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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 28, 1983

The materials listed below are today being released to the public. They were provided to the White House Counsel's Office by the parties, and on the dates, indicated herein. The Counsel's Office, in turn, provided all these materials promptly to the Department of Justice, with the concurrence of those who provided them.

(1) Letter of Transmittal from Patrick Caddell to Richard Hauser, dated June 27, 1983, enclosing:

(1) (a) "a copy of the briefing book used by President Carter in his preparations for the October 28, 1980 debate"; and

(1) (b) "supplementary foreign policy questions and answers"

NOTE: Mr. Caddell's letter notes that "all concerned agree that the enclosed materials are the only issue briefing materials prepared for and sent to President Carter for that debate." The materials were received by the Counsel's Office on June 27, 1983 and transmitted to Justice on the same date.

(2) "Presidential Debates: Foreign Policy and National Security Issues" (September 29, 1980)

NOTE: This document was provided to the Counsel on June 25, 1983 by Francis S.M. Hodsoll, and transmitted to Justice on the same date. The document -- minus the first two pages -- was also provided to the Counsel on June 27, 1983 by David R. Gergen, and transmitted to Justice on the same date.

(3) Miscellaneous Foreign Affairs and Defense Issue Materials

NOTE: This collection was provided to the Counsel on June 25, 1983 by Francis S.M. Hodsoll, and transmitted to Justice on the same date.

(4) Handwritten note from Myles Martel to Frank Hodsoll (undated) with attachments by Sam Popkin.

NOTE: These materials were provided to the Counsel's Office by Francis S.M. Hodsoll on June 25, 1983, and transmitted to Justice on the same date. Mr. Martel reported to the Counsel on June 28, 1983 that the Popkin attachment was given to him after the debate, and that he forwarded it to Mr. Hodsoll at a subsequent point.

(5) Handwritten note from Wayne Valis to Dave Gergen (dated October 21, 1980) attaching a one-page typewritten note (dated October 20, 1980).

NOTE: This note and attachment were provided to the Counsel's Office by David Gergen on June 27, 1983, and transmitted to Justice on the same date.

(6) Reagan Campaign debate briefing book commencing with "Table of Contents," prepared by the Debate Briefing Group under the supervision of Messrs. Gergen and Hodsoll, dated and delivered to candidate Reagan on October 24, 1980.

NOTE: Separate copies of this document were retrieved from their respective files by Messrs. Gergen and Hodsoll and delivered to the Counsel's Office on June 27, 1983, and transmitted to Justice on June 28, 1983.

(7) Individual statements concerning the above materials by Messrs. Stockman, Casey, Baker, Gergen, and Hodsoll.

NOTE: The following selected summary points can be drawn from these statements:

- None of the parties recalls having seen the Carter documents as such ((1)(a) and (1)(b)) prior to June 27, 1983.
- None of the parties recalls having seen at any time prior to June 27, 1983 the type of material in Part I, Sections 1, 2, 4, 5, 6, 7, 8, and 9 of document (1)(a). Nor do they recall having seen any of the Sections of Part II of document (1)(a).
- Some (Messrs. Stockman, Baker, and Gergen) believe that documents (2) and (3) contain some or most of the material described in their letters to Chairman Albosta.
- Some of the issue material in documents (2) and (3) appears to have been edited, consolidated, and refined in the preparation of document (1)(b).
- Document (4) was seen only by Messrs. Hodsoll and Gergen prior to June 25, 1983. They do not have a clear recollection as to when they first saw it. Mr. Martel reports that he did not receive or provide it until after the Carter-Reagan debate.
- Only Mr. Gergen recalls having seen document (5) prior to June 27, 1983. Mr. Baker notes it was possible he was given a copy of the attachment, but does not recall having seen it.
- Obviously, all saw and used document (6).

Cambridge Survey Research

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June 27, 1983

Mr. Richard A. Hauser
Deputy Counsel to the President
The White House
Washington, D. C.

Dear Mr. Hauser:

You and Mr. Gergen have requested a copy of the briefing book used by President Carter in his preparations for the October 28, 1980 debate.

Enclosed is a copy of that briefing book, as well as the supplementary foreign policy questions and answers. We have checked with all of those involved in preparing President Carter for the debate, and all concerned agree that the enclosed materials are the only issue briefing materials prepared for and sent to President Carter for that debate.

You will notice that this book very closely matches Mr. James Baker's description of a 300 page, 3 inch thick black-bound looseleaf notebook, and contains questions and answers as described by Mr. Frank Hoßsell in his June 18, 1983 Washington Post interview.

We understand that you are conducting an internal investigation in the Counsel's Office, and we are hopeful that the enclosed materials will facilitate a thorough investigation that will determine exactly what happened and who was involved.

Sincerely,



Patrick H. Caddell

Enclosure

DEBATE BRIEFING MATERIALS

- DOMESTIC -

COPY

PART I

JUN 27 1983

1. ANSWER AND REBUTTAL OBJECTIVES
2. ANSWER AND REBUTTAL THEMES
3. CARTER QUESTIONS AND ANSWERS
 - ECONOMY
 - ENERGY AND ENVIRONMENT
 - OVERVIEW
 - GOVERNMENT
 - HUMAN NEEDS
4. CARTER REBUTTALS TO REAGAN STATEMENTS
5. KEY LINES TO USE AT BEGINNING OF COMMENTS TO REAGAN
6. FIRST-HAND ACCOUNTS
7. QUESTIONS FOR CARTER TO ASK REAGAN
8. CHALLENGES
9. REAGAN AND PREVIOUS DEBATES

DEBATE BRIEFING MATERIALS

- DOMESTIC -

PART II

COPY

A. CARTER BACKGROUND MATERIALS

JUN 27 1983

1. MAJOR CARTER ACCOMPLISHMENTS
2. MAJOR CARTER LEGISLATIVE ACCOMPLISHMENTS
3. CARTER INITIATIVES ENACTED DESPITE WIDESPREAD INITIAL PREDICTIONS OF DEFEAT
4. 1976 CAMPAIGN PROMISES
5. SITUATION INHERITED IN JANUARY 1977
6. ECONOMIC REVITALIZATION PROGRAM
7. KEY POINTS TO MAKE DEFENDING ECONOMIC BOARD (BY SCHULTZE)
8. MAJOR GOALS OF SECOND CARTER TERM
9. PLATFORMS
10. MOST IMPORTANT DIFFERENCES WITH REAGAN
11. CARTER VETOES
12. CARTER RECORD AS GOVERNOR

B. REAGAN BACKGROUND MATERIALS

1. THEMES REAGAN WILL USE IN DEBATE
2. REAGAN CURRENT POSITIONS
3. REAGAN CHARGES AGAINST CARTER
4. REAGAN FLIP-FLOPS
5. REAGAN RECORD AS GOVERNOR - CLAIMS vs. REALITY
6. TURNING BACK THE CLOCK - KEY DEMOCRATIC INITIATIVES REAGAN CURRENTLY WANTS TO REPEAL OR WEAKEN OR WITHDRAW
7. MAJOR REAGAN-BUSH DIFFERENCES
8. KEY REAGAN QUOTES
9. QUESTION SUBJECTS IN PREVIOUS DEBATES

