground combat forces are largely European. The U.S. provides about one-fifth of the combat element, as well as the strategic umbrella, and without this American commitment Western Europe could not defend itself successfully.... There is, in short, a pressing need for us and our allies to undertake a review of NATO's forces and its strategies in light of the changing military environment. A comprehensive program to develop, procure, and equip NATO with the more accurate air defense and anti-tank weapons made possible by new technology is needed to increase NATO's defensive power.... We should also review the structure of NATO reserve forces so they can be committed to combat sooner. In all this a major European and joint effort will be required. Our people will not support unilateral American contributions in what must be a truly mutual defense effort.

Speech to the Foreign Policy Association, June 23.

Portions of quote (v) are set against quotes (i) and (ii) in another NSC brief, Carter Flip-flops, 9/10/'76, with the suggestion that they represent contradictory positions. Careful reading of these and other quotes indicates that Carter has in fact maintained a fairly consistent position: Russia is getting stronger, NATO is getting weaker and needs rethinking, but

the European members of the Alliance are going to have to take on a much greater share of the burden of European defense.

Very briefly, two other problems relating to this section of the material are

-- the quotation about the conditions under which the U.S. would go to war with the Soviet Union (page 1, last para.). This is taken from a discussion relating purely to the balance between Russia and the U.S. in long-range strategic weapons. Taken in context it is inconceivable that it could read as an unequivocal renunciation of America's commitment to her NATO allies and Japan.

-- the reference to "closer correlation" (page 2, para. 3.). It is drawn from quotation (ii) above, which hardly conveys an "intense pressure to unify". Further Carter has on other occasions stressed his reluctance to stifle any diversity of opinion among the European members of the Alliance.

In conclusion, many of the lines of attack suggested by Jimmy Carter's Foreign Policy can no doubt be developed into legitimate debating points. Without more comprehensive and objective documentation, however, our case would be somewhat vulnerable.



JIMMY CARTER'S FOREIGN POLICY

RELATIONS WITH ALLIES



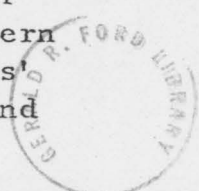
Closer Relations with Allies

Carter makes a great deal of his dedication to America's allies and his belief that we have neglected them. He says: "We should work in concert with them." (Address to Chicago Council on Foreign Relations, March 15, 1976). A fine policy, which President Ford has been carrying out for some time, such as at the NATO Summit and the Rambouillet and Puerto Rico Economic Summits. Carter criticizes the "Nixon shocks," "Kissinger surprises," and "the abrupt actions taken by former Treasury Secretary Connally." (Address to Chicago Council on Foreign Relations, March 15; address to Foreign Policy Association, N. Y., June 23) All of these examples are five years old!

Most importantly, Carter's specific policies in several areas run completely contrary to the policies of our most important allies:

- Carter's proposal of May 13 of a five-year total international ban on all nuclear explosions, including weapons tests, would impose this limitation on the capacity of two major allies to maintain their own nuclear deterrents.
- He stated his categorical objection to U. S. landing rights for the British-French Concorde supersonic airliner (Interview with Pierre Salinger, L'Express, August 23, 1976). His policy would be a severe blow to the survival of the British and French aircraft industries and to this example of European cooperation.
- Carter was asked: "What sort of vital interests of the United States. . . would require you to make the decision to actually go to war with the Soviet Union? His reply was: "I wouldn't think that anything short of the safety itself of this country, and existence of our country as a free nation [sic]." (Issues and Answers, June 6, 1976). Carter thus unilaterally renounced America's commitment to come to the defense of our NATO allies and Japan. (See interview with National Journal, July 17, 1975, p. 1002).

-- His proposal of a five-percent cut in the U. S. defense budget is directly contrary to the policy of the North Atlantic Alliance, reiterated in May 1976 when the North Atlantic nations unanimously "reaffirmed ... their determination to maintain and, where necessary, enhance ... their deterrent and defensive strength," and voiced "concern at the sustained growth in the Warsaw Pact countries' military power, on land, at sea and in the air, beyond levels apparently justified for defensive purposes." (NATO Ministerial Communique, May 21, 1976).



-- In his Newsweek International interview of May 10, he said he "would like to see the NATO countries assume more and more responsibility for the defense of Western Europe," and he would bring about "a slow, very careful change in relative strength." A Carter policy statement in early 1976 called explicitly for reductions in U.S. "troop commitments to NATO territory in Europe." ("Troops Overseas," in Common Cause, How They Stand, Edition III, Issue Profile #2, May 1976, p. 22) In an interview with ABC Evening News on August 4, he called again for "reassess[ing] now our relative contributions to NATO." This threat of unilateral U.S. withdrawal of forces from Western Europe contradicts NATO's agreed policy and makes a mockery of Carter's numerous assurances of greater solidarity with our allies.

-- In the ABC Evening News interview of August 4, Carter complained that the Administration was not doing enough to encourage "closer correlation" among European nations. This is a reminder of the intense pressure to unify that was put on the Europeans by the Democratic Administration in the 1960's, which led to severe tensions in the Alliance and DeGaulle's withdrawal -- the greatest crisis in NATO's history.

-- Carter's policy of "absolute assurance" and "complete commitment" to Israel would not be supported by any of our major NATO allies or Japan. In case of a Middle East conflict, such a position would cause serious strain with our allies. His repeated calls for a total trade embargo against an Arab oil embargo would also separate us from our allies in a Middle East crisis.

THE WHITE HOUSE
WASHINGTON 10/4/76

TO: *Jim Connor*

FROM: MIKE DUVAL

For your information _____

Comments:



THE WHITE HOUSE

WASHINGTON

October 4, 1976

Dear Mr. Wallace:

Thank you very much for taking the time to give me some advice concerning the debates with Mr. Carter.

You make a very good point, and I hope to have an opportunity to use your idea.

Sincerely,



Mr. DeWitt Wallace
The Reader's Digest Association, Inc.
Pleasantville, New York 10570

GRF:MD:hja

October 2, 1976

going to
~~Y. L. Luria~~

MEMO FOR: MIKE DUVAL
FROM: AMBASSADOR SILVERMAN
RE: Debate



1. Carter has on several occasions in recent speeches criticized the Administration for not being forthcoming enough to the developing world. Mondale in a speech *last week* sharpened the attack significantly ~~last week~~, asserting that a Carter/Mondale Administration would be considerably more open in their negotiations with the developing world.
2. The non-aligned developing nations are now convinced that Carter will be easier to negotiate with; as a result, they ~~in effect~~ broke off negotiations at the Law of the Sea Conference.
3. As Moynihan so effectively showed, there is an enormous reservoir of resentment in this country concerning the demands of the developing world, both as to style and substance. It would seem to me, therefore, that the President could effectively attack Carter on this issue. He could demand of Carter that he be more specific as to how he would be more ~~agreeable~~ *forthcoming's* in meeting the demands of the non-aligned. If Carter refuses to be specific, he can then criticize

him for responsibly interfering in on-going negotiations, since it was absolutely predictable that Carter's statements would ~~shock~~ ^{chill the} ~~those~~ negotiations. If, on the other hand, he is specific, he will have to offend substantial interest groups, as well as the public at large.

4. Apropos of my previous cable, you can also push Carter to choosing between Moynihan and Brszinsky by simply stating that Brszinsky attacked Moynihan in the foreign affairs article, ~~and~~ and question Carter as to whose position he supports.

This whole issue should be put in the context of a long-term negotiation with the developing world, a negotiation in which the developing countries have engaged in bitter ideological attacks on the U.S. In the face of this, Carter and Mondale have suggested we should be softer and more accommodating. They should be forced to be specific, and they should be attacked for advocating the giving away of American economic interest.



Foreign Affairs

Eric Sevareid - CBS Friday, October 8, 1976

"A debate is not a search for truth. The public was enlightened only about each man's capacities as a debator not as a President. In a search for truth Mr. Ford would not say as he did in effect that--nothing had been done wrong in foreign policy for the last eight years...Mr. Carter would not say as he did in effect that nothing had been done right.

A debate cast in such a framework of absolutes is an essentially false transaction. It is an intellectual shell game...Trying to prove absolute results in the most egregious blunders...the wildest overstatements. And this debate was full of both and as a result, foreign policy is going to be that much harder to conduct with various nations whose names were tossed about by both men, one of whom will have to live with those remarks as President for the next four years. The damage done illustrates why foreign policy is fundamentally different from domestic policy and it cannot always be conducted in the open, leaders taking the whole country into their confidence.. as Mr. Carter seems to think can be done...The most egregious blunders were Ford's, particularly on Eastern Europe and the Arab Boycott of firms doing business with Israel...but the most reckless and seemingly quite deliberate acts of demogoguery were committed by Carter...Ford gave ammunition to the Anti-American left everywhere in the world with his blunder about East Europe...Carter gave them ammunition with his assertion that the United States overthrew the Allende government in Chile, which it did not...And that this government wanted a new Viet Nam in Angola, which it did not...Carter's claim that we are economically weaker than all our allies will raise eyebrows at least in Italy and Britain. He has given a hazard to fortune in saying he would meet another Arab embargo with massive economic retaliation...Because we would lose such a confrontation...We need their oil more than they need our merchandise, which is why we had to avoid such a showdown two years ago. His sweeping claim that the U.S. is neither strong nor respected in the world will find few buyers and both men further complicated the Panama Canal negotiations with fuzzy statements. This debate was about methods, degrees, amounts, and timings in the conduct of foreign policy. The two men scarcely disagree at all about American goals for the world. And that was the real and unspoken result of that debate."



IMPORTANT

Comment

deletes

President Ford Campaign Headquarters
White House
Washington, D.C. 20510

Gentlemen:

In the third debate, the President may want to correct a misstatement made by Rosalynn Carter when she appeared on "Meet the Press" recently. She criticised President Ford's remark on the first debate that Medicare was a shambles in Georgia. She said that Medicare was a federal program for which her husband was not responsible. However, it was not Medicare, but Medicaid which the president said was a shambles. Medicaid is a state administered program. I believe it was Mrs. Carter's intention to deceive the voters.

Sincerely yours,

Dorothy P. Pearce

Mrs. Max W. Pearce
1952 Maple St.
Longview
Washington 98632



26 South Augusta Avenue
Baltimore, Maryland 21229
October 8, 1976

President Gerald R. Ford
c/o Committee to Elect the President
Washington, D.C.

Comments: Foreign Policy



Mr. President:

I am an interested voter that viewed the October 6th presidential debate. Since moving to Baltimore I have been a registered Democrat. Being an independent thinker, I tend to cast my vote for the best candidate, rather than across a single line. I have listened to Governor Carter's rhetoric for almost a year now, and find his campaign to all "style" and remarkably lacking in "substance." No presidential candidate in recent years has successfully mounted such a campaign on the strength of a broken wing and the hope of an overworded prayer. I can not support such a candidate. My support, my hope, my confidence, and most importantly my vote in November go to you, Mr. President.

I have never written a fan letter in my life, addressed an elected official, or seeked a single public figure's autograph. I guess I'm part of what someone once referred to as the "Silent Majority." Today, two days following the Foreign Policy Debate, I am more outspoken and less willing to wait for someone else to say what I feel should be said. My reaction to this debate was disappointment in your performance and fear for the progress of your campaign. It is in this spirit of concern for this election and America's future that I write this letter.

The debate, despite the many questions, responses, and counter responses, can be narrowed to a few generalizations. Mr. Carter had no concrete differences with the conduct of United States' foreign policy under your administration; and could only make repeated nebulous appeals for greater morality, a stronger domestic economy, inclusion of the people in foreign policy decision making, the regaining of American respect overseas, and the establishment of strong leadership. Your position in the debate demonstrated your leadership. It showed the position of leadership and respect earned by this country throughout the world, illustrated the steps taken to achieve increased stability, and, most importantly, pronounced the present and ever future goal of American diplomacy - peace. In the fast, complex, ever changing realm known as foreign affairs, Governor Carter offered nothing to the American voter and probably should have conceded defeat at the debate's outset. Unfortunately, the impressions left with many viewers, and reaction by media left Mr. Carter in a stronger position than he earned. This was a race in which neither ship finished the race. One ship just sank, leaving the other the prize by default.

