

The original documents are located in Box 117, folder “Business Failures” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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September 13, 1976

SUBJECT:

BUSINESS FAILURES

Situation: Jimmy Carter charged today that business bankruptcies under the eight years of the "Nixon-Ford" Administrations have more than doubled.

Guidance:

This is an example of Carter not knowing what he's talking about. Bankruptcies rose only by 18.6% from 1968 to 1975, due largely to the economic recession. But there were more bankruptcies each year under the Democrats than the peak year (1975) under Republicans.

The breakdown of net business failures:

<u>1960- 15,445</u>	<u>1968- 9,636</u>
DFK 1961- 17,075	1969- 9,154
1962- 15,782	1970- 10,748
<u>1963- 14,374</u>	RMN 1971- 10,326
1964- 13,501	1972- 9,566
CBJ 1965- 13,514	<u>1973- 9,345</u>
1966- 13,061	GRF 1974- 9,915
1967- 12,364	1975- 11,432

JBS

Ron - This is from Horace Webb at Commerce.
The figures differ from Carter's (15,430 in 1969;
30,130 in 1975) But I don't know where
he got his figures.

Jim

THE WHITE HOUSE
WASHINGTON

9/13/76

Bob -

Carter got his bankruptcy
figures from court records,
which list individuals not
corporations.

Thus, if a corporation with
five partners goes under, it is
listed as 5 bankruptcies rather
than one.

We use Dun and Bradstreet,
which lists corporations and is
a more accurate reflection.

I'll probably have more later.

Tom.



MEMORANDUM FOR

JIM CAVANAUGH

FROM

BILL GOROG

SUBJECT:

Carter/Birmingham Speech/Bankruptcies

Jimmy Carter spoke in Birmingham, Alabama, this morning and attacked our record regarding small business. His staff has failed him again on bankruptcy statisticsbut rather than getting into an argument on that score, I would suggest that the press check with Dun & Bradstreet to get the right numbers They clearly show a much better scoreboard than in the Kennedy-Johnson years.

More importantly, we should set the record straight about four more years of Democratic control in the Congress and what would happen if we also had a Democrat President. The Congress has been controlled in forty of the last forty-four years by the Democrats the party Jimmy Carter wants small business to believe is their friend. This Congress has given the small businessman more regulation, more taxes, more forms, more control and less freedom The Democrat Congress has practically strangled the small businessman and Jimmy Carter is pleading for more Democrat control.

Jimmy Carter has proposed over a hundred billion dollars in new spending and where do you think the tax money will come from. He has told people all over the country that individual taxes are too high this can only mean that he proposes new taxes for business small, medium and large

Let's face reality Jimmy Carter is the candidate of the party of Big Government, Big Spending, Big Control and Big Taxes. When Jimmy Carter proposed a Consumer Protection Agency ... he proposed one more massive agency to hang around the neck of small businessmen.

Let's look at the other side of the record. President Ford has produced solutions to help the small businessman. He has checked inflation through use of the veto to control spending of the Congress. He asked the Congress for an additional ten billion dollars in tax cuts for individuals and businessesThe Democrats refused to consider the measure. President Ford asked the Congress to put a ceiling

2
on spending to balance the budget and eliminate deficits... This would take pressure off the money markets and make cash available for the small businessman at reasonable rates.... They ~~Democrats~~ refused to act on the measure. The President also asked the Congress to permit small businessmen to pass their estates on to their wives without estate taxes, and he also asked the Congress to permit easier terms for estate taxes for children... To date, no action has been taken.

The record is not fuzzy, it is clear Jimmy Carters' Party is a threat to the small businessman and the record of the last forty years is proof.

R A

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BY CLAY RICHARDS

BIRMINGHAM, ALA. (UPI) -- JIMMY CARTER, CAMPAIGNING WITH ALABAMA GOV. GEORGE WALLACE AT HIS SIDE, CHARGED TODAY THAT THE NUMBER OF BUSINESS BANKRUPTCIES DOUBLED UNDER THE FORD AND NIXON ADMINISTRATIONS.

WALLACE AND SEN. JOHN SPARKMAN, D-ALA., MET CARTER AT THE BIRMINGHAM AIRPORT AND ACCOMPANIED HIM TO A MEETING OF SMALL BUSINESSMEN.

"I'M VERY PROUD TO HAVE GOVERNOR WALLACE COME OUT AND MEET ME," SAID CARTER, BEGINNING THE SECOND WEEK OF HIS PRESIDENTIAL CAMPAIGN.

CARTER SAID HE WAS THE FIRST DEMOCRATIC PRESIDENTIAL NOMINEE IN HISTORY TO CAMPAIGN IN ALABAMA, BUT "I'M NOT SURE THIS IS A STATE DEMOCRATS CAN TAKE FOR GRANTED IN THE FUTURE."

HE TOLD THE BUSINESS GROUP THAT THE GOP ADMINISTRATIONS WITH "THEIR PLANNED RECESSIONS, HIGH INTEREST RATE POLICIES AND DOUBLING OF BANKRUPTCIES ARE NO FRIEND OF AMERICAN SMALL BUSINESSES.

"THE NUMBER OF BUSINESS BANKRUPTCIES IN THE U.S. COURTS HAVE DOUBLED IN THE PAST EIGHT YEARS," HE SAID. "THIS REPUBLICAN ADMINISTRATION HAS HAD EIGHT YEARS TO DO SOMETHING ABOUT THIS MESS -- AND HAS ONLY ADDED TO THE PROBLEM."

HE CRITICIZED THE POLICIES OF THE SMALL BUSINESS ADMINISTRATION, WHICH HE SAID HAVE LED TO "POOR JUDGMENT, QUESTIONABLE LOANS, LOANS TO WEALTHY BUSINESSES AND ELIGIBILITY REQUIREMENTS POORLY DEFINED.

"ALL OF THESE FACTORS POINT TO A SERIOUS INDICTMENT OF BUREAUCRATIC MISMANAGEMENT -- AND WORSE," HE SAID.

CARTER'S ALABAMA TRIP LAUNCHED A SERIES OF APPEARANCES IN THE HOME STATES OF HIS FORMER RIVALS FOR THE DEMOCRATIC NOMINATION.

PICKUP 3RDGRAF: IN MANY

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