ANSWER AND REBUTTAL OBJECTIVES

COPY

JUN 27 1983

1. Present Presidential image and experience -- make clear that there is a marked difference between you and Reagan in knowledge and experience -- and leave no doubt why you are now President and what you have learned as President. The next four years will be better because of the unique learning experience you have acquired.
2. Draw contrasts between your approach to problem-solving with Reagan's -- you are moderate, he's not; you are cautious, he may not be; you are now trained for the job, he's inexperienced; you understand complexities; he doesn't.
3. Through repetition, leave audience with clear impression of your themes. Your answers should follow a clear format (past, present, future) and your rebuttals to Reagan should follow a clear pattern.
4. Present your achievements (largely unrecognized) in a positive, forceful -- not defensive -- tone. Turn attacks back by comparing our policy for the future with Reagan's. Stress your record. Be forthright on your disappointments (No President gets everything he wants. Neither have I).
5. Make evident the substantive weaknesses and unrealities of Reagan's positions while indicating he is a decent and honest person.
6. Focus the audience's attention on the difference between the future you will give the Nation with what Reagan will give. Make clear that you are mainstream Democrat, while Reagan is representative of a small part of the Republican Party. The Democratic vs. Republican emphasis is critical. Stress that Reagan has the same beliefs Republicans have always had.
7. Present your personal qualities of greatest appeal -- integrity, sincerity, openness, intelligence, steadiness and common-man touch.
8. Use catch phrases which people can remember (e.g. Kemp-Roth is a "rich man's tax cut which would flood the country with dollars as fast as the printing presses could print them".) (We will provide them to you)

ONE

Present Presidential image -- make clear there is a difference between you and Reagan in knowledge and experience -- and leave no doubt why you are now the President.

You will have the same basic problem that Ford did in the 1976 debates -- how to appear Presidential (how to separate yourself from the challenger) when you are in a setting in which each candidate appears of equal rank. This problem can be overcome by the manner and substance of your answers. They should convey the fact that you are Presidential, are forced to make the decisions others only talk about, are fully conversant with all issues, are able to point out the unrealistic, non-Presidential perspective of Reagan, are able to keep your cool in what may become heated exchanges, and are in the process of taking certain Presidential actions to solve certain of the problems being debated.

It will also be important to stress your experience and how it has taught you to be a better President (e.g., you have learned the bitter lessons of inflation and how deep-seated it is and that is why you so strongly oppose Kemp-Roth and support your effort to improve investment incentives and productivity or (e.g., you have learned how the Congress works and have developed close relations with its leadership and by committee chairmen.)

TWO

COPY

Draw contrasts between your approach to problem-solving with Reagan's -- you are moderate, he's extreme; you are cautious, he's a hare shooter; you are trained for the job, he's inexperienced; you understand complexities, he's simplistic.

One of the best ways to emphasize that you are Presidential and Reagan is not is by contrasting your styles in solving problems, particularly the type of critical, life-or-death issues that come across a President's desk. You should use appropriate occasions to point out how a President must fully weigh his words and actions for the impact will be felt not only in this country but throughout the rest of the world. You should emphasize, as well, the experience you have developed in solving national and international problems, and how that experience -- from which you have learned a great deal -- cannot be gained elsewhere or through any other job.

THREE

Through repetition leave audience with clear impression of your themes.

If the experience of previous Presidential debates holds, viewers will remember almost nothing about the substance of what the candidates say (unless there is a glaring error of the magnitude of Ford's in the second debate). They will remember the style, tone, forcefulness, and appearance to a much greater extent. That may be Reagan's saving grace. The best hope for getting the audience to remember our substantive points is repetition of the key positive and anti-Reagan themes. Ideally, every answer should begin with one of the positive themes and contain, later in the answer, one of our themes against Reagan. Every answer should talk about the past (the record and what you inherited), the present (trends in right direction), the future (contrast your program with Reagan's). It may be hard to attain the ideal. But repeated use of the key themes is the only way to leave the viewers with the basic messages we want to convey. This can be done with your rebuttals to Reagan's answers as well, wherever appropriate (e.g., "that answer simply won't solve the problem").

FOUR

COPY

Present your achievements in a positive, forceful -- not defensive -- tone.

Incumbents always face the danger in a debate of appearing defensive by necessarily having to defend their record. That was certainly the case with Ford. There is obviously no way for you to avoid having to spend part of the debate responding to charges about your record. But you should not appear defensive about some of the weaknesses in the record. That can be avoided by a positive, forceful presentation of your record in the area under attack (e.g., Yes we have had problems with inflation, but it's on a clear downward path and the consumer price index has averaged ___% over the last ___ months, and it's my realization the dangers of inflation which lead me to so strongly oppose Mr. Reagan's economic policy based on Kemp-Roth because it is so inflationary.)

FIVE

Make Evident the substantive weaknesses and unrealities of Reagan's positions.

You should make it clear that Reagan is a decent and honest man but without the solutions to the problems of the 1980's. Throughout the campaign, Reagan's substantive positions have gone largely unexamined by the press. You therefore need to work to point out in the debate the weaknesses of his basic positions. The point here is to drive home the message that his policies are simplistic and/or unrealistic, and that, unfortunately, Reagan does not understand the complexities of the problems involved.

SIX

Focus the audience's attention on the difference between the future you will give the Nation with what Reagan will give. Make clear that you are a mainstream Democrat, while Reagan is representative of a small part of the Republican Party.

Throughout the debate you should try to use every available opportunity to draw a stark contrast between what the consequences for the future of your positions versus the consequences for the future of Reagan's positions. For example, "I intend to see that, shortly, every American will have the protection of national health insurance; my opponent opposes NHI, and it will not be available to help the poor and the elderly if he has his way." Or, "I intend to seek SALT II ratification and to continue our efforts to reduce the threat of nuclear war. My opponent wants to abandon SALT II and engage in a nuclear arms race as a bargaining card." Or, "I will continue to pursue economic policies which will effectively bring down our basic inflation rate during the 1980's; my opponent supports a tax cut of such massive amounts that inflation can only skyrocket as a result during the coming years."

It is important that you draw the political party contrast with Reagan. That is one of the best ways to counter the impression of many Anderson supporters and those currently undecided that there is no real difference between you and Reagan. You need to emphasize that one of the differences is that you are a Democrat -- in the mainstream of the Party of Roosevelt, Truman and Kennedy -- while Reagan is not only part of the Party of McKinley, Harding, Hoover and Nixon, but he is a representative of a small element of that Party.

Aside from talking about your Democratic predecessors, one way to include Democratic Party references is to refer to the Democratic Party traditions and ideals and to the Democratic Party platform (especially in comparison to the Republican platform).

Stress that Mr. Reagan's views are not unusual - they are what one would expect from Republicans. Show in your answer how your policies fit within the Democratic Party tradition and Reagan's (e.g., tax cuts to benefit predominately the wealthy) are consistent with Republican ideals. You have been doing this very effectively in your speeches.

SEVEN

COPY

Present your personal qualities of greatest appeal -- integrity, sincerity, openness, intelligence, steadiness and common-man touch.

From the start, the polls have shown that the public most admires many of your personal qualities -- integrity, sincerity, openness, intelligence, steadiness, and common-man touch. These are qualities which are conveyed in many ways and over a period of time. It is not easy to convey such qualities in a brief, restricted debate format. However, an effort should be made to do so, both in the manner and style of your answers, as well as in their content. For instance, you might sprinkle throughout your answers references to your telling the truth to the public about our problems, to your discussions of Town Hall meetings at other places with average citizens, to your commitment to informing the public about the government's actions, and to your applying a steady hand in times of domestic uncertainty and international crisis.