The most serious criticism arising out of this debate is your explanation of the Helsinki Agreement. The agreement has received criticism in the past. Its critics, Governor Carter included, neither understand its purpose, nor remember the twenty-eight year history of its development. When the Governor

longs for the reintroduction of the Acheson-Marshall morality into American foreign policy, he only illustrates his misconceptions.

The Marshall Plan was indeed a humanitarian design, an act of good will given by Americans to reconstruct the body and soul of Western Europe.¹ Eastern Europe was excluded from the reconstruction plan. In assessing the world situation at the close of World War II American leaders reasonably concluded that the Communist Soviet government of Stalin was freedom's greatest future adversary. This assessment correlated with the rapid establishment of Soviet puppet governments throughout Eastern Europe led to the decision to exclude all these nations from the Marshall Plan. And so, the most humanitarian gesture in the history of mankind became a political venture, directed toward governmental titles, rather than the millions of ravaged citizens throughout Europe. Having fought against and helped defeat the common fascist enemy; having exhausted their ability to produce; and having suffered immeasurable personal loss, the people of Eastern Europe were left without hope. While reluctantly facing an imposed government, these people could see no alternative. The Acheson-Marshall policy makers had drawn a line, and in the eyes of these millions of post war sufferers, this line must have seemed arbitrary, and this policy appeared morally bankrupt.

These post war policies guaranteed Soviet domination in Eastern Europe and provided enough time without western influence to erect and direct a new social-economic system for the peoples of Eastern Europe. The line drawn where American aid stopped in later years became known as the "Iron Curtain," and the years of limited or no western influence are still referred to as the "Cold War" period.

The Cold War policies of Acheson and Marshall dominated our lives and our nation's foreign policies for the next twenty-eight years. The Berlin wall and the Cuban missile crisis; the U-2 and bomb shelters are periods in recent history that easily tap the memory banks of most Americans. It is from this most difficult period of diplomatic stalemate between east and west that we have moved under Nixon-Ford initiatives. We have moved from confrontation to negotiation, from repudiation to recognition, from the threat of nuclear war to the hope of peace.

The Helsinki Agreement is a step along the way toward greater east-west understanding. We, for our part, promise to not interfere in the internal affairs of Western Europe. It is an obligation that we have, as a matter of principle, always felt. We are not going to invade England, France or Italy against their will under any circumstances. At the same time, the Soviet Union agrees to not invade Eastern European countries. In making this agreement we hope this will help Polish consumers protesting the high cost of necessities. We hope the independent character of a Marshall Tito government in Yugoslavia will be encouraged in other countries. We pray that no Eastern European country's hope for increased autonomy will be crushed, as were the hopes of the people of Czechoslovakia in 1968.

¹Other areas of the globe were included, but aren't relevant to this discussion.

While this agreement can not guarantee that such inhuman acts will never again occur in the future, it does give our government a greater influence in such cases, and would probably result in such a case, in much less support for the Soviet Union from its Eastern European allies. After twenty-eight years of no influence, I can confidently say that the Helsinki accord is indeed a diplomatic triumph for this country, and all freedom loving people throughout the world.

The affirmative "style" and "substance," direction and leadership of your administration, if one reviews the record, is unquestionable. The problem is that the electorate and the media have relied on the debate to gain insight for evaluation. The debate went poorly, but is not a cause to lose hope. There is still enough time before the next debate to clarify the Helsinki controversy, fulfill your commitment on the Arab-Israeli embargo information, and move on confidently toward a November victory.

The greatest cause for confidence is the Carter campaign itself. The Governor has proposed nothing concrete to the American people. So far he has been content to make a few suggestions - government reform, tax reform, welfare reform. As proposals they can not stand, for they do not answer the question, How? The press has not pushed for the right answers. In two debates only once did a questioner push for a commitment, and Governor Carter successfully sidestepped the issue. If the media is not going to push for the right answers, then your campaign must. And if he still manages to evade the issues, than ask the American voters, like myself, that crucial question.

I keep visualizing Governor Carter in his living room the night before the election relaxing, enjoying some peanut butter and crackers, confident of victory, and light-heartedly watching the T.V. Suddenly a political advertisement appears on the screen. It appears like one of his own campaign productions. His wide grinned face starts with the usual "I have a vision for America..." dialogue. Gradually figures begin appearing around him. The figures are mumbling something, but the Governor's unable to discern what they're saying. Now their numbers are increasing and their voices have become so loud that the Governor's dialogue is completely blocked out. In unison they're shouting at him, "How? How? How? How?" One voice heard above all the rest shouts, "We, the American people, want to know, how? That is our right. You have as much as told us that yourself. So, tell us, Governor Carter - HOW?" The Governor is stunned, alarmed, and still unable to answer. His campaign is designed to avoid the "hows."

I, as a voter, can not accept these tactics. I can't vote for any candidate whose definition of vision is just a reflection of policies and ideas whose time has long past.

Elections and football seasons always fall together, and I can't help but draw an analogy between the two.

You're playing against a team with no offense. They've put together a team with a quarterback that can't throw, running

backs that can't run, and blockers that can't block. Their defense is the worst to come into the league in decades. Yet, both teams have gone to the locker room for halftime with a scoreless tie. For them it's a moral victory. In the second half it is up to your team to put it all together. Eliminate the costly mistakes and overcome the emotional letdown of the first half and the final score will still be in your favor. Fail to utilize your teams superior abilities and we'll all be shocked by a final score reading CARTER 0 FORD -3.

Mr. President, this is an election for you and your campaign to decide either way. The Governor, knowing his tendency to fumble, has decided not to carry the ball at all. So it's up to you. While my analogy may to some appear humorous, the result of this election is nothing to be taken lightly. America needs Gerald Ford's leadership in the next four years!

MALLE HOOZE
WIKE DAAVE

Respectfully

Edwin R. Esbrandt

Edwin R. Esbrandt

President Ford Committee
President Ford

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036

URGENT

Mike

add

his to

your

many

bits of advice
Bob

Congress of the United States

Committee on Foreign Affairs

House of Representatives

✓

October 12, 1976

TO: Bob Walthus

FROM: Everett Bierman



Dear Bob--- at President Ford's next debate, I am concerned that his opponent will emphasize again and again as he did the last time his compassion for the unemployed, etc., etc., making it appear that Ford does not have compassion or concern.

There is an easy answer, in my opinion. The President could say regarding unemployment:

Yes, I could have taken the politically expedient course a year ago and primed the pump so that we would have a low rate of employment just in time for my reelection....and by doing that I would have started up another round of inflation ~~which~~ which would have hurt the retired, those on fixed incomes who must meet their monthly rent checks without those cost-of-living increases that most of us have. I think we must have some concern, some compassion for our older citizens who have been trapped by inflation. What I want for America is a steady growth in the economy that will provide real jobs for people without fueling another round of inflation.

Can you pass
this on to the proper
people, if you agree?

Everett

October 14, 1976

MEMORANDUM FOR DICK CHENEY

FROM: BOB GOLDWIN

Bob

When Max Frankel asked the first question to Carter in the last debate, he gave a very good list of Republican foreign policy achievements and then asked whether Carter would not have done any one of these things. Carter's reply was not really responsive but was instead a set speech about openness, lack of respect in the world, the U.S. is not strong anymore, we are arms merchants, and so on.

It would have been a stunning blow if the President, when asked for his rebuttal, had said something like this: "Mr. Frankel listed these foreign policy accomplishments (repeating them) and asked if Mr. Carter disagreed. He did not answer the question. I yield my time back to Governor Carter. Perhaps with one more opportunity, he will answer the question."

The chance to do this will surely present itself in the next debate because Carter is a non-answerer. If this tactic, or some variation of it, is used as close to the outset of the debate, it could be decisive in giving the President the upper hand throughout the rest of the debate.

cc: Mike Duval



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AM-Carter, Bjt-4 takes, 270-1,090
Wirephotos CSS12, KK2
By LYNNE OLSON

Associated Press Writer

KANSAS CITY, Mo. AP - Jimmy Carter said Saturday he asked President Ford in a telegram to stop misrepresenting his stands on tax cuts, social programs, defense budget reductions and homeowner tax benefits.

He accused Ford of being "highly misleading" and told the President: "Knowing your belief in integrity, I am sure that after these corrections, you will refrain from making these misleading and erroneous statements to the American people."

Ford, on a whistlestop trip through Illinois, said he hadn't gotten Carter's telegram and attacked Carter's positions. The President included three of the charges that Carter wants him to drop.

The President told audiences at stops on his train trip that Carter wants to raise taxes for lower and middle-income families, cut the defense budget by \$15 billion and spend \$100 billion for social programs.

At a formal news conference, his fifth since Labor Day, Carter said Ford was wrong in those assertions as well as in his claims that Carter wants to eliminate tax deductions for mortgage interest payments by homeowners.

Carter also said:

-He would not send troops to Eastern Europe if nations in the Soviet bloc revolted against Soviet domination. "I don't know what I'd do, but I wouldn't send American troops in," he declared. "I would not go to war in Yugoslavia," even if the Soviet Union sent in troops after President Tito leaves power...

-He does not believe Ford "made a slip of the tongue" in saying during the second presidential debate that Eastern Europe is not under Soviet domination. "I think he stated what he actually thought," Carter said. Ford has said his statement, which brought sharp criticism from East European ethnic groups, was an error.

MORE

1538pED 10-16

U.S.S.R. - Eastern Europe

Wires

10-16-76

10-16-76



JIMMY CARTER: SOFT ON CRIME?

Jimmy Carter proved again yesterday his bizarre ability to attack the President on an issue while totally ignoring his own lackluster record in handling the same issue when he was Governor of Georgia.

Speaking in Detroit, Michigan, Mr. Carter said the President wasn't doing enough to combat crime, and then very briefly spoke of what he did as Governor. Interestingly, all Mr. Carter said was that he stopped treating alcoholism as a crime and visited prison inmates to find out what was on their mind.

Why, since he raised the subject himself, didn't Jimmy Carter drop the fuzzy generalities and talk specifically about the results of his so-called law and order efforts in Georgia? What in his own record was he trying to hide from the American people?

TALKING POINTS

1. Jimmy Carter says that leadership in the fight against crime is absent at the Federal level. Yet, during the four years he was Governor serious crime increased 89 per cent in Georgia, with murder increasing almost 100 per cent.
2. Jimmy Carter says we must concentrate law enforcement efforts in high-crime neighborhoods. Yet, the Democratic Congress refused to act on my recommendation to establish a high-crime area program in the legislation reauthorizing the Law Enforcement Assistance Administration.
3. Jimmy Carter says he visited Georgia's prisons many times to learn from inmates what their problems were. If this is true, he must have learned that it took the Georgia Department of Corrections from 1968 to 1974 to finally desegregate its prisons. By comparison, the State of Arkansas achieved desegregation in only 24 hours.
4. Jimmy Carter has said a lot of things about what he would do about crime if he were President. In light of his record as Governor of Georgia, however, I have to wonder about what he would really do as President.

THE WHITE HOUSE
WASHINGTON

October 18, 1976

MEMORANDUM FOR:

MIKE DU VAL

FROM:

MAX FRIEDERSDORF

M.F.

SUBJECT:

Third Debate

Attached is a recommendation submitted by a prominent Ford supporter for the third debate.



For the President.

In the last debate, Jimmy Carter said, "Mr. Ford is supporting a dictator government which overthrew a government which had been elected by democratic process in Chile.

That is true; Allende did win the presidency of Chile by popular vote. But Allende was a communist. He was in league with Moscow.

When Allende got into office, he immediately did what communists always do. He placed his communist agents into every key spot in Chile, in Government and in business. He murdered, raped the people, took their freedom away from them, made Chile a communist-controlled country.