ANSWER AND REBUTTAL THEMES

1. RECORD -- I have compiled a sound record of accomplishment -- one largely unreported and unrecognized.

I have:

- o PROTECTED THE PEACE -- through strong defense and diplomatic skills;
- o tackled tough, long-ignored and politically difficult issues (energy, inflation, government bureaucracy);
- o restored important values to government (ethics, integrity, openness, concern for human rights abroad and equal rights at home);
- o demonstrated compassion for problems of poor, minorities, unemployed, elderly.

Reagan has:

COPY

- o developed no national record and left a record as California Governor at odds with his claims about reduced taxes and less government.

2. EXPERIENCE AND PRESIDENTIAL SKILLS -- I have acquired the experience and the Presidential skills and knowledge needed to lead our Nation into the 1980's; Reagan has neither the experience nor the skills. I want to use the experience the American people have given to me.

I have:

- o learned from experience; that experience will naturally make me a better, wiser President during the second term;
- o begun policies which can be continued into a second term (Mideast peace, energy) without interruption or the need to become familiar with or educated about the major issues involved in those policies;
- o shown myself to be a cautious, moderate, balanced decision-maker -- one who understands the complexities of the problems facing a President and willing to put in the time and effort to deal with them directly and personally.

Reagan has:

- o not acquired the experience needed by a President -- not held national office; no substantial foreign policy background;
 - o not demonstrated that he understands the complexities involved in Presidential decisions or in national and international affairs; that he takes simplistic positions, with surface appeal;
 - o indicated he would undo much of the progress of the Democratic and Republican Administrations, ensuring a lack of continuity in our government.
3. DEMOCRAT -- I am a Democrat, in the tradition of Roosevelt, Truman, Kennedy and Johnson and am committed to the principles of our Party; Reagan is a leader of an extreme part of the Republican Party -- and the most conservative wing at that.

I have:

- o continued the traditions of my Democratic predecessors and have been in the mainstream of the Democratic Party;
- o put forward a program -- over the past ¹⁹⁸⁷ 18-1/2 years and for the '80's -- which meets the ideals of the Democratic Party (peace, jobs, compassion for the disadvantaged, concern for working men and women, civil and equal rights).

Reagan has:

- o been a leader of the most conservative part of the Republican Party;
 - o running on the agenda of that conservative wing -- ERA opposition, balanced budget amendments, school prayers, litmus tests for Federal judges, nuclear superiority.
4. RESPONSIBLE, SECURE FUTURE -- I have a vision of the future which continues and builds on our progress, which is responsible, which is safe, which offers security to Americans; Reagan's agenda offers uncertainties, unrealistic promises, and a retreat from the '60's and '70's.

I have:

- o put forward a program and offered a vision for the '80's which builds on progress made by this Administration and by previous Democratic and Republican Administrations;
- o put forward a program which is prudent, responsible, and safe; it offers realistic hope and realistic security for the future, and BEST OPPORTUNITY FOR PEACE AND FOR NON-INFLATIONARY ECONOMIC GROWTH.

COPY

Reagan has:

- o offered an agenda that will disrupt the progress and programs developed under recent Democratic and Republican Presidents;
- o made proposals which are unrealistic and which offer uncertainty for the future.

ECONOMY

COPY
JUN 27 1988

THE ECONOMY

Question: Hasn't your economic policy been an abject failure? Hasn't the misery index gotten twice as bad during your term? Given our problems with unemployment, recession and inflation, why do you believe your handling of the economy merits another four years? What policies would you follow in the next four years?

Answer:

COPY

THEME

THE PAST TWO YEARS HAVE BEEN HARD FOR OUR NATION BUT RECESSION AND INFLATION HAVE ABATED. I HAVE LEARNED FROM HARD EXPERIENCE ABOUT INFLATION. WE'VE HAD SOME SUCCESSES AND SOME DISAPPOINTMENTS TOO. THAT'S WHY I HAVE PROPOSED AND BEGUN AN ECONOMIC RENEWAL PROGRAM AND AN ENERGY PROGRAM FOR THE 1980'S THAT WILL CREATE JOBS AND STRENGTHEN OUR NATION'S INDUSTRY WITHOUT REKINDLING INFLATION. MY OPPONENT, BY CONTRAST, PROMISES TO SOLVE ALL THE PROBLEMS OF THE ECONOMY PRIMARILY BY ONE SINGLE, SIMPLE AND WRONG IDEA: A RICH MAN'S LARGE ACROSS-THE-BOARD TAX CUT THAT EVEN HIS OWN RUNNING MATE ADMITTED WOULD BE INFLATIONARY AND A MISTAKE.

1. THE PAST AND THE PRESENT

We did not do a perfect job, and we have learned some hard lessons. I underestimated the underlying inflationary forces and could not forecast the huge increase in oil prices or the large drop in productivity. I share the disappointment with the American people at the high inflation rate and of the recession we have just gone through. But we have had successes in the economic area;

- o I led the Nation out of the 1976 recession I inherited - the deepest recession since the Great Depression as a result of the programs I put into effect.
- o During my Administration the United States has had an unparalleled record in creating jobs: nearly 9 million new jobs have been created. Employment has grown more in the United States than in any other major industrial nation. It has grown more under my Administration than any comparable period in our history.
- o Similarly, industrial production in the United States has grown more than in any other industrial nation except Japan -- and we were not far behind them.
- o We have met head-on the primary cause of inflation as well as unemployment -- excessive dependence on foreign oil.

WASTE IN GOVERNMENT

Question:

Mr. President, in 1976, you pledged to cut out government waste and over-regulation, and to reduce the number of Federal agencies from 1900 to 200. Obviously, you haven't done that. Governor Reagan recently charged that under your administration, the number of pages of new regulations has risen fifty percent on an annual basis, spending for regulatory agencies has increased another fifty percent, and the economic cost of regulation for industry has gone from \$66 billion to \$100 billion. He also says there is \$50 billion of "waste" in government spending that he would cut. How do you respond?

Answer:

THEME

MY ADMINISTRATION HAS DONE MORE TO REDUCE WASTE AND INEFFICIENCY THAN ANY ADMINISTRATION IN HISTORY. I AM COMMITTED TO CONTINUING THIS RECORD WITH RESPONSIBLE CUTTING AND REALISTIC CHANGES IN GOVERNMENT OPERATIONS.

1. THE PAST AND THE PRESENT

- o I have a record in improving government efficiency which far surpasses that of previous Administrations.
- o We have challenged the special interests and achieved deregulation in virtually every regulated industry -- airlines, trucking, rail, banking, communications, securities, energy. Airline deregulation saved consumers \$2.5 billion in its first year alone and trucking deregulation will save consumers \$8 billion annually. Since I signed the Trucking Deregulation bill this year, 50 major trucking companies have already cut their rates by 10%.
- o We have reduced the amount of time American citizens spend filling out Federal forms by 15%.
- o Two years ago, we enacted the Civil Service Reform Act, the first comprehensive overhaul of the Federal personnel system in nearly a century.
- o We have established independent inspectors general in all the major departments and agencies, with broad powers to audit and investigate waste and abuse.
- o We have eliminated over 300 agencies and advisory committees. We have consolidated government functions in key areas such as education, energy, and equal opportunity enforcement.
- o We have improved cash management practices, saving billions of dollars a year for the Federal government.

2. THE FUTURE

A. Reagan

- o Governor Reagan now says he would cut out more. And indeed he will have to do so, if he is actually going to implement a 30% tax cut and balance the budget at the same time. To do all that would require eliminating \$130 billion from current government programs -- virtually the entire discretionary part of the domestic budget.
- o Governor Reagan has provided no specifics about what he would cut; he says nothing more than we need to eliminate waste and abuse. Everyone agrees with that. There is not \$130 billion in waste and abuse. In California, Reagan made a similar promise, yet government spending went up 126% during his term -- the largest real increase in California history.
- o Governor Reagan has said a great deal about waste in government during this election campaign, but sometimes he seems not to have all the facts. Recently, he complained that the number of pages in the Federal regulation book had grown during my Administration. But that is because I had the size of the type-face increased so people could more easily read and understand what the government was proposing. The number of rules has not increased.
- o I have learned in the last four years that there is always a powerful special interest supporting every rule, and every wasteful government function. These pressures can be enormous and no one can hope to cut waste in government without the courage to fight. But I noted that Governor Reagan has not taken a forthright position supporting trucking deregulation and has implied his appointees to the ICC would come from the very industry which opposed deregulation.

B. Carter

- o I am proud that my Administration has put across the broadest, most comprehensive program to cut out waste and improve efficiency in our country's history. In the next four years, we will continue with those efforts. I am confident we can achieve even more deregulation and better government at less cost.
- o But I want to draw a sharp and clear line between my program, my vision of the future, and those for whom "eliminating waste" sometimes sounds like a code word for eliminating government completely. I have no intention of abandoning citizens of our cities who would like to look forward to a future without smog. I will not abandon families who worry that chemical wastes may infiltrate the soil under their homes. I will not abandon workers who know that substances in their workplaces may someday bring illness down on them or their children.
- o We are a great and civilized nation, and we do not need to buy prosperity by sacrificing the health of our citizens or the beauty of our environment. I pledge never to make such a trade-off.

URBAN POLICY

Question: What would you do to reverse the decline of our Nation's cities? Hasn't your urban policy failed to improve the lives of the residents of our Nation's cities?

Answer:

THEME

I HAVE A SOLID RECORD OF AIDING THE CITIES. WE HAVE PUT IN PLACE THE NATION'S FIRST COMPREHENSIVE URBAN POLICY. OUR URBAN POLICY AND MY ECONOMIC RENEWAL PROGRAM WILL ALLOW OUR CITIES TO CONTINUE TO MAKE PROGRESS IN THE DECADE OF THE 1980's.

1. THE PAST AND THE PRESENT

There was no urban policy before I became President. The doors of the White House were not fully open to Mayors. The Federal government was insensitive to the needs of our urban areas.

- o The health and stability of our Nation's cities has been one of my principal concerns as President. When I traveled our Nation in 1976 as a Presidential candidate, I found that eight years of Republican neglect had broken the economics and the spirits of our Nation's cities. Through the policies of my Administration, we have reversed this trend of neglect and decline.
- o We have put into place the Nation's first comprehensive urban policy. Urban aid is up more than 40 percent during my Administration.
- o The future of our cities is in the private sector, and my Administration has provided the tools that our cities need to develop their private sector economies to their fullest. We have increased the incentives for private investment in our cities by 3000 percent, (e.g. UDAG) and have generated more than \$10 billion of new investment in our cities and more than half a million new jobs.
- o In addition, we have greatly expanded jobs and training money for the unemployed and disadvantaged, particularly our Nation's youth.
- o We have provided large increases in aid for mass transit, neighborhood aid, housing, education and other programs that are essential to the health of our cities.

2. THE FUTURE

Reagan

- o Governor Reagan represents the least moderate element of a Republican party that consistently has been insensitive to the needs of the cities.

- o Governor Reagan himself has said this year "urban aid programs are the biggest phonies in the Federal system." I disagree.
- o The entire Reagan urban program consists of two proposals, both of which have been at least partially implemented by the Carter Administration.
- o The first - urban homesteading - was enacted by a Democratic Congress in 1974 as a demonstration program. I have expanded the program until 93 cities now are participating.
- o The second Reagan proposal - "enterprise zones" - involves offering tax incentives for private investment in high unemployment areas. We have effectively already done this as well. Working with the Congress, we extended the investment tax credit to urban rehabilitation in 1978 and I have proposed an additional ten percent investment tax credit for high unemployment areas in my economic renewal program.
- o Finally, Governor Reagan has proposed the transfer of numerous and unspecified Federal programs back to the States and cities. This will have one effect and one effect only - it will increase State and local taxes, especially the property tax. In my view, it would be a serious error to increase the already excessive property tax burden on our Nation's citizens.

B. Carter

- o While great progress has been made during the past four years, more remains to be done.
- o First, I will work closely with the Congress to enact several critical pieces of legislation during the post-election session: the counter-cyclical aid bill, general revenue sharing, the private sector economic development programs and the youth employment and training bills.
- o Second, my Economic Renewal program offers substantial new incentives for private sector revitalization in our cities.
- o Finally, I intend to maintain my partnership with the leaders of our great and small cities. Our cities now have a friend in the White House; someone who listens to their concerns and responds. I intend to continue that relationship.

- o When the courts decide that a law he favors is unconstitutional, Governor Reagan criticizes the judges. When the Chief Justice he appointed to the California Supreme Court wrote the Court's opinion that a California death sentence statute was unconstitutional, Governor Reagan criticized the decision and publicly regretted appointing the Chief Justice.
- o Last February he attacked the present Justices of the Supreme Court of the United States, even though six out of nine were appointed by Republican presidents. He was angry with the Court over a minor procedural point -- the Court's decision not to stay a lower court ruling on the funding of abortions while it was being appealed. He accused the Court of "an abuse of power as bad as the transgressions of Watergate." He said the President should put "new justices in the court, men and women who respect and reflect the values and morals of the American majority."
- o In both cases, Governor Reagan was attacking the independence of the courts. He was doing the same thing when he said, earlier this year, that his judicial nominees would have to oppose abortion and when he initially indicated support for the abortion litmus test in the Republican platform. He now says he disagrees with the platform, but his critical views still trouble me greatly.

B. Carter

- o I will continue the merit selection process if re-elected. I will also work to preserve the independence of the judiciary - that is one of the bulwarks of our freedom.
- o When a Supreme Court opening occurs, I will continue my record of quality appointments and judicial independence. I am determined to have the best people our country has on the Court.
- o But I will not commit in advance to appoint a member of any group to the Court. Governor Reagan has promised to appoint a woman. The political purpose underlying that commitment is obvious. I will not engage in that type of political campaigning. I respect the Court too much to use it as a bargaining chip to get votes. My judicial appointment of women stands for itself as testimony to my positive position of women on the Federal bench.

COPY
GOVERNMENT
JUN 27 1982

B. Carter

- o Improving the quality and efficiency of Federal programs through reorganization and management reforms will continue to be a high priority.

- o Major areas of our emphasis:
 - Passage of Paperwork Reduction bill and implementation of new paperwork budget.

 - Improving the structure of government to support reindustrialization and economic development.

 - Putting into place a "fast track" process for expediting government decisions and permits for critical energy facilities and projects. (E.M.B.V)

 - Reform of Federal administrative services to eliminate waste in the government's overhead.

 - Renewal of reorganization authority to reform the structure of government. I will seek additional authority to eliminate functions and programs.

JUDGE SELECTIONS

Question: What standards do you use in selecting judges? What standard would you use in selecting a Supreme Court Justice?