Allende nationalized all business. He threw out all American interests. He made no payment of any kind. For example, he took over the Anaconda Copper Mines in Chile, threw out the Americans, the technicians, administrators, all of them, and brought in his communist agents to run it. Result: chaos, for the communists knew nothing about operating the copper mines.

When the people had had enough, they rose up against the Allende government, threw him out, arrested him -- later killed him for they, too, are a rough crowd, but they began to restore dignity and business in Chile. Today, the government, which is a military dictatorship, is setting about to bring order in Chile. For example, they are beginning to pay, admittedly in small amounts at this time, the money due the American businesses which had their interests stolen from them by the communists.



Allende (communist) did not take over Chile for the people. They stole Chile for themselves (the communists).

President Ford should H A M M E R - HAMMER away on Carter's ignorance of Communism, tell the true story of Allende and demand that Carter apologize to the American people (not to him), but the American people, for his supporting communism.

(I do not think this should be mentioned) - that Allende's former Ambassador to the United States who was assassinated a month ago on Sherican Circle was a brilliant communist who helped Allende overthrow the free democracy in Chile (of course you do not condone the murder.)



Republican
National
Committee.

October 18, 1976

Mr. Mike Duval
The White House
Washington, D. C.

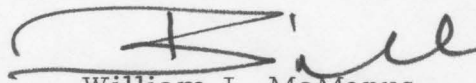
Dear Mike:

George Coury is a great supporter of the President and he helped us with the Salute to the President Dinner in Miami.

He wanted the attached to get to you - no acknowledgement is necessary.

Thanks!

Sincerely,


William J. McManus
Treasurer



P - did I send a note to ?

GEORGE COURY



Suggestion to the President

In the middle of the next debate when it is the President's time to make a reply he should say: Governor Carter for months you have been waving the flag and asking the people to trust you. I think they do for I know no reason why they shouldn't as you are an honorable man.

But Governor you have also been telling the people that you are going to decrease unemployment, decrease inflation, make national defense stronger, reduce taxes and balance the budget. With the election only 11 days away don't you think it is high time that you took the people into your confidence and tell them just how you are going to deliver on your glowing promises.

My record is an open book to which I could neither add or subtract at this late hour nor would I wish to do so. Therefore Governor Carter for the next 30 minutes I am relinquishing my time in order

To give you ample opportunity.
To tell the nation in specifics
and not in generalities just how
you propose to deal with the
problems just mentioned.

You would be doing the voter
a great service in helping him or
her to pass judgment on your
premises and conclusions. Maybe

All of us might learn something
which we do not now know

But please, ^{Governor} no more generalities.

The people are hungry, real hungry,
to know exactly how you will
implement your ideas and will
hang on your every word of
explanation. Sir, the floor is yours.



Republican
National
Committee.

Mr. Mike Duval
The White House

Republican National Committee, 310 First Street S.E., Washington, D.C. 20003.

THE WHITE HOUSE
WASHINGTON

October 19, 1976

TO:

MIKE DU VAL

FROM:

JOHN CALHOUN

J.C.

FOR YOUR INFORMATION.



B. GORDON, INCORPORATED

10338 WOODWARD AVENUE

DETROIT, MICHIGAN 48202

PHONE: 313-867-8011

October 10, 1976

Mr. John Calhoun
Special Asst. to the President
Washington, D. C. 20500



Dear Mr. Calhoun:

In regards to the last debate of President Ford and Mr. Carter. Why I might agree that President Ford might have used the wrong words in describing the Communist Domination about a particular Region in Europe.

However, I feel it is very important the words Mr. Carter used concerning the Israeli situation. I think the words he (Mr. Carter) used can be turn around and can be more of a conservation than what President Ford said.

This is one thing we do not need in The White House is someone to get us back in a war. The American people is not ready for this type of leadership.

Sincerely,

B. Gordon, Inc.

Benjamin Gordon
Benjamin Gordon
President

EG/lc

October 19, 1976

Dear Brian:

Thanks very much for your letter and comments following the October 6 debate. Your ideas are appreciated and I'll see that they are passed along to the appropriate people here.

Best regards,

Sincerely,

Richard B. Cheney
Assistant to the President

The Honorable Brian B. Duff
Minority Whip
House of Representatives of
the State of Illinois
618 Maple Avenue
Wilmette, Illinois 60091

RBC:MD:EM

bcc: w/copy of incmg to PFC through Jim Field, Mike Duval.



ILLINOIS HOUSE OF REPRESENTATIVES

114



CAPITOL ADDRESS
300 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706
217/782-5594

HOME ADDRESS
618 MAPLE AVENUE
WILMETTE, ILLINOIS 60091

COMMITTEES AND COMMISSIONS:
JUDICIAL ADVISORY COUNCIL
LEGISLATIVE AUDIT COMMISSION

ALCOHOLISM ADVISORY COUNCIL
JUDICIARY II COMMITTEE
EX-OFFICIO MEMBER ALL COMMITTEES

BRIAN B. DUFF

MINORITY WHIP

STATE REPRESENTATIVE - FIRST DISTRICT

October 7, 1976



Honorable Richard B. Cheney
Assistant to the President
The White House
Washington DC

Dear Dick:

I watched the international debate last night, and I am very certain that if the President will take some initiative to demonstrate his concern for the bloodshed in Ireland (which was not mentioned by anybody) he will strongly enhance his position by attracting more urban voters, more pro-life people, and more of the Jimmy Breslin types who think that everybody from Atlanta wears a hood marked KKK. I think this is a very strong possibility if there is any reasonable move that can be made at this time.

More importantly, I would expect Carter to do something. So any move, even private, that can be made prior to a Carter initiative in this area could be used to anticipate him and to respond with a, "Where have you been? We've been working at it all along."

Incidentally, while the odds have got to be great against any successful diplomatic intervention, many people hope for it so much that the gesture itself would be important from now until November 2nd. Perhaps some of the parties could be stimulated to request assistance from the United States as intermediary.

Sincerely,

*The
Honorable
Brian B. Duff*



October 19, 1976

Dear Mr. Siegrist:

Through the courtesy of Mr. Thomas Loeffler, I have had the opportunity of seeing your comments and observations on the September 23rd Presidential Debate. I very much appreciate having the benefit of your views.

Sincerely,

Richard B. Cheney
Assistant to the President



Mr. Robert Siegrist
Minority Staff
Committee on Veterans' Affairs
Room 311, HOB Annex 1
House of Representatives
Washington, D. C. 20515

REC:MD:em

bcc: w/incmg to M. Duval

September 29, 1976

Dear Bob:

Thank you for sending your comments and observations on the Presidential Debate on September 23rd.

I have passed these along to the appropriate people for review and consideration.

With kindest regards, I am

Sincerely yours,

Thomas G. Loeffler
Special Assistant
for Legislative Affairs

Mr. Robert Siegrist
Minority Staff
Committee on Veterans' Affairs
Room 311, HOB Annex #1
House of Representatives
Washington, D. C. 20515

TGL:nd
bcc: Dick Cheney w/incoming

September 24, 1976

MEMORANDUM:

To: Thomas G. Loeffler
The White House

From: Robert R. Siegrist
Room 311, H.O.B. Annex #1



These thoughts, respectfully submitted, from an old Michigan State man who, as a newsman and as a minority staff man, has been here for awhile:

OBSERVATIONS:

1. The President was superb last night. That was not achieved, easily, because:
 - a) The format was stiff, stilted, and highly restrictive.
 - b) Governor Carter was on the attack, and careless with the true facts.
 - c) The President was burdened with having to counter popularism, demagoguery, and misrepresentation with facts, figures, and the record.
 - d) At base, their philosophical differences were rooted in matters fiscal, monetary, financial, and economic. To a large portion of the electorate, unfortunately, these matters can range from dull to incomprehensible.
2. The President was never stronger, nor more telling, than when he read the Carter gubernatorial record.
3. The President scored, well, in reciting the record of his own legislative recommendations to the Democrat-controlled Congress, and in the general manner in which they were ignored or rejected. This was particularly effective as regards the Congressional tax-writing responsibility.
4. In terms of consistency, there were only two occasions on which the President was at a disadvantage:
 - a) The broaching of the subject of his original efforts to increase income and Social Security taxes.
 - b) The question of reconciling his efforts to "hold the spending line" with his National Park, and related election year proposals.

RECOMMENDATIONS:

1. It seems to me that the President and, certainly, his surrogates, would do well to be prepared with background and specifics on the matters represented in Paragraph 4(a) and (b) above; particularly with regard to what, precisely, were the conditions and circumstances against which the (a) proposals were made.
2. As regards Paragraph 3, above: It seems to me that much greater, and more specific, emphasis must be placed on the "Ford positives" inherent in his sound legislative presentations vis-a-vis the "Democrat negatives" of misrepresentation and rejection of those presentations. Governor Carter and his supporters, certainly within labor, continue, naturally, to present Republicans and Republican Presidents (with current emphasis upon Mr. Ford) as **negativists**. President Hoover, unfortunately, waited, many years, before setting down his true facts in his memoirs; President Ford, and his surrogates, must set his true facts down in this campaign. This can be done by zeroing in hard, and in basic language, on the Ford legislative efforts which (a) the Democratic Congress rejected and which (b) the Democratic nominee is struggling to ignore or misrepresent. Finally, as regards the tax matter, particularly: (a) As the President noted, this, Constitutionally, is the Congressional prerogative; and for the past 40 years, basically, the Democrats have been in control and, primarily, have written the tax laws. (b) Beyond that, however, and more specifically, my feeling is that a telling blow can be struck, sans further editorial comment, in noting that, of course, it is the House Ways and Means Committee in which the tax laws originate and, of course, from 1958 to 1974, the "powerful Chairman" of that "powerful tax-writing Committee" was a gentleman by the name of Wilbur Mills. (In the public mind that is (a) important information which (b) may well write its own commentary.)
3. As regards Paragraph 1 (c) and (d): In addition to the President's emphasis (very properly) on "More people working today than at any time in history (88-million)" I believe certain additional statistics to be important as clinchers (particularly in view of the fact that Governor Carter and his supporters insist upon ignoring this fact, in concert with the following additional facts:
 - a) Our population is larger today than at any time in history, and is still increasing.
 - b) More people are entering the labor market than ever before; particularly women and teenagers.

c) To qualify as "unemployed," all one has to do is announce that he wants to work. Consequently, there is increasing cause to contend that, as constituted and employed, the monthly unemployment index maintained by the Bureau of Labor Statistics is obsolescent and misrepresentative. This is true, particularly, because of today's great growth in the number of families with two or more wage-earners, and because of other economic protections established within the economy.

d) With regard to (c) above, last Monday's "The Outlook," page 1, The Wall Street Journal makes the following critical points:

"There are far more people employed today than ever before. There are nearly four million more people with jobs than at the low of the recent recession--and nearly two million more than at 1974's pre-recession record high..."

"...The growth in job seekers is sharply brisker than the growth in the working-age population."

"...The respective increases:

"Population: Up 19%.

"Labor Force: Up 26%.

"In other words, while the working-age population has increased 19%, the number of men, women, and teenagers either holding jobs or trying to get them has jumped 26%.

"If the number of job-holders and job-seekers had increased, like the population, only 19% over the decade, they would now total only about 90 million instead of 95 million. And today's total of about 88 million at work would leave only about two million 'unemployed' instead of the current count of some 7.5 million."

e) This W.S.J. report goes on to make these points regarding the great increase in women seeking work, and working:

"...The 'women's liberation' movement is a factor. And so is the government effort to get employers to open more jobs to women. But these are probably not the most basic forces behind the trend.

"A primary force lies in the simple fact that most of today's jobs can be done by women just as well as by men..."

"Another force is woman's increasing freedom from home work. The ready-processed foods, the washing machines, and so on..."

To me, the above facts are a strong tribute to (a) The American free enterprise system and its technology and (b) The U.S. Government, particularly its Executive Branch, and, especially, these past two Ford Presidential years.