Answer:

THEME

I HAVE A SOLID RECORD OF SELECTING JUDGES SOLELY ON THEIR MERIT AND QUALIFICATIONS. I HAVE NOT USED SOMEONE'S VIEWS ON AN ISSUE AS A STANDARD. I WOULD CERTAINLY AVOID DOING THAT OR PROMISING APPOINTMENTS IN ADVANCE TO CERTAIN GROUPS, WITH RESPECT TO THE SUPREME COURT.

THE PAST AND THE PRESENT

Politics was a chief criterion in judicial selections before my Administration.

- o In 1976 I promised to appoint judges on merit, and I have done that. I have established judicial nominating panels for Circuit Court appointments and have urged Senators to establish their own panels for District Court appointments. This process has worked well. I believe most objective analysts, like bar associations, would agree that my appointments have been unrivalled in quality and diversity.
- o And I have been very concerned about diversity. I have been concerned that so many classes of people have been virtually excluded from the Federal bench. I have reversed that. I have appointed more women, Blacks, and Hispanics to the courts than all Presidents from Washington to Ford combined. However this election is decided, that will be what I regard as one of most significant legacies, for these judges will be interpreting the laws and protecting our rights into the next century.
- o In not a single one of my court appointments have I asked a potential nominee his or her views on an issue, or sought that information. My concern has been quality.

THE FUTURE

Reagan

- o I regret that my opponent has taken a different approach to judicial nominations.
- o In California, he appointed his appointments Secretary to the State Supreme Court even though the bar association said the man was completely unqualified. And his diversity of appointments was not very good: of 600 nominees, only 12 were women and were minorities.
- o What is even more troubling to me is Governor Reagan's views of the independence of the judiciary.

GOVERNMENT REORGANIZATION

Question: How do you explain your failure to reduce the number of government agencies by the magnitude you promised in 1976 (down to 200)? Do you dispute the view that your reorganization effort has generally been a failure?

Answer:

THEME

I HAVEN'T DONE EVERYTHING I HOPED BUT I HAVE MADE REAL PROGRESS IN REORGANIZING THE GOVERNMENT AND IN MAKING THE GOVERNMENT MORE EFFICIENT. I AM DETERMINED TO CONTINUE THAT EFFORT IN A RESPONSIBLE WAY IN A SECOND TERM.

1. THE PAST AND THE PRESENT

No President before me paid any serious attention to streamlining government and reducing government regulations and paperwork.

- o When I talked about reorganizing the government in the last campaign, I promised to make improvements in the management and organization of government a high priority of my Administration. I kept that promise. To improve the productivity of the Federal worker, I carried out the most far-reaching reform of the civil service system in a hundred years; to develop a foundation for carrying out energy policy, we consolidated scattered energy programs and launched the Synthetic Fuels Corporation; to give education the priority it deserves and at the same time reduce HEW to more manageable size, I gave education a seat at the Cabinet table, to create a stronger system for attacking waste and fraud, I reorganized audit and investigative functions by putting an Inspector General in major agencies. Since I took office, we have submitted 14 reorganization initiatives such as those and had them all approved by Congress. We have not done as much as I would like but we have done more than anyone expected.
- o Some efforts -- civil service, energy, inspectors general -- received a lot of attention; others -- such as Federal disaster assistance and enforcement of equal employment laws, have gone largely unnoticed, except by the storm victims and minority job applicants directly affected.

- o We have tried to eliminate obsolete and ineffective agencies where politically feasible (last year's figures show net reduction of over 400 -- mainly advisory committees, but some more substantial ones -- LEAA and CAB are on their way out; current numbers are probably less favorable). Sometimes the special interests defending such agencies were too strong. One thing I have learned as President -- there is no agency so obscure or incompetent that a special interest will not rise to defend it.
- o Of course, reorganization is not really a numbers game. I accept some of the blame for characterizing it that way in 1976, but I have learned from my experience as President. I have learned that reforming the management systems of government is often more important than changing its architecture.
- o Since 1977, we have devoted as much attention to reorganizing Federal personnel management, more cost-conscious regulatory management, and an expanded and independent audit and investigation system as we have to moving boxes around.
- o Much more important than the number of agencies and personnel is the burden of paperwork and regulatory requirements imposed by the Federal government on its criterion. I have reduced the paperwork burden by 15% and imposed a new paperwork budget for Federal agencies which promises to reduce it more. A strong management program to ensure the cost-effectiveness of new regulations and the sunseting of old ones is now in place. Through airline, rail and trucking deregulation, we have taken far-reaching steps to reduce unnecessary government interference in the marketplace.

2. THE FUTURE

A. Reagan

- o Reagan clearly is running against government -- and in doing so, he is running down its people and its institutions. In proposing a total freeze on Federal employment, he ignores the fact that a hiring freeze is already in place -- but a responsible freeze that provides for exceptions for emergencies and vital programs.
- o By threatening to dismantle the Departments of Energy and Education and to reassess the synthetic fuels program, Reagan will plunge these vital programs into confusion and waste precious energy in a fight he could not win.
- o Reagan's proposal to pay thousands of outside auditors to assess all government programs is wasteful and naive. I have already put independent Inspectors General with expanded audit and investigative resources in major agencies. The General Accounting Office, an independent arm of Congress, provides audit and inspection of Federal agencies.

o I will ask the American people to:

- Continue their efforts at energy conservation - at home, at work, at leisure;
- restrain their wage and price increases - this is essential if we are to reduce the underlying inflation rate;
- recognize that domestic programs cannot be expanded at the rate needed to meet all pressing needs - and to recognize that real defense increases will continue to be needed in the future.

TONE OF CAMPAIGN

Question:

Don't you think your attacks on Governor Reagan - for warmongering, for racism, for dividing the country - have been primarily responsible for the generally low-road tone of the campaign?

Answer:

- o I have at times resorted to characterizations and I regret that the tone has not always been what I would prefer. But I have tried to focus on the sharp differences between us on the great issues of the day. I do regret, though, that some of my statements in this campaign have been misconstrued. I gather from Governor Reagan's public comments that he regrets as well that a number of his statements during this campaign have been misconstrued and misinterpreted. I am pleased we can now focus on the issues and the different futures for the country that our two candidacies represent.
- o I have always tried to campaign on the issues and on the positive reasons why I believe I deserve someone's vote. I did that in 1976 against President Ford and I am trying to do it again this year. I wish that my statements on the issues received one-tenth the coverage from the press as the polls or campaign tactics do.
- o What is vital from this point forward is that we have a full airing of the issues and a full opportunity for the voters to decide which type of future they would prefer. I believe this one-on-one debate is a major step forward in that process. I wish we could have had it earlier and more often. But I certainly appreciate Governor Reagan's decision to join me in this debate.
- o I think that over the last few weeks, the tone of the campaign has shifted to the important issues of whether we want SALT II ratified or discarded, whether we want an economic revitalization program or a massive tax cut for the wealthy, whether we want to ratify ERA or not, whether we want National Health Insurance or not, whether we want to keep the Windfall Profits Tax or not, whether we want to abolish the Department of Education or not, and - perhaps most importantly - whether we want to engage in a nuclear arms race or whether we want to reduce tensions and nuclear armaments. These are the issues we need to debate.

serve another term, not just to be President for 4 more years, but to use those 4 years to reach the high goals the Democratic Party and I have set for the country.

o My goals would be:

- Energy security, building on and implementing my comprehensive energy policy, and continuing to reduce America's dependence on foreign oil.
- Preservation of peace -- 8 uninterrupted years of peace.
- Reduction in nuclear armament by mutual reductions, through ratification of a SALT Treaty.
- Middle East Peace, fulfilling the Camp David process I began.
- Passage of Economic Renewal Package to revitalize American industry.
- Continued reduction of inflation and unemployment.
- ERA ratification.
- National Health Insurance.
- Increased opportunities for minorities and women.
- Continued fiscal strength of Social Security.

SACRIFICE

Question: Is it going to be necessary for the American people to sacrifice over the next four years? How will you be asking the American people to sacrifice during the next four years? Will they respond?

Answer:

THEME

I HAVE ASKED THE AMERICAN PEOPLE TO MAKE SOME SACRIFICES OVER THE PAST FOUR YEARS AND THEY HAVE RESPONDED WELL. WITH SOME FURTHER SACRIFICES, WE CAN BUILD ON PROGRESS WE HAVE ALREADY MADE AND HAVE A SECURE FUTURE - FREE OF CRIPPLING INFLATION AND FOREIGN OIL DEPENDENCE.

1. THE PAST AND THE PRESENT

- o I told the American people from my first months in office that sacrifice would be necessary to free ourselves of energy dependency on OPEC - that we would have to conserve, stop our wasteful appetite for oil, drive our cars more frugally.
- o The American people have responded. We are importing 25% less oil now than we were in 1977. A large part of that reduction is due to conservation - better insulation, more efficient autos, changed life styles, and a greater attention to energy use.

2. THE FUTURE

A. Reagan

- o I know that Governor Reagan disagrees with my view that energy conservation is an essential sacrifice that the American people can make. His view is that the oil companies, when turned loose, can produce all the energy we need. I disagree.
- o I also disagree with the Governor's apparent posture in the campaign against asking the American people to sacrifice. I say that because, place after place, event after event, wherever Governor Reagan goes he indicates what additional Federal benefits he will provide (lower inheritance taxes, greater Social Security benefits, a massive increase in defense spending).

B. Carter

- o I believe the American people will continue to need to sacrifice in a number of important areas over the next several years if we are to beat the problems of foreign oil dependence and inflation and to ensure a secure future and a sound economy.

- SALT II
- Nuclear Arms Race
- ERA
- Reagan-Kemp-Roth
- National Health Insurance
- Windfall Profits Tax
- Department of Education

- o These differences are becoming much better known to the public. This debate will help. I wish we could have had it sooner.
- o As the differences do become better known, the public's interest in the election will increase. And I predict the voter turnout will be substantial -- better than 1976.
- o Finally, let me urge all Americans to exercise their right to vote -- it is precious, it was hard-earned and preserved, it is the basis of our great democracy. No matter who your choice is, please vote on November 4.

GOALS

Question: What are your goals for the country by the end of your next term?
Where do you want this country to be?

Answer:

THEME

I AM DETERMINED TO PURSUE A PROGRAM BASED ON MY EXPERIENCE IN OFFICE WHICH CONTINUES AND BUILDS ON PROGRESS WE HAVE MADE TO DATE, WHICH WILL ENSURE A SAFE, SECURE, PROSPEROUS FUTURE, WHICH HELPS EXTEND THE BOUNTY OF AMERICA TO THE DISADVANTAGED.

1. THE FUTURE

A. Reagan

- o I have said many times in this campaign that the public has a choice to make between two futures -- the future that I see for this country, or the future that Governor Reagan sees.
- o This point is starkly made by my description of my goals for the next four years. In most instances, they are directly opposed to Governor Reagan's goals:
 - He's opposed to SALT II.
 - He's suggested we play the card of a nuclear arms race.
 - He's not supported the Camp David process.
 - He's for a massive tax cut for the wealthy that is inflationary and does not create jobs like my Economic Renewal program does.
 - He's against ERA.
 - He's against National Health Insurance.
 - He's against a strong Windfall Profits Tax, and he's for turning the oil companies loose.
- o Time after time, Governor Reagan and I disagree on the way our country should move forward. That is the real issue in this campaign.

B. Carter

- o We have made good progress in a number of areas during my first term and had disappointment in other areas. But, clearly, everything I wanted to accomplish has not been accomplished. I want to

B. Carter

- o I do not claim that, because I have had the experience of being President and have learned from that experience, the future will be all wine and roses. There certainly will be tough problems ahead.
- o My point, though, is that the experience I have had - the truly unique experience - has made me a better President. And during a second term I will be able to do things I did not or could not do in the first term.
- o As a second term Democratic President dealing with a Democratic Congress, I am convinced that we can ratify SALT II, pass National Health Insurance and enact my Economic Revitalization Program (including the job creation element, the credit for Social Security taxes, the elimination of the marriage penalty). These would never see the light of day if my opponent were elected. I am convinced that we can begin to implement my energy program and continue our progress on Middle Eastern peace.

FRUSTRATION AT CARTER-REAGAN CHOICE

Question: Why do you believe so many Americans appear frustrated at the prospect of an election matching Carter and Reagan? Do you believe this frustration is likely to affect voter turnout?

Answer:

THEME

THERE ARE MAJOR DIFFERENCES BETWEEN GOVERNOR REAGAN AND MYSELF IN WHAT WE OFFER FOR THE FUTURE. AS THE PUBLIC, INCREASINGLY RECOGNIZES THIS FACT, AND RECOGNIZES THAT A STARK CHOICE EXISTS, INTEREST IN THE ELECTION IS PICKING UP.

1. THE PAST AND THE PRESENT

- o Over the past 4 years I have had to deal with a great many problems that previous Presidents ignored -- like energy. The decisions I had to make were not popular. That has naturally produced criticism of my policies -- from the many groups and organizations that would like the Federal government to provide them with 100% of their goals, be it increased benefits, grants, loans, wages, prices or contracts. And that is not possible.
- o I am consoled by the fact that I am not the first President to be heavily criticized -- that occurred with Jefferson, with Lincoln, with Truman, with Johnson and others.
- o I believe that, as the election draws closer, the American people are recognizing the realities facing me, and that the decisions I had to make were very tough and not readily subject to simple, politically popular decisions. As that has occurred, I think the "frustration" or "concern" over the choice being offered has dissipated. Support for Mr. Anderson has declined in large part because the public now recognizes it does have a real choice between Governor Reagan and myself. The focus has turned instead to making the right choice.

2. THE FUTURE

Reagan/Carter

- o The choice facing the electorate is stark -- the differences between the candidates are greater probably than at any time since Lyndon Johnson and Barry Goldwater ran against each other. And the result, over the next four years and beyond, is two vastly different futures.
- o On the major issues, Reagan and I differ sharply:

- o I have learned much better over the past four years what can be achieved and what cannot, what is in our national interest and what is not.

2. THE FUTURE

A. Reagan

- o Governor Reagan has not had the benefit of that experience. I can understand, therefore, why he has made some of his promises.
- o In my view, many of his promises are unrealistic and naive. They have no chance of being enacted or implemented.
- o For instance, he has promised to tear up the SALT II Treaty and begin new negotiations with the Soviets. But the Soviets will never agree to that. I found that out in 1977. He has promised to reduce government spending, balance the budget, protect defense spending, and cut taxes by 30% -- without fueling inflation. It simply is not possible, as I believe most Americans realize.