4. I believe that, in addition to everything suggested above, additional emphasis should be placed on the following facts:
 - a) At the current trend of expansion, U.S. private sector employment will pass 100 million by 1980, and 114 million 1990.
 - b) Today's U.S. economy is one of the strongest in the world. Consequently, these past two years, foreign investment has been entering this economy at an historic pace; with the current rate at about one billion dollars per year. Much of this foreign investment represents new plants, with the new jobs, and other favorable economic conditions they generate. (A case might, possibly, be made here that foreign investors have greater faith in the American free enterprise system, in the American economy, and the American Government, than does Governor Carter. Part of that, perhaps, may be that foreign investors understand the American system better than the Governor and, of course, that they are more knowledgeable, economically, as well as being better businessmen and administrators.) Further, in consideration of the Governor's comments regarding DISC, a case might well be made that the Governor demonstrated a lack of understanding of foreign trade which, if elected, might not only do great damage to our foreign trade, but to our foreign relations, as well. Similarly, a case can be made, certainly, that his party's Congressional majority seems to share his ignorance in this sensitive area, particularly as regards taxation.
5. The Governor, in his continued, albeit inspecific and sometimes changing, "soak the rich" and "tax big business" advocacy, ignores the essentiality of permitting business economic leaway, in an atmosphere favorable and encouraging to business, for substantial capital investment in the new plants, equipment, and so forth from which must come more and better jobs. Essentially, it is the consumer who has served as the great, confident, backbone of the Ford-led economic recovery. There is, therefore, a serious need, now, to encourage business

investment activity necessary to extend the current rate of expansion which, at the moment, continues to be out of balance with the consumer spending factor. Gains in productivity, which must stem from such expansion, are the key to continued real incomes, and the jobs which produce them. (Governor Carter and his supporters, certainly in liberal and labor circles, continue to indicate either that they do not understand this fact, or that they simply do not care.)

Again, at the risk of seeming presumptuous, the above is submitted in the interest of being of help, if possible.

A handwritten signature in black ink, appearing to be 'Zol' with a stylized flourish at the end.

September 29, 1976

Dear Bob:

Thank you for sending your comments and observations on the Presidential Debate on September 23rd.

I have passed these along to the appropriate people for review and consideration.

With kindest regards, I am

Sincerely yours,

Thomas G. Loeffler
Special Assistant
for Legislative Affairs

Mr. Robert Siegrist
Minority Staff
Committee on Veterans' Affairs
Room 311, HOB Annex #1
House of Representatives
Washington, D. C. 20515

TGL:nd

bcc: Dick Cheney w/incoming

TOM:

The attached two speeches, submitted on confidential basis, bear on many of the suggestions set forth in the attached memo, and go into other areas, such as foreign relations, agriculture, and exports. Submitted FYI, for what they're worth, and respectfully.

Bob S. S. S.



TOM:

The attached two speeches, submitted on confidential basis, bear on many of the suggestions set forth in the attached memo, and go into other areas, such as foreign relations, agriculture, and exports. Submitted FYI, for what they're worth, and respectfully.

Bob S. Suggs

#159

ADDRESS BY THE HONORABLE JOHN PAUL HAMMERSCHMIDT...REPRESENTATIVE
IN THE CONGRESS...ARKANSAS, 3RD DISTRICT...ANNUAL BANQUET...
CHAMBER OF COMMERCE...OZARK HIGH SCHOOL CAFETORIUM,,OZARK,
ARKANSAS...THURSDAY, SEPTEMBER 23, 1976...7:30 P.M...

(PLEASE NOTE: READING TIME OF THIS SPEECH IS 12 MINUTES.)

SALUTE TO PROGRESS



AND, AS WE AMERICANS KNOW:

THERE IS NO SUBSTITUTE FOR FREEDOM!

AND, LIKE THE AMERICAN FARMER, THE AMERICAN WORKER, AND THE AMERICAN BUSINESSMAN, HAVE DEMONSTRATED THAT, AGAIN AND AGAIN, FROM THE VERY BEGINNING OF OUR NATIONHOOD,

AS LONG AS THESE IMPORTANT CONTRIBUTORS TO OUR FREE ENTERPRISE SYSTEM WORK TOGETHER, LIKE A FINE TEAM, AMERICA, AS A NATION, WILL CONTINUE TO BE UNBEATABLE, IN EVERY AREA AND IN EVERY RESPECT.

IN THIS AMERICAN SUCCESS STORY, THE CHAMBER OF COMMERCE HAS LONG PLAYED A PROMINENT ROLE.

I AM VERY PROUD OF THE PURPOSE, AND THE WORK, OF THE CHAMBER, WHEREVER I FIND IT; WHETHER IN WASHINGTON, WHERE YOU ARE WELL-REPRESENTED; OR HERE IN OZARK, WHERE YOU CONTINUE TO DO SUCH AN OUTSTANDING JOB FOR YOUR COMMUNITY, YOUR STATE, AND FOR OUR AMERICAN FREE ENTERPRISE SYSTEM.

AS WE KNOW, THAT SYSTEM MUST DEPEND UPON THREE MAIN FACTORS: INCENTIVE, COMPETITION AND REWARD.

TO HINDER, OR DESTROY, ONE FACTOR, IS TO HINDER, OR DESTROY, ALL THREE.

AN EMPLOYEE'S INCENTIVE CAN BE DESTROYED BY DESTRUCTION OF HIS HOPE OF BETTER PAY, AND BETTER WORKING CONDITIONS.

AN EMPLOYER'S INCENTIVE CAN BE DESTROYED BY DESTRUCTION OF HIS HOPE OF BETTER PROFITS, AND THE OPPORTUNITY FOR EXPANSION.

IT IS, AFTER ALL, GROSS PROFITS FROM WHICH COME THE CAPITAL FOR THE EXPANSION, FROM WHICH COME THE JOBS.

FAILURE TO EXPAND, LIKE FAILURE TO MODERNIZE, CAN ONLY DIMINISH, AND ULTIMATELY DESTROY, A COMPANY'S ABILITY TO COMPETE.

WHEN A COMPANY STOPS COMPETING, IT SOON CEASES TO EXIST. AND, WHEN A COMPANY FOLDS, SO DO ITS JOBS.

WHEN THAT HAPPENS, IT IS LITTLE MORE THAN ACADEMIC WHETHER THE SOURCE OF THE PROBLEM WAS RESTRICTIVE GOVERNMENT OR RESTRICTIVE LABOR CONTRACTS.

BUT, IT CAN BE A COMBINATION OF BOTH.

WHEN THE COST OF LABOR, AND THE COST OF GOVERNMENT, SOAR, SO DOES THE COST OF DOING BUSINESS. IN TURN, SO DOES THE COST OF LIVING.

FOR, ULTIMATELY, HIGHER COSTS OF LABOR, AND THE RESULTANT HIGHER COSTS OF MATERIALS, MUST COMBINE WITH THE HIGHER COST OF GOVERNMENT.

IF SUFFICIENT REVENUES ARE NOT RAISED TO BALANCE OUT THE COST OF THAT GOVERNMENT, THE ENTIRE ECONOMY MUST SUFFER.

FOR, TO FINANCE THE RESULTANT DEFICIT AND DEBT, GOVERNMENT, ITSELF, MUST GO INTO THE MONEY MARKET.

IN SO-DOING, GOVERNMENT BECOMES DIRECTLY COMPETITIVE WITH THE PRIVATE SECTOR. AND, CARRIED FAR ENOUGH, THAT COMPETITION BECOMES EXTREMELY UNFAIR.

AS THIS MONTH BEGAN, OUR INTEREST-BEARING PUBLIC DEBT HAD REACHED \$632.3-BILLION. ITS COMPUTED ANNUAL INTEREST WAS \$40.6-BILLION.

AND, AT THE CONTINUED RATE OF GOVERNMENT SPENDING, THIS MASSIVE OBLIGATION CAN ONLY BE INTENSIFIED.

BY JANUARY, 1975, CONGRESSIONALLY-AUTHORIZED SPENDING WAS INCREASING AT THE RATE OF 36 PERCENT PER YEAR.

AT THAT TIME, THE PRESIDENT ASKED CONGRESS TO HOLD THE LINE ON SPENDING, AND PROVIDE TAX RELIEF TO INDIVIDUALS AND CORPORATIONS.

THE TAX RELIEF WAS GRANTED, ON A TEMPORARY BASIS.

A YEAR AGO THIS MONTH, THE PRESIDENT ASKED CONGRESS TO EXTEND THOSE CUTS BY APPROVING A \$28-BILLION CUT COUPLED WITH A BINDING SPENDING CEILING OF \$395-BILLION FOR THE FISCAL YEAR 1977, TO BEGIN OCTOBER 1ST, JUST A WEEK FROM NOW.

THE RESPONSE OF THE CONGRESSIONAL MAJORITY WAS THAT THE REQUEST AMOUNTED TO AN IMPOSITION UPON THE THEN-NEW PROCEDURE IN WHICH THE CONGRESS, UNDER THE BUDGET REFORM ACT, HAD GIVEN ITSELF THE RESPONSIBILITY TO ESTABLISH ITS OWN VERSION OF THE FEDERAL BUDGET.

AS SOME OF YOU MAY RECALL, I WARNED THAT, IF THE CONGRESS WERE NOT CAREFUL; IF IT DID NOT HOLD THE SPENDING LINE, WE WOULD BE CONFRONTED WITH EXACTLY WHAT THE PRESIDENT WAS TRYING TO AVOID:

A BUDGET OF \$400-BILLION, OR MORE.

BUT, THE LINE WAS NOT HELD. AND:

TWO WEEKS AGO, THE CONGRESS, UNDER BUDGET REFORM ACT PROCEDURES, FINALLY ADOPTED ITS BUDGET FOR FY '77.

IT CARRIED AN AUTHORITY OF \$451.550-BILLION, AN OUTLAY OF \$413.1-BILLION, AND A DEFICIT OF \$50.6-BILLION.



So, EVEN AS A FEW MONTHS AGO, I FOUND COMPELLED TO WARN OF THE POSSIBILITY THAT THIS COULD COME TO PASS IN FY 77, I AM NOW COMPELLED TO CAUTION THAT, IF CONGRESS CONTINUES THIS RATE OF SPENDING, WE WILL BE CONFRONTED WITH, AT LEAST, A \$500-BILLION BUDGET IN THE NEXT TWO YEARS.

ABOUT HALF OF TODAY'S BUDGET IS CONSUMED BY SO-CALLED "HUMAN RESOURCE" PROGRAMS. THESE PROGRAMS ENCOMPASS THE AREAS OF HEALTH, WELFARE, EDUCATION, PENSIONS, AND SO FORTH.

DEFENSE, TODAY, CONSUMES ABOUT A QUARTER OF THE BUDGET. AND ABOUT HALF OF THAT GOES FOR THE PERSONNEL COSTS OF OUR ALL-VOLUNTEER ARMED FORCE.

THE ANSWER TO THE PROBLEM IS NOT TO RAISE TAXES. THAT WOULD ONLY INTENSIFY THE PROBLEM!

FOR EXAMPLE:

ACCORDING TO THE CENSUS BUREAU, THE NATIONAL MEDIAN INCOME, LAST COMPOUNDED IN 1974, WAS \$12,836 PER YEAR.

THE MEDIAN, OF COURSE, IS THE POINT WHERE HALF THE INCOMES ARE HIGHER, AND HALF LOWER. HOWEVER, THE UPPER HALF PAYS 80 PERCENT OF OUR TOTAL INCOME TAXES.

So, QUITE OBVIOUSLY, OUR PRESENT TAX LAWS ARE, ALREADY, "PROGRESSIVE" ENOUGH.

QUITE OBVIOUSLY, OUR TAXPAYERS ALREADY HAVE ABOUT ALL OF THE TAX BURDEN THEY NEED; AND, IN MOST CASES, MORE THAN THEY CAN REALLY HANDLE.

IF, THEN, THE ANSWER IS NOT TO INCREASE TAXES, THE ANSWER CAN ONLY BE TO CUT THE COSTS!

AND THIS IS PRECISELY WHAT MUST BE DONE!

WE MUST CUT THE COST OF GOVERNMENT.

WE MUST LET THE AMERICAN PEOPLE KEEP MORE OF THE MONEY THEY EARN.

THIS MEANS, THEN, VERY SIMPLY, THAT ALL EXISTING GOVERNMENT PROGRAMS MUST BE RE-SURVEYED, TO ASCERTAIN THAT THEY ARE REALLY NEEDED; THAT THEY ARE ACCOMPLISHING INTENDED GOALS; THAT, IN THESE PROGRAMS, THE GOVERNMENT IS NOT TRYING TO DO SOMETHING THAT BELONGS IN THE PRIVATE SECTOR; THAT OUR PROGRAMS ARE DEVOID OF FRAUD; AND THAT THEY ARE DEVOID OF WASTE.

MEANWHILE, ALL NEW SPENDING PROPOSALS MUST BE SCRUTINIZED, AND CONSIDERED, AND COST-ACCOUNTED, WITH UTMOST CAUTION AND CONCERN FOR TOTAL COST EFFECT.

AND, CERTAINLY, WE MUST SEEK ALL POSSIBLE REDUCTION OF THOSE PRIMARILY ADMINISTRATIVE AND BUREAUCRATIC COSTS CONTAINED IN THE REMAINING QUARTER OF THE BUDGET.

IN SHORT, WE MUST GET THE GOVERNMENT OUT OF OUR BUSINESS, AND OUT OF OUR PERSONAL LIVES; AND GET SOME REAL BUSINESS CONCEPTS INTO GOVERNMENT, FOR THE PERSONAL WELFARE OF ALL OF OUR PEOPLE!

WITHIN THE EXECUTIVE BRANCH, THESE EFFORTS HAVE BEGUN.

A BEGINNING HAS BEEN MADE IN THE REDUCTION OF FEDERAL OFFICES, PROGRAMS, EMPLOYEES, AND COSTS.

THE ADMINISTRATION IS NOW CONTRACTING OUT ALL SERVICES WHICH CAN BE BETTER PERFORMED BY PRIVATE COMPANIES.

SUCH A POLICY, OF COURSE, NOT ONLY REDUCES THE GOVERNMENT PAYROLL, AND THE COST TO THE TAXPAYER, BUT IT CREATES MORE JOBS WITHIN THE PRIVATE SECTOR.

IN BOTH WAYS, THEN, THE AMERICAN PEOPLE GAIN.

I NEED NOT TELL YOU, OF COURSE, THAT IT IS IN THE PRIVATE SECTOR WHERE THE REAL PRODUCTIVITY EXISTS. THIS IS TRUE, BASICALLY, BECAUSE, BEING COMPETITIVE, INCENTIVE IN THE PRIVATE SECTOR IS PRE-DOMINANT.

MEANWHILE:

FOR ALL OF OUR PROBLEMS, WE HAVE STILL MANAGED A REMARKABLE RECOVERY FROM THOSE ECONOMIC PROBLEMS OF A COUPLE OF YEARS AGO.

FOR EXAMPLE:

THE RATE OF INFLATION HAS BEEN CUT IN HALF.

CORPORATE PROFITS ARE UP; SO ARE PERSONAL INCOMES; SO IS THE GROSS NATIONAL PRODUCT.

WELFARE ROLLS ARE BEING REDUCED; AND PAYROLLS ARE BEING EXPANDED.

FOR EXAMPLE:

THE FOOD STAMP PROGRAM WAS REDUCED, IN JULY, ALONE, BY HALF A MILLION PEOPLE, BRINGING IT TO ITS LOWEST LEVEL IN 20 MONTHS.

IN AUGUST, ALL ECONOMIC INDICATORS CONTINUED UPWARD, FOR THE 17TH STRAIGHT MONTH.

AS SEPTEMBER BEGAN, 88-MILLION AMERICANS WERE WORKING; MORE THAN AT ANY TIME IN HISTORY.

LITTLE WONDER, THEN, THAT SOME OF OUR MORE ABLE ECONOMISTS NOW CONFIRM SOMETHING THAT MANY OF US HAVE LONG SUSPECTED:

THAT THE BUREAU OF LABOR STATISTICS' MONTHLY UNEMPLOYMENT INDEX IS OUT-OF-DATE, OUT-OF-KILTER, AND NOT TRULY REFLECTIVE OF ACTUAL CONDITIONS.

FOR, DESPITE THIS FIGURE OF RECORD EMPLOYMENT, THE BUREAU'S INDEX CONTINUES TO TELL US THAT "UNEMPLOYMENT," PER SE, IS STILL RUNNING AT NEARLY 7.5 PERCENT.

BUT WHAT THE INDEX DOES NOT SHOW, IS, NOT ONLY THAT MORE PEOPLE ARE WORKING THAN EVER BEFORE; BUT THAT MORE WOMEN AND TEENAGERS ARE WORKING THAN EVER BEFORE; AND, BEYOND THAT, THAT WE HAVE A RISING POPULATION, WITH MORE PEOPLE DECIDING TO SEEK JOBS THAN EVER BEFORE, PARTICULARLY WOMEN AND TEENAGERS.

INDEED, MANY OF THOSE ALREADY WORKING ARE SUCH PEOPLE.

IN FACT, WITH SO MANY HOUSEHOLDS WITH TWO OR MORE PEOPLE WORKING, OUR STATISTICIANS, ECONOMISTS, AND TAX PEOPLE NOW SPEAK, MORE FREQUENTLY, IN TERMS OF "HOUSEHOLD" OR "FAMILY" INCOME, THAN IN TERMS OF "PERSONAL INCOME."

SO, QUITE OBVIOUSLY, WE HAVE MADE A REMARKABLE RECOVERY FROM THE ECONOMIC PROBLEMS IMPOSED UPON US A COUPLE OF YEARS AGO.

SOME OF THE RECOVERY HAS, IN FACT, BEEN INSPIRED BY GOVERNMENTAL EFFORTS AND LEADERSHIP.

BUT, THE MAJOR FACTOR HAS BEEN THE CONFIDENCE OF THE PRIVATE SECTOR, ITSELF; PARTICULARLY THE CONSUMER.

THE AUTO BOOM HAS PLAYED AN IMPORTANT ROLE IN THIS CONSUMER PHASE OF OUR RECOVERY.

AND, GIVEN SETTLEMENT OF THE FORD STRIKE, AND ITS PACE-SETTING LABOR AGREEMENTS, AND COSTS, FOR THE ENTIRE INDUSTRY, THAT BOOM IS EXPECTED TO CONTINUE.

AS IT WILL CONTINUE TO BE WITH AUTOS, SO WILL IT BE WITH STEEL, ALUMINUM, AND HOUSEHOLD APPLIANCES.

HOWEVER, MORE CAPITAL INVESTMENT IS REQUIRED TO ASSURE THE LONG-TERM CONTINUANCE OF THE UPTREND.

AND, THAT, FORTUNATELY, IS BEGINNING TO MAKE ITSELF FELT.

PART OF IT IS COMING FROM FOREIGN INVESTORS. (IN FACT, FOREIGN INVESTMENT NOW HAS REACHED THE UNPRECEDENTED RATE OF \$100-BILLION A YEAR.)

AND, ARKANSAS IS BEGINNING TO GET ITS SHARE.

EARLIER TODAY, FOR EXAMPLE, IT WAS MY PLEASURE TO PARTICIPATE, AT VAN BUREN, IN THE DEDICATION OF A NEW, \$25-MILLION PLANT: A PLANT ESTABLISHED BY A BELGIAN CORPORATION, BAKAERT STEEL WIRE.

THERE, 300 ARKANSAS WORKERS WILL SOON BE PRODUCING HIGH-QUALITY STEEL WIRE AGRICULTURAL FENCING FOR CONSUMPTION IN ARKANSAS AND IN THE SURROUNDING REGION OF WHICH ARKANSAS IS THE GATEWAY.



THE BEKAERT SELECTION OF ARKANSAS IS, OF COURSE, A TRIBUTE, TO THE GOVERNMENTAL, ECONOMIC, AND LABOR CLIMATE, HERE IN ARKANSAS.

IT IS ALSO A TRIBUTE TO ARKANSAS'S EXPANDING ROLE IN THE NATIONAL AND INTERNATIONAL AGRICULTURAL PICTURE.

AGAIN THIS YEAR, ARKANSAS IS MAKING ITS CONTRIBUTION TO THE RECORD HARVEST ANTICIPATED BY THE U.S. DEPARTMENT OF AGRICULTURE.

AGAIN THIS YEAR, ARKANSAS IS MAKING ITS CONTRIBUTION TO THE NATION'S TOTAL AGRICULTURAL EXPORTS. AND THESE EXPORTS NOW RUN AT THE LEVEL OF \$22-BILLION A YEAR.

CONSEQUENTLY, OUR FARMERS WILL ENJOY THEIR SHARE OF A TOTAL U.S. AGRICULTURAL INCOME WHICH, FOR THE PAST FOUR YEARS, HAS AVERAGED \$26-BILLION PER YEAR.

AND, AS A CONSEQUENCE OF THE ARKANSAS DECISION, SEVERAL YEARS AGO, TO DO THE THINGS NECESSARY TO ATTRACT, FROM ELSEWHERE, NEW BUSINESS, INDUSTRY, AND COMMERCE, OUR PRODUCTION OF GOODS AND SERVICES, AND RESULTANT INCOMES WILL CONTINUE TO RISE.

AND, WHATEVER OUR GAINS IN THIS VITAL AREA, MORE ARE ASSURED, NOT ONLY FROM ELSEWHERE IN THIS COUNTRY, BUT FROM ABROAD, AS WELL, AS OUR BEKAERT SUCCESS STORY MAKES CLEAR.

GIVEN SOUND GOVERNMENT POLICIES AT THE FEDERAL LEVEL; GIVEN THE RESPECT FOR THE PUBLIC DOLLAR ADVOCATED BY GEORGE WASHINGTON; GIVEN THOMAS JEFFERSON'S BELIEF THAT THE BEST GOVERNED ARE THE LEAST GOVERNED, THE FUTURE OF AMERICA--AND ARKANSAS--CAN ONLY BE VIEWED AS VERY BRIGHT.

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AS MEMBERS OF THE OZARK CHAMBER OF COMMERCE, YOU ARE,
VERY MUCH, A PART OF THAT FUTURE. FOR, AS BUSINESS AND
PROFESSIONAL MEN, DEDICATED TO THE GOOD OF YOUR COMMUNITY,
STATE AND NATION, SO MUCH OF THAT FUTURE IS IN YOUR HANDS.

AND, AS I AM WELL AWARE, THEY ARE MOST COMPETENT HANDS.
THANK YOU FOR INVITING ME TO SHARE THIS EVENING WITH YOU.
AND, THANK YOU FOR YOU KIND ATTENTION.

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THANK YOU, ORVILLE (CLIFT).

REVEREND CLERGY,

PAST PRESIDENT _____.

PRESIDENT _____.

MEMBERS OF THE BOARD.

MEMBERS OF THE OZARK CHAMBER OF COMMERCE, AND GUESTS.

I WANT TO ADD MY PERSONAL APPRECIATION TO DIRECTOR RAMEY
HERREN AND THE OZARK STAGE BAND FOR THEIR FINE PERFORMANCE, HERE,
TONIGHT.

I WANT TO PAY MY RESPECTS TO YOUR FARM FAMILY OF THE YEAR,
_____.

I'M PLEASED TO SEE THEM HERE TONIGHT.

THEIR PRESENCE REMINDS US OF THE SOLID AGRICULTURAL BASE
UPON WHICH ARKANSAS HAS BEEN BUILT; AND UPON WHICH SO MUCH OF
OUR FUTURE DEPENDS, IN A SOUND BALANCE WITH BUSINESS, INDUSTRY AND
COMMERCE.

WE ARE REMINDED, TOO, OF THE INCREASINGLY IMPORTANT ROLE
THAT OUR AGRICULTURE PLAYS IN THE WORLD, WITH THE ABUNDANT PRODUCTS
OF OUR FREE AMERICAN FARMER REQUIRED EVEN IN THE SOVIET UNION.

FOR, DESPITE ALL THEIR POWER, THE BUREAUCRATS OF THE KREMLIN
STILL CAN'T GROW ENOUGH FOOD TO FEED THE SOVIET PEOPLE.

BASICALLY, OF COURSE, THIS IS BECAUSE, UNLIKE THE AMERICAN
FARMER, THE SOVIET FARMER IS SIMPLY NOT FREE.

#158

ADDRESS BY THE HONORABLE JOHN PAUL HAMMERSCHMIDT...REPRESENTATIVE
IN THE CONGRESS...ARKANSAS, 3RD DISTRICT...ARKANSAS NUTRITION
CONFERENCE...(SPONSORS: UNIVERSITY OF ARKANSAS ANIMAL SCIENCES
DEPARTMENT, AND ARKANSAS FEED MANUFACTURERS ASSOCIATION)...
STUDENT UNION...UNIVERSITY OF ARKANSAS, FAYETTEVILLE...
THURSDAY, SEPTEMBER 23, 1976...12 NOON.

(PLEASE NOTE: READING TIME OF THIS SPEECH IS 19 1/2 MINUTES.)

FREE AGRICULTURE: KEY TO PEACE

AMERICA HAS ENTERED ITS THIRD CENTURY OF INDEPENDENCE.
IN OUR RELATIVELY-SHORT SPAN OF NATIONHOOD, WE HAVE
MADE INCREDIBLE PROGRESS.

WE HAVE INSPIRED, AND DEFENDED, FREEDOM ABOUT THE WORLD.
WE HAVE WALKED ON THE FLOORS OF THE OCEANS, AND ON THE
SURFACE OF THE MOON.

AS WE MEET TODAY, OUR VIKING LANDERS CONTINUE TO
GATHER SAMPLINGS OF THE SOIL OF MARS.

IN OUR PROGRESS INTO THE HEAVENS, WE HAVE NOT YET
TOUCHED THE STARS, BUT WE ARE WELL ON THE WAY.

OUR REUSABLE SPACE SHUTTLE VEHICLE, ENTERPRISE, HAS HAD
ITS UNVEILING.

FROM OUR ADVANCES IN SPACE, AS IN THOSE HERE ON EARTH,
WE HAVE SHARED THE BENEFITS, FREELY, WITH OUR NEIGHBORS IN
THE WORLD.

FOR:

OUR GOAL REMAINS: A NATION IN TRANQUILITY, AND A WORLD
AT PEACE.

UNFORTUNATELY, NOT ALL NATIONS SHARE OUR VISION.

AS A NEWLY-ISSUED REPORT BY THE BROOKINGS INSTITUTION
REMINDS US:

"THE U.S.S.R. WILL REMAIN A TOTALITARIAN, HEAVILY ARMED
STATE, DETERMINED TO CONTINUE TO DOMINATE EASTERN EUROPE AND
TO EXTEND ITS INFLUENCE IN THE WORLD, WHATEVER WE MAY DO."



THE REPORT ADDS:

"THE WORST THREAT TO OUR WELL-BEING REMAINS WHAT IT HAS BEEN EVER SINCE WORLD WAR II--A CLASH BETWEEN U.S. AND SOVIET ARMED FORCES."

(END QUOTE.)

AS THIS EXPERT REPORT GOES ON TO REMIND US, THE BURDEN OF THIS THREAT IS MADE ALL THE GREATER BY OUR KNOWLEDGE THAT SUCH A CLASH COULD COME, NOT NECESSARILY AS A RESULT OF THE IMMEDIATE INITIATIVE OF EITHER SUPER-POWER.

IT COULD COME AS A CONSEQUENCE OF AN ACTION BY A THIRD NATION; OR BY A GROUP OF NATIONS.

IT COULD COME AS A RESULT OF REBELLION WITHIN A SOVIET-DOMINATED STATE IN EASTERN EUROPE.

IT COULD COME AS A RESULT OF REBELLION WITHIN YUGOSLAVIA, AS THAT RECENT AIR HIJACKING BY CROATIAN NATIONALISTS REMINDED US, SO MELODRAMATICALLY.

THIS BURDEN, THESE POSSIBILITIES, ARE HEIGHTENED, CONSIDERABLY, BY THE FACT THAT WE NOW FIND OURSELVES FLOUNDERING IN AN ERA OF NUCLEAR PROLIFERATION.

AND, THIS IS ONE OF THE MOST COMPLICATED AND PERPLEXING PROBLEMS WITH WHICH WE, IN THE CONGRESS, AS WELL AS THE EXECUTIVE BRANCH, ARE STRUGGLING TO COPE.

IN TODAY'S ENERGY-SHORT WORLD, WE CANNOT PREVENT OTHER NATIONS FROM SEEKING THE MEANS OF NUCLEAR POWER. IN FACT, WE HAVE HELPED SOME IN THE DEVELOPMENT OF SUCH AN ENERGY SOURCE.

BUT, AS WE HAVE SEEN IN INDIA, AND IN MAINLAND CHINA, AN ANNOUNCEMENT OF AN EXPLOSION OF A NUCLEAR DEVICE FOR "PEACEFUL PURPOSES," CAN, SOMEHOW, CARRY A CYNICAL, SINISTER, RING.

AND THIS RING CAN BE AMPLIFIED, GREATLY, IN CONSIDERATION OF THE GROWING HOSTILITY BETWEEN INDIA AND NEIGHBORING PAKISTAN; AND BETWEEN MAINLAND CHINA, AND ITS FORMER BENEFACTOR, THE SOVIET UNION.

THE FRICTIONS BETWEEN THESE LATER TWO MAJOR, BUT QUARRELLING, RED POWERS, CONTINUE TO DEMONSTRATE THEMSELVES, IN MANY WAYS.

THEY SHOW THEMSELVES IN THE CONTINUED CONCENTRATION OF TROOPS, AND IN THEIR SKIRMISHES, ALONG THEIR COMMON BORDER IN ASIA.

THEY SHOW THEMSELVES IN THE DRIVES BY MOSCOW, AND BY PEKING, TO EXTEND THEIR INFLUENCE, VIA REVOLUTIONARY MOVEMENTS, IN THE SO-CALLED "THIRD WORLD."

TODAY, THAT COMPETITION IS ESPECIALLY EVIDENT IN SOUTHERN AFRICA.

IN OFFERING OUR GOOD OFFICES IN AN EFFORT TO PREVENT SERIOUS MILITARY ERUPTION IN THAT MOST VOLATILE REGION, WE ARE, OF COURSE, DOING THE PROPER THING.

IN THIS EFFORT, MODERATION AND EVEN-HANDEDNESS ARE PARAMOUNT.

SUCH A POLICY IS EQUALLY VITAL IN THE MIDDLE EAST; PARTICULARLY AS MOSCOW BOLSTERS ITS CAPACITY TO INTERDICT OUR OIL LIFELINE IN THE INDIAN OCEAN AND IN THE PERSIAN GULF.

NEVER IN OUR HISTORY HAS IT BEEN MORE IMPERATIVE THAT THE WORLD UNDERSTAND THAT, WHILE WE COME IN PEACE, WE ARE PREPARED, FULLY, TO MEET OUR COMMITMENTS, TO PROTECT OUR INTERESTS; AND, IF NECESSARY, TO DEFEND OURSELVES.

NEVER IN OUR HISTORY HAVE WE HAD A GREATER NEED FOR STRENGTH; NOT JUST IN THE MILITARY SENSE, BUT IN THE FISCAL, THE ECONOMIC, THE MORAL, AND THE INTELLECTUAL.

NEVER IN OUR HISTORY, HAVE WE HAD A GREATER NEED FOR WISE DETERMINATION OF PRIORITIES; FOR MATURITY OF JUDGMENT; FOR CONSISTENCY OF POSITION; FOR PRUDENCE OF POLICY; FOR CONFIDENCE IN OUR SYSTEM; FOR FAITH IN OURSELVES; FOR COMPASSION FOR THOSE LESS FORTUNATE.

AS I LOOK ABOUT ME, IN WASHINGTON AND, CERTAINLY, HERE AT HOME IN ARKANSAS, I FIND GREAT CAUSE FOR CONFIDENCE THAT WE HAVE, INDEED, BEGUN TO RESPOND, VERY POSITIVELY, TO ALL OF THOSE NEEDS.

WE HAVE SURVIVED THE TERRIBLE TRAUMA OF SOUTHEAST ASIA; THE TRAUMA WHICH, SO LONG, SO GREATLY SAPPED OUR STRENGTH AND DIVIDED OUR PEOPLE.

AND, WE HAVE RECOVERED FROM IT.

TODAY, WE ARE IN A POSITION OF PEACE WITH THE WORLD. TODAY, TOO, WE ARE IN A POSITION OF TRANQUILITY AT HOME.

NO AMERICANS ARE BEING DRAFTED.

NO AMERICANS ARE MARCHING ON MILITARY RECRUITING STATIONS. BUT MANY YOUNG AMERICANS ARE ENLISTING IN WHAT, IN AMERICA, TODAY, IS AN ALL-VOLUNTEER MILITARY FORCE.

IT'S THE BEST-TRAINED, BEST-PREPARED MILITARY FORCE IN THE WORLD. IT'S ALSO THE BEST-CONSIDERED, AND BEST-COMPENSATED, MILITARY FORCE IN THE WORLD.

PERSONNEL COSTS, ALONE, CONSUME ABOUT HALF OF TODAY'S DEFENSE BUDGET. AND THAT DEFENSE BUDGET WHICH, TWO YEARS AGO, CONSUMED ABOUT 44 PERCENT OF OUR TOTAL BUDGET, NOW CONSUMES ONLY ABOUT 27 PERCENT.

AND:

HUMAN RESOURCE PROGRAMS WHICH, TWO YEARS AGO, CONSUMED ABOUT 28 PERCENT OF OUR BUDGET, NOW CONSUME ABOUT 44 PERCENT.

THERE COULD, INDEED, BE NO MORE POSITIVE TESTIMONY TO THE SINCERITY OF OUR EFFORT, THESE PAST TWO YEARS, TO REALIGN OUR PRIORITIES, AS WE WOULD HAVE THEM: FOR HUMANE PURPOSES, RATHER THAN FOR HUMAN DESTRUCTION.

BUT, WITHIN THE CONGRESS, AS WITHIN THE EXECUTIVE BRANCH, CONCERN GROWS OVER THE MOUNTING PRESSURES, IMPOSED AGAINST OUR PEACEFUL PRIORITIES, BY THE CONTINUED CONDUCT OF THE SOVIET UNION.

ITS LEADERSHIP CONTINUES TO HURL UP ITS FRUSTRATIONS AND IMPEDIMENTS TO OUR EFFORTS TO NEGOTIATE A TRULY ENFORCEABLE NEW STRATEGIC ARMS AGREEMENT BEFORE THE EXPIRATION OF THE CURRENT AGREEMENT IN OCTOBER, OF 1977.

AND THIS SOVIET DIPLOMATIC CONDUCT IS PUNCTUATED BY THE CONTINUING SOVIET MILITARY BUILDUP OF THE FULL RANGE OF ITS CONVENTIONAL AND STRATEGIC FORCES AND CAPABILITIES.

MEANWHILE, WHILE RETAINING OUR VIGILANCE IN THE INTERNATIONAL ARENA, WE REMAIN DETERMINED TO MOVE FORWARD IN OUR EFFORTS FOR A BETTER, FULLER, LIFE, HERE AT HOME, FOR ALL OF OUR PEOPLE.

GIVEN GOOD HEALTH, THE GREATEST NUTRIENT FOR OUR HUMAN RESOURCES IS THE PRIDE AND SATISFACTION WHICH FLOW FROM THE OPPORTUNITY TO WORK, TO EARN, TO BE AN ACTIVE PART OF OUR FREE SOCIETY.

TODAY, THAT PRIDE, THAT SATISFACTION, IS BEING REALIZED BY MORE AND MORE AMERICANS; WITH MORE AMERICANS WORKING IN OUR PRIVATE SECTOR--WHERE THE REAL JOBS ARE--THAN AT ANY TIME IN HISTORY, AND WITH MORE JOINING OUR WORK FORCE EVERY WEEK.

CONSEQUENTLY, OUR WELFARE ROLLS ARE BEING REDUCED, ACCORDINGLY. OUR FOOD STAMP PROGRAM, FOR EXAMPLE, WAS REDUCED BY HALF A MILLION PEOPLE IN JULY, ALONE; BRINGING IT TO ITS LOWEST LEVEL IN 20 MONTHS.

IN AUGUST, FOR THE 17TH STRAIGHT MONTH, ALL LEADING ECONOMIC INDICATORS CONTINUED THE UPWARD TREND WHICH HAS MARKED OUR STEADY AND SUBSTANTIAL RECOVERY FROM THOSE OIL-EMBARGO-FORCED ECONOMIC REVERSES OF LITTLE MORE THAN TWO YEARS AGO.

AS WE ENTERED SEPTEMBER, INFLATION HAD BEEN CUT IN HALF. PRODUCTIVITY AND THE GROSS NATIONAL PRODUCT WERE UP. SO WERE INCOMES, AND SAVINGS. SO WERE HOUSING STARTS, PLANT CONSTRUCTION, AND ORDERS FOR NEW EQUIPMENT.

BIG STEEL HAD CANCELLED PLANNED PRICE INCREASES FOR THE FLAT-ROLLED PRODUCTS FROM WHICH COME AUTOS, AND HOME APPLIANCES. AUTOMAKERS HAD INCREASED THEIR FALL PRODUCTION SCHEDULES.

NOW, HOW MUCH EFFECT THE UNITED AUTO WORKERS' STRIKE AGAINST THE FORD MOTOR COMPANY WILL HAVE ON OUR UPWARD ECONOMIC TREND, AND WHAT IT WILL DO TO THIS 17-MONTH PATTERN OF ENCOURAGING INDICATORS, OF COURSE, REMAINS A MATTER OF SPECULATION.

IT IS IMPORTANT TO APPRECIATE, HOWEVER, THAT, IN INITIATING THAT ACTION, THOSE NEARLY 170-THOUSAND FORD WORKERS WERE FORTIFIED WITH PERSONAL SAVINGS ACCOUNTS, AND WITH A RECORD STRIKE FUND OF MORE THAN \$175-MILLION.

IT IS IMPORTANT TO APPRECIATE, TOO, THAT THEY WERE NOT STRIKING SO MUCH FOR MORE PAY, AS FOR MORE PAID DAYS OFF.

THEIR OLD CONTRACT ASSURED THEM OF INCOMES WHICH RANGED FROM \$6.57 PER HOUR TO \$9 PER HOUR. THIS MEANT PAYCHECKS WITH A GROSS AVERAGE OF ABOUT \$350 PER WEEK.

THEIR OLD CONTRACT ASSURED THEM, ALSO, OF FROM 31 TO 33 PAID DAYS OFF PER YEAR.

BEFORE GOING ON STRIKE, A WEEK AGO TUESDAY, THEIR BARGAINING REPRESENTATIVES REJECTED A COMPANY OFFER OF AN HOURLY PAY INCREASE WHICH RANGED FROM 43 CENTS TO 82 CENTS PER HOUR.

THEY MADE IT CLEAR THAT THEY WERE MORE CONCERNED WITH THEIR DEMANDS FOR AN ADDITIONAL 12 PAID DAYS OFF PER YEAR; AN ADDITION WHICH, OF COURSE, WOULD GIVE THEM A TOTAL OF FROM 43 TO 45 PAID DAYS OFF PER YEAR.

MEANWHILE, MOST OF THE WORKERS QUERIED BY REPORTERS INDICATED THEIR GENERAL WILLINGNESS, AND FINANCIAL ABILITY, TO WITHSTAND A LONG STRIKE, IF NECESSARY, TO REALIZE THEIR DEMANDS.

IF, THEN, THESE FACTS CONSTITUTE SOMETHING OF A COMMENTARY ON THE ECONOMIC STATUS OF THE AMERICAN AUTO WORKER TODAY (AND I BELIEVE THEY DO), THESE FACTS MUST ALSO CONSTITUTE SOMETHING OF A COMMENTARY ON THE WORKER'S CONFIDENCE IN THE CONTINUED RESILIENCY AND STRENGTH OF THE AMERICAN ECONOMY OF WHICH THE WORKER IS SO VITAL A PART.

BUT, SO DOES THE LESSER-PUBLICIZED STORY OF THE TREMENDOUS NEW FLOW OF FOREIGN INVESTMENT INTO AMERICA, AND, IN TURN, TO THE AMERICAN WORKER AND THAT ECONOMY.

THOUGH A RECENT PHENOMENON, THAT FOREIGN INVESTMENT HAS NOW REACHED THE LEVEL OF \$100-BILLION PER YEAR.

AND, ARKANSAS HAS NOW BEGUN TO FEEL ITS BENEFICIAL EFFECTS.

FOR EXAMPLE, TOMORROW, I'LL BE IN VAN BUREN, FOR THE DEDICATION OF A FINE, NEW, \$25-MILLION PLANT; A PLANT WHICH WAS ESTABLISHED, THERE, BY A BELGIAN COMPANY: BEKAERT STEEL WIRE CORPORATION.

THIS PLANT WHICH, SOON, WILL EMPLOY 300 ARKANSANS, WILL MANUFACTURE HIGH-QUALITY AGRICULTURAL WIRE FENCING; NOT JUST FOR CONSUMPTION HERE IN ARKANSAS, BUT FOR CONSUMPTION THROUGHOUT THE NEIGHBORING REGION TO WHICH ARKANSAS IS THE GATEWAY.

NOW, WITH THE BEKAERT DECISION A REALITY, AND WITH A NEW ARKANSAS DEVELOPMENT COMMISSION OFFICE ESTABLISHED IN BRUSSELS, WE CAN ANTICIPATE THAT OTHER WEST EUROPEAN COMPANIES WILL ALSO FIND OUR STATE A HOSPITABLE, PRODUCTIVE, AND MUTUALLY-PROFITABLE STATE IN WHICH TO INVEST A SHARE OF THEIR FUTURES.

IF THIS BELGIAN COMPANY'S INVESTMENT IN ARKANSAS IS A TRIBUTE TO THE AMERICAN ECONOMY (AND IT IS), IT IS, AT ONCE, A TRIBUTE TO OUR AMERICAN SYSTEM OF AGRICULTURE.

IT IS, PARTICULARLY, A TRIBUTE TO ITS FREEDOM OF THE FARMER, AND TO HIS RESULTANT PRODUCTIVITY; THE PRODUCTIVITY WHICH HAS MADE HIM THE MOST PROSPEROUS FARMER IN ALL OF THE HISTORY OF THE WORLD.

FOR ALL OF THE PROBLEMS, RISKS, FRUSTRATIONS, AND AGGRAVATIONS, NO AMERICAN FARMER WOULD TRADE PLACES WITH HIS COUNTERPART IN THE SOVIET UNION.

THERE, OF COURSE, THE SOVIET GOVERNMENT OWNS, NOT ONLY THE FARMS, NOT ONLY THE MEANS OF PRODUCTION, BUT THE FARMER, HIMSELF, FOR ALL PRACTICAL PURPOSES.

THERE, OF COURSE, THE COMMUNIST-PARTY-CONTROLLED BUREAUCRACY, NOT THE FARMER, MAKES THE FARMING DECISIONS. SOME OF THE SOVIET FARMS RANGE FROM 50-THOUSAND, TO 100-THOUSAND ACRES.

THERE ARE MORE WORKERS, AND MORE EQUIPMENT, THAN THEY KNOW WHAT TO DO WITH.

BUT THEY STILL CAN'T GROW ENOUGH FOOD TO FEED THEIR OWN SOVIET PEOPLE.

THIS, BASICALLY, OF COURSE, IS BECAUSE THE FARMERS, THEMSELVES, ARE NOT FREE TO FUNCTION, TO THINK, TO DECIDE WHAT TO DO, AND HOW TO DO IT.

AND THIS IS BECAUSE, MORE BASICALLY, THOSE SOVIET FARMERS ARE NOT FREE TO PROFIT FROM THEIR OWN ENDEAVORS.

So, to compensate for a large part of that agricultural deficit, the Soviet bureaucracy must turn to our American farmers. In marked contrast to Soviet conditions, our farmers, as you know, constitute less than five percent of our total work force.

Yet, they produce enough food to feed our entire population, and still have enough for profitable export to the rest of the world.

For example, earlier this month, Moscow found it necessary to purchase another 275-thousand metric tons of our wheat. That purchase brought to more than 4.6-million tons, the amount of wheat and corn purchased, so far, under that unprecedented five-year U. S.-Soviet agreement, signed last year.

That agreement, of course, was designed to assure our farmers that the Soviet Union would purchase from six-million to eight-million tons of our wheat and corn during each of those five years.

In dollar terms, these Soviet wheat and corn purchases, so far, amount to more than \$248-million in wheat, and to nearly \$308-million in corn.

And, although soybeans are not a part of that U.S.-Soviet agreement, Moscow has had to spend an estimated \$360-million for the purchase of 1.5-million tons of American soybeans from this year's crop.

Meanwhile, as a result of world draught conditions, American exports of dehydrated alfalfa pellets is now booming.

AND, DESPITE ISOLATED DRAUGHT PROBLEMS HERE AT HOME, OUR DEPARTMENT OF AGRICULTURE NOW ANTICIPATES A RECORD WHEAT CROP; A CROP OF 2.14-BILLION BUSHEL (SLIGHTLY HIGHER THAN THE 2.13-BILLION BUSHEL OF LAST YEAR),



THE DEPARTMENT ALSO ANTICIPATES A RECORD CORN CROP; A CROP OF 5.89-BILLION BUSHEL (SLIGHTLY HIGHER THAN THE 5.77 BILLION BUSHEL OF LAST YEAR),

OUR SOYBEAN CROP WILL SET NO RECORD, THIS YEAR. BUT IT STILL WILL BE A GOOD CROP. THE DEPARTMENT ANTICIPATES THAT IT WILL BE 1.3-BILLION BUSHEL (COMPARED TO LAST YEAR'S CROP OF 1.52-BILLION BUSHEL).

THE DEPARTMENT REPORTS, FURTHER, THAT, PARTLY AS A RESULT OF SOVIET AND EUROPEAN PURCHASES, OUR SOYBEAN STOCKS, BY MID-1977, MAY BE REDUCED TO 1.5-MILLION TONS. THAT, OF COURSE, WOULD BE A TIGHT SUPPLY SITUATION. BUT, FOR OUR SOYBEAN GROWERS, CERTAINLY HERE IN ARKANSAS, IT WOULD BE A SITUATION IN MARKED, AND PROFITABLE, CONTRAST TO THE CONDITION OF THE PAST YEAR.

OVERALL, OUR AGRICULTURE DEPARTMENT EXPERTS ASSURE ME THAT OUR FARM INCOMES FOR THE COMING YEAR SHOULD BE IN LINE WITH THE PROGRESS OF THE PAST FOUR YEARS, NATIONWIDE.

DURING THAT PERIOD, THOSE INCOMES HAVE AVERAGED \$26-BILLION PER YEAR.

THAT COMPARES WITH THE FOUR-YEAR PERIOD FROM 1965 TO 1968, WHEN THAT INCOME AVERAGED \$12.9-BILLION PER YEAR.

THE VAST DIFFERENCE BETWEEN THESE TWO FIGURES IS, OF COURSE, THE DIFFERENCE WHICH STEMMED FROM THE FACT THAT, IN RESPONSE TO ADMINISTRATION INITIATIVES, THE CONGRESS ACTED TO RE-DIRECT OUR FARM POLICIES IN BEHALF OF FULL PRODUCTION, AND A FREE MARKET.

THIS, AMONG OTHER THINGS, HAS RESULTED IN A 300 PERCENT INCREASE IN EXPORTS OF OUR AMERICAN FARM PRODUCTS.

TRANSLATED TO DOLLAR TERMS, THIS REPRESENTS AN INCREASE FROM AN AVERAGE OF \$6.4-BILLION IN EXPORTS PER YEAR, TO THE CURRENT LEVEL OF \$22-BILLION PER YEAR.

THESE, THEN, ARE SOME OF THE MORE OBVIOUS RESULTS OF A LONG-OVERDUE RENEWAL OF A MOST BASIC AMERICAN TRADITION:

THE TRADITION THAT THE AMERICAN FARMER (WHO, AT ONCE, IS A BUSINESSMAN AND A MARKET EXPERT) MUST BE FREE TO DETERMINE, FOR HIMSELF, WHAT HE FINDS BEST FOR HIM TO DO, ON HIS OWN FARM, WITH ^{IN} HIS OWN AREA OF EXPERTISE.

AND, WHAT A CHALLENGE, WHAT A POTENTIAL, CONFRONTS THAT AMERICAN FARMER!

THE POPULATION OF THE WORLD HAS NOW EXPLODED TO FOUR-BILLION PEOPLE.

AND THE EXPLOSION CONTINUES.

WITHIN THE NEXT 25 YEARS, THAT POPULATION WILL GROW BY ANOTHER NEARLY 4-BILLION PEOPLE.

YET, OF THE FOUR-BILLION PEOPLE WE NOW HAVE, ABOUT 500-MILLION ARE MALNOURISHED; WITH SERIOUS STARVATION PREVAILING IN THREE OR FOUR GEOGRAPHIC LOCATIONS.

AND, THE DOMINANT PERCENTAGE OF THAT FUTURE GROWTH IN POPULATION WILL COME FROM SUCH NATIONS. THESE NATIONS, KNOWN, EUPHEMISTICALLY, AS "DEVELOPING NATIONS," HAVE MANAGED TO INCREASE THEIR OWN FOOD SOURCES BY ONLY EIGHT PERCENT PER PERSON OVER THE PAST 20 YEARS.

CLEARLY, THEN, IF FOOD IS CONSIDERED THE MAIN ELEMENT FROM WHICH THE KEY TO LASTING, WORLD PEACE MUST BE FORGED, THE GREATER PERCENTAGE OF THAT ELEMENT MUST COME FROM THE AMERICAN FARM.

WHAT A CHALLENGE! WHAT A FUTURE FOR AMERICAN AGRICULTURE!

IN MANY RESPECTS, THE REMOVAL OF THE OPPRESSIVE AND FRUSTRATING IMPOSITION OF THE FEDERAL BUREAUCRACY FROM THE LIVES AND LIVLIHOODS OF OUR FARMERS, HAS PROVED, IN REALITY, THE PATTERN BY WHICH, THESE PAST TWO YEARS, THAT BUREAUCRACY HAS BEGUN TO BE REMOVED FROM OUR TOTAL NATIONAL STRUCTURE.

OFFICIALLY, THE STARTING POINT WAS THE ADMINISTRATION'S INSISTENCE UPON DRAWING A FIRM LINE BETWEEN WHAT, IN AMERICA, IS THE PROPER RESPONSIBILITY OF GOVERNMENT, AND WHAT IS THE PROPER RESPONSIBILITY OF THE PRIVATE SECTOR.

GIVEN THOSE BOUNDARIES, THE WAY WAS ESTABLISHED FOR THE BEGINNING OF THE REDUCTION OF THE SCOPE, SIZE--AND COST--OF GOVERNMENT.

ADMITTEDLY, WE HAVE A LONG WAY TO GO BEFORE YOU AND I ARE SATISFIED. BUT, THE IMPORTANT THING IS THAT, AT LAST, THIS MOVEMENT HAS BEGUN.



IN CONCERT WITH THIS ACTION BY THE ADMINISTRATION, THE CONGRESS ENACTED THE BUDGET REFORM ACT OF 1974.

UNDER THAT ACT, THE CONGRESS REQUIRED ITSELF TO ASCERTAIN, NOT SO MUCH WHAT SPENDING PROGRAMS IT WOULD LIKE THE NATION TO HAVE, BUT WHAT SPENDING PROGRAMS THE NATION COULD REALLY AFFORD.

(FOR A LONG TIME, OF COURSE, THERE HAD BEEN A BIG DIFFERENCE. AND THAT DIFFERENCE HAD PILED UP A MASSIVE PROBLEM OF GROWING DEFICITS AND DEBT WHICH, AMONG OTHER THINGS, FANNED THE FLAMES OF INFLATION.)

PREVIOUSLY, THE DETERMINATION OF BUDGETARY PRIORITIES, WITH THE DECISION AS TO WHAT WAS NEEDED, AND WHAT COULD BE AFFORDED, WAS LEFT TO THE PRESIDENT.

CONSEQUENTLY, YEAR AFTER YEAR, THE PRESIDENT CONVEYED HIS THOUGHTS TO THE CONGRESS, VIA HIS ANNUAL BUDGET MESSAGE. AND, WITH EACH PASSING YEAR, THE DIFFERENCE BETWEEN WHAT THE PRESIDENT RECOMMENDED BE SPENT, AND WHAT THE CONGRESS MANAGED TO SPEND, BECAME INCREDIBLE.

IN FACT, BY THE TIME THAT THE CONGRESS PASSED THE BUDGET REFORM ACT, THE SPENDING WHICH IT WAS VOTING WAS GROWING AT THE STAGGERING RATE OF 36 PERCENT PER YEAR. AND, OF COURSE, IT WAS PRODUCING DEFICITS AND DEBT ACCORDINGLY.

BRIEFLY PUT, THE CONGRESS NOW COMPELS ITSELF, EACH YEAR, TO DETERMINE, FIRMLY, WHAT IT BELIEVES THE NATION CAN AFFORD BY WAY OF SPENDING, AND THEN LEGISLATES ACCORDINGLY.

THIS MEANS THAT THE CONGRESS MUST NOW DEAL WITH INDIVIDUAL SPENDING BILLS AS A PART OF A TOTAL BUDGET, RATHER THAN ON AN ITEM-BY-ITEM BASIS, WITH NO FIRM CEILING IN MIND, AND WITH NO REAL IDEA OF WHAT, ACTUALLY, THE VARIOUS SPENDING MEASURES WOULD COST IN THE LONG RUN.

TO POLICE THIS NEW, MORE BUSINESSLIKE, SYSTEM, A BUDGET COMMITTEE HAS BEEN ESTABLISHED IN THE HOUSE, AND IN THE SENATE. THE FULL HOUSE, AND THE FULL SENATE, MUST AGREE UPON THE BUDGET AUTHORITY ESTABLISHED.

THEN, THE NEW CONGRESSIONAL BUDGET OFFICE MUST SERVE AS THE "WATCHDOG" ASSIGNED THE JOB OF HOLDING THE CONGRESS, EACH DAY, WITHIN THAT SPENDING AUTHORITY.

FOR THE NEW FISCAL YEAR (FY 1977), WHICH WILL BEGIN ON OCTOBER 1ST, THE HOUSE AND SENATE HAVE NOW ESTABLISHED A BUDGET AUTHORITY OF \$451.550-BILLION, WITH AN OUTLAY OF \$413.1-BILLION, AND A DEFICIT OF \$50.6-BILLION.

THIS IS SLIGHTLY HIGHER THAN THE PRESIDENT'S BUDGETARY REQUEST, AS UP-DATED JULY 16TH. THAT REQUEST SOUGHT A BUDGET AUTHORITY OF \$431.4-BILLION, WITH AN OUTLAY OF \$400-BILLION, AND A DEFICIT OF \$47.5-BILLION.

IT IS, THEREFORE, INTERESTING TO NOTE THAT, UNDER ALL OF THE CIRCUMSTANCES, THE PRESIDENT AND THE CONGRESS ARE REALLY NOT SO FAR APART; THE DIFFERENCE IN THE DEFICIT BEING \$3.1-BILLION.

THIS RUNS COMPANION TO THE FACT THAT, ALTHOUGH DOMINATED, THREE-TO-ONE, BY THE OPPOSITE PARTY, THIS 94TH CONGRESS HAS ACTUALLY UPHELD 47 VETOES OF BILLS WHICH THE PRESIDENT HAS REJECTED AS COSTING, IN TOTAL, SEVERAL BILLIONS OF DOLLARS MORE THAN HE BELIEVED THE NATION COULD AFFORD.

IN CONSIDERATION OF ALL THESE THINGS, WE DISCOVER THAT OUR COUNTRY IS, IN FACT, BEGINNING TO MOVE, STEADILY, TOWARD A POSITION OF GOVERNMENT IN WHICH INDIVIDUAL FREEDOM IS REALLY THE BASE; AND THAT, TO SECURE THAT BASE, WE ARE BEGINNING TO REFLECT THOSE TWIN THESES UPON WHICH THIS NATION FIRST GREW TO GREATNESS.

THIS, COMBINED, WAS THE THESIS OF GEORGE WASHINGTON THAT THE PEOPLE'S MONEY SHOULD BE CHERISHED, AND THEREFORE, EXPENDED WITH UTMOST FRUGALITY.

AND, THIS WAS THE THESIS OF THOMAS JEFFERSON THAT THE BEST GOVERNED, WERE THE LEAST GOVERNED.

TRANSLATED TO POPULAR TERMS, THE WASHINGTON THESIS SERVES TO REMIND US IN THE CONGRESS THAT IT IS, INDEED, THE PEOPLE'S HARD-EARNED MONEY, AND THE PEOPLE'S FUTURES WITH WHICH, IN FISCAL AND MONETARY MATTERS, WE DEAL.

AND, TRANSLATED TO THE MEANINGFUL, AND POWERFUL MOTTO OF OUR GREAT STATE OF ARKANSAS, THE JEFFERSON THESIS REMAINS PARTICULARLY HUMBLING.

FOR IT REMINDS US, WITH SUCH GREAT FORCE:

"THE PEOPLE RULE!"

DURING THESE PAST 10 YEARS IN WHICH I HAVE BEEN PRIVILEGED TO REPRESENT ALL OF THE PEOPLE OF THE 3RD CONGRESSIONAL DISTRICT IN WASHINGTON, I HAVE ENDEAVORED TO KEEP BOTH OF THESE THESES FIRMLY IN MIND.

THERE HAVE, ADMITTEDLY, BEEN TIMES WHEN, IN ARGUING AGAINST FURTHER GOVERNMENTAL ENCROACHMENT AGAINST THE LIVES OF OUR PEOPLE; OR IN ARGUING IN BEHALF OF FISCAL CONSERVATISM, AND INTEGRITY, I HAVE FELT NOT UNLIKE THE PROVERBIAL VOICE IN THE WILDERNESS.

BUT, TODAY, I AM PLEASED TO REPORT THAT, AS YOU CAN SEE, WE HAVE BEGUN, AT LAST, TO MOVE TOWARD THE CONDITION IN WHICH NEITHER OF THESE POSITIONS IS QUITE SO LONELY AS IT ONCE SEEMED TO BE.

WHILE, PERHAPS, SOME PERSONAL SATISFACTION MIGHT, POSSIBLY, BE DERIVED FROM THIS, THE INFINITELY MORE IMPORTANT FACT, TO ME, IS, SIMPLY, THAT WE FIND, HERE, A BEGINNING OF A RETURN TO ESTABLISHED VALUES, TOO LONG OVERLOOKED.

AND, THAT'S A CONDITION WHICH BODES, WELL, FOR OUR NATION'S THIRD CENTURY OF INDEPENDENCE--AND PROGRESS--AND LEADERSHIP--IN THE WORLD.

THANK YOU.

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September 29, 1976

Dear Bob:

Thank you for sending your comments and observations on the Presidential Debate on September 23rd.

I have passed these along to the appropriate people for review and consideration.

With kindest regards, I am

Sincerely yours,

Thomas G. Loeffler
Special Assistant
for Legislative Affairs

Mr. Robert Siegrist
Minority Staff
Committee on Veterans' Affairs
Room 311, HOB Annex #1
House of Representatives
Washington, D. C. 20515

TGL:nd
bcc: Dick Cheney w/incoming