B. Carter

- o Because I have learned from the previous four years, I have not been going around the country making promises to every group I speak before; unlike my opponent I have not been telling every group what it wanted to hear.
- o I have set forth realistic goals for my second term that I am determined to pursue:
 - Continued peace, and strengthened defense.
 - SALT II ratification.
 - Continued reduction in our dependence on foreign oil.
 - ERA ratification.
 - Clean environment.
 - National Health Insurance.
 - Welfare Reform.
 - Continued efforts to bring women and minorities into government.

EXPERIENCE

Question: What have you learned from your experience?

Answer:

THEME

THERE IS A REAL VALUE TO EXPERIENCE IN THE OVAL OFFICE. NO PRIOR EXPERIENCE CAN PREPARE SOMEONE ADEQUATELY. WHAT IS MORE IMPORTANT THAN HAVING THE EXPERIENCE OF BEING PRESIDENT IS SHOWING THAT YOU HAVE LEARNED FROM THAT EXPERIENCE. I HAVE. THAT IS WHY I WILL BE A BETTER PRESIDENT OVER THE NEXT FOUR YEARS.

1. THE PAST AND THE PRESENT

- o I have learned a great deal about the Presidency, about our country, about the government, about our role in the world over the past four years. That experience could not have been duplicated elsewhere.
- o I have learned first-hand that no prior experience can adequately prepare someone for the Presidency - certainly not in this ever-demanding government and complex, changing world.
- o The difference between now and 1976 is that I have clearly learned from my experience - learned the importance of extensive consultations with Congress, gotten to know the Congressional leaders and developed friendships with leaders around the world. I have learned to target priorities, the dangers and force of inflation, and the fragility of peace. And I believe I am a better President because of this, and because of the changes I have made.

2. THE FUTURE

A. Reagan

- o Governor Reagan would face many of the same problems I did when I took office - a background in State government, a need to put together an entire new Administration, a need to develop an entire new legislative program, a need to get to know well the Members of Congress, a need to meet the world leaders.
- o All of that takes precious time, and all of it means that progress we are already making to solving economic and other problems will be interrupted.
- o And, of course, Governor Reagan will have the added burden of being a Republican, having to deal with a Democratic Congress.

OVERVIEW
COPY
JUN 27 1988

CAMPAIGN PROMISES

Question: Why should the public attach much value in your campaign promises this year, since you appear to have disregarded so many of your 1976 campaign promises?

Answer:

THEME

I HAVE A SOUND RECORD IN HONORING MY MAJOR CAMPAIGN PROMISES. I LEARNED FROM MY EXPERIENCE AS PRESIDENT, THOUGH, THAT SOME OF MY '76 COMMITMENTS WERE EITHER NOT REALISTIC OR WERE NOT IN OUR COUNTRY'S BEST INTEREST. THE EXPERIENCE OF BEING PRESIDENT HAS TAUGHT ME WHAT CAN REALISTICALLY BE ACHIEVED OVER THE NEXT FOUR YEARS, AND I HAVE NOT PROMISED MORE THAN THAT. MY OPPONENT CONTINUES TO PROMISE MORE THAN CAN BE ACHIEVED.

THE PAST AND THE PRESENT

- o I was the first President to compile and disclose publicly all my campaign promises; that was done to allow the public to judge my performance against the promises.
- o Any objective assessment of my performance shows that I have honored an extraordinary number of the promises, and done everything possible to honor most of them:
- Comprehensive energy policy
 - Comprehensive urban policy
 - Appointments -- affirmative action
 - Humphrey-Hawkins
 - Preserving Social Security System
 - Increased education assistance and a Department of Education
 - Supporting human rights
 - Peace between Egypt and Israel
 - Improved relations with China
- o In some cases, Congressional resistance has made impossible the fulfillment of promises during my first term -- National Health Insurance, Welfare Reform, Tax Reform. But I am determined to pursue these matters over the next four years.
- o In some instances, I have departed from my '76 commitments because of the realities I have faced in office and because of the new facts I have learned. For instance, I decided to decontrol oil prices to increase domestic production. I was not able to balance the budget because of the recession. And I have increased defense spending beyond the levels I discussed in '76 campaign due to the poor state of our armed forces and the continued Russian buildup.

2. THE FUTURE

A. Reagan

Governor Reagan's energy policy is purely and simply to "turn the oil companies loose", and let them keep virtually all of their windfall profits. He would ignore the need to invest in increased conservation and in alternative energy resources and technologies.

B. Carter

- o I recognized in April of 1977 that doing what was needed in the energy area would not enhance my popularity. I was right.

I was prepared to take the heat for unpopular energy actions, and I will continue to be. But, we now recognize the importance of the steps taken, and that is a vital part of getting the cooperation needed for further progress.

- o Because of the investments that we are making today in energy conservation and in increased production from alternative energy sources, further increases in the price of foreign oil will eventually have a much less serious effect on our Nation's economy.
- o I will continue to provide funding for programs to increase energy conservation and energy production, to ensure that we escape from our dangerous dependence on foreign oil.
- o I want to pass the two remaining pieces of my energy program - The Utility Oil Backout bill to provide incentives for our utilities to produce electricity from American coal rather than foreign oil; and the Energy Mobilization Board, to cut the red-tape out of moving forward with major energy projects while protecting our environmental laws.

ENERGY: STRATEGIC PETROLEUM RESERVE

Question: You say that you want America to have "energy security," but you have done nothing to fill the Strategic Petroleum Reserve until the Congress forced you to act. How do you justify this?

Answer:

THEME

I HAVE PUT OUR NATION'S FIRST ENERGY PROGRAM IN PLACE. GOVERNOR REAGAN HAS NO REAL ENERGY PROGRAM EXCEPT TURNING THE OIL COMPANIES "LOOSE." I HAVE MOVED TO FILL THE STRATEGIC PETROLEUM RESERVE (SPR) AS RAPIDLY AS THE INTERNATIONAL MARKET SITUATION HAS ALLOWED, AND I AM NOW FILLING IT AT A VERY RAPID RATE -- WELL ABOVE THE LEVEL CONGRESS AUTHORIZED. BECAUSE OF OUR POLICIES, WE NOW -- IN THIS COUNTRY -- HAVE A RECORD LEVEL OF OIL RESERVES IN PRIVATE STOCKS.

1. THE PAST AND THE PRESENT

- o When I took office there was no effective Strategic Petroleum Reserve Program (SPR). There had been severe mismanagement and real technical problems with the pumps. I began to store crude oil in the SPR during the fourth quarter of 1977 and had reached a level of 91.2 million barrels at the end of 1979. This slow fill rate was necessary because of the tight international oil supply due to the cut-off of oil from Iran. If we had purchased large quantities of oil for the SPR, we would have contributed to the increase in oil prices and the shortage of oil supply. As a result of our policies, prices have stabilized and private stocks are at all-time highs.
- o We have this month purchased 24 million barrels of oil for delivery this year and early next year. We have also asked for bids on an additional 12.5 million barrels and expect to award those contracts within a week, for delivery early in 1981.

2. THE FUTURE

A. Reagan

- o Governor Reagan claims that he would have filled the SPR rapidly all along, as I am now doing. This is typical of the Governor's failure to understand that energy is really a world problem, in which an apparently simple solution for one nation can actually create much larger problems in the world oil markets that will eventually hurt everyone.

B. Carter

- o I will continue to fill the SPR at above the level required by the statute, after careful consideration of the world oil market situation.
- o This policy is responsible and will ensure that we have a secure energy future.

2. THE FUTURE

A. Reagan

- o Governor Reagan opposes my programs to provide Federal assistance in order to increase production or decrease consumption: he opposes the Windfall Profits Tax, the Department of Energy, the commitment to Solar, the importance of conservation. Governor Reagan believes that we can solve our energy problems alone, just by "turning the oil companies loose" to find more oil in this country.

B. Carter

- o I will continue to provide substantial Federal assistance for energy conservation and for increased energy production programs. Further decreasing our dependence on foreign oil is the very best way to escape OPEC dominance and demands.
- o I will also continue to strengthen the cooperative structure that I have forged with our allies, so that we can work together to resist any attempts by OPEC to make unreasonable changes in their price or supply conditions.
- o I hope to develop a constructive dialogue with moderate OPEC producers to assure greater certainty of price and supply on world crude oil markets.
- o I want to complete the few remaining pieces of my energy program (Utility Oil Backout bill; Energy Mobilization Board).

ENERGY: ROLE OF HIGHER ENERGY PRICES
IN YOUR ENERGY PROGRAM

Question: Hasn't your energy program caused trouble for you with Democrats because it is essentially the traditional Republican program of inducing greater conservation and production through higher prices?

Answer:

THEME

ENERGY POLICY OPTIONS CANNOT BE SO EASILY PLACED INTO PARTISAN PIGEONHOLES. MY POLICIES HAVE BEEN BASED ON THE NEED TO BALANCE THE ECONOMIC REALITY OF AN INCREASINGLY SCARCE RESOURCE AGAINST THE LEGITIMATE DEMANDS FOR ASSISTANCE OF THOSE WHO ARE BEING HURT BY THE RISING PRICES.

1. THE PAST AND THE PRESENT

- o My energy program has been enacted over these last four years with bipartisan support.
- o I made it clear from my first energy message in 1977 that the price of imported energy was certain to increase. That is a fact of life. To accomplish our goals I have supported the deregulation of energy prices. We cannot have the production and conservation we need with artificial controls on energy. But I have decontrolled on a gradual basis and have gotten the Congress to pass the Windfall Profits Tax to insure that all of the additional profits from decontrol do not go into oil company coffers. That revenue (\$227 billion over ten years) will be used to develop and to conserve more energy here in America, and to help the poor who are most affected by the energy price increases.
- o The only way to combat the increasing energy price tag -- up to \$85 billion sent overseas for foreign oil this year -- is to increase domestic production and to decrease consumption. And my policies have succeeded in both of those goals:
 - More new oil and gas wells this year than ever before.
 - The highest coal production in our Nation's history.
 - Imports of oil down 2 million barrels since I took office.
 - Consuming 8% less gasoline than one year ago.
- o These policies ultimately will assure lower prices than if we continued to be more and more dependent on OPEC.

- o Plants are now being licensed again but under much stricter safety standards.

2. THE FUTURE

A. Reagan

- o Governor Reagan simply does not understand the complicated issues presented by nuclear power. For instance, he always speaks in terms of speeding up the licensing process for nuclear power plants rather than emphasizing making sure that they are truly safe.
- o And just this year, Governor Reagan said that "all of the waste in a year from a nuclear power plant could be stored under a desk." That obviously is not true. This cavalier attitude completely ignores the responsibility of the Federal Government to find and to establish a safe nuclear waste disposal program.

B. Carter

- o I am committed to ensuring that nuclear reactors are operated safely. I receive regular reports from the Nuclear Safety Oversight Committee that I established, and I will take any actions that I can to guarantee the American people that their power plants pose no threat to their health or welfare.
- o I am committed to the passage of nuclear waste legislation implementing the comprehensive program that I sent to the Congress last February.
- o I am committed to the rapid development of alternative fuels to ensure that we are not overly dependent on nuclear power. I hope ultimately we can phase-out nuclear power but this cannot be done in the short-run.

ENERGY: RELATIONSHIP WITH OPEC

Question: Haven't you let OPEC dictate our energy policies? What are you prepared to do if OPEC announces another doubling of oil prices?

Answer:

THEME

WHEN I TOOK OFFICE IN JANUARY 1977, OPEC HAS A STRANGLEHOLD ON THE OIL-DEPENDENT ECONOMIES OF THE INDUSTRIALIZED WORLD. WE HAVE REVERSED -- IN A HISTORIC WAY -- THE DECADES OF GROWING DEPENDENCE ON FOREIGN OIL SINCE WORLD WAR II. MY ENERGY POLICY HAS STEADILY FREED OUR NATION FROM THE GRIP OF THIS DANGEROUS DEPENDENCE ON FOREIGN OIL. EVERY YEAR I HAVE BEEN IN OFFICE WE HAVE REDUCED OUR DEPENDENCE ON OPEC. AND I HAVE LED THE WAY TO INCREASING COOPERATION AMONG MAJOR CONSUMING NATIONS TO BE READY TO RESPOND TOGETHER TO ANY UNREASONABLE PRICE INCREASES.

1. THE PAST AND THE PRESENT

- o Despite the experience of the oil embargo in 1973, the Republican Administrations that preceded me did little but talk about energy policy while our dependence on imported oil steadily increased. When I took office, the United States imported nearly half of the oil we used -- 8.8 million barrels per day.
- o Within 90 days after I took office, in my first major address to the Nation, I announced a comprehensive energy policy to increase domestic production and decrease energy consumption. These policies have decreased our oil imports by 2 million barrels per day since I took office; there is no better way to avoid having OPEC dictate our national choices and policies than by cutting down the only real weapon they have -- their oil supply. Production of coal, natural gas and crude oil are up. Solar and synthetic energy is being accelerated. Conservation is working.
- o I have also tried to lead the major industrial democracies to make a similar commitment, to reduce their oil imports and to develop alternative resources. In Tokyo in 1979, and then in Venice this past summer, we reached agreements that allow us to withstand -- together -- any challenge in the world.
- o As recently as this month, the member nations of the International Energy Agency agreed to moderate their activity in the spot market and to prevent market disruptions that the Iraq/Iran conflict might have caused. This effort could not be effective if it were attempted by just one nation, but the cooperative structure that we have forged has proved very effective in this tense period. Spot market prices remain calm and there are no indications of panic buying or hoarding. This shows the progress we have been making very clearly -- we are now prepared for the type of shortfalls caused by the war.

ENERGY AND ENVIRONMENT

COPY

JUN 27 1993

ENERGY: NUCLEAR POWER

Question: What do you see as the future of nuclear power in this country? Do you accept the Democratic Platform's position that existing nuclear plants can be phased-out as alternative fuel sources become available?

Answer:

THEME

WE MUST PUT SAFETY FIRST IN THE USE OF NUCLEAR POWER. FOR THE NEXT 20 YEARS OR SO, UNTIL WE HAVE DEVELOPED MORE SYNTHETIC FUELS AND RENEWABLE RESOURCES AND HAVE DEVELOPED FUSION. WE SIMPLY CANNOT MEET OUR ECONOMY'S NEEDS WITHOUT UTILIZING EVERY DOMESTIC SOURCE OF POWER AVAILABLE TO US -- INCLUDING NUCLEAR POWER. HOWEVER IT SHOULD BE A LAST RESORT, AND ULTIMATELY I DO HOPE WE CAN PHASE IT OUT.

1. THE PAST AND THE PRESENT

- o After the accident at Three Mile Island, I moved promptly to appoint the Kemeny Commission to make a careful study of that incident. They submitted an important set of recommendations, and I took a number of immediate steps to ensure that nuclear power plants were operated safely:
 - Reorganized the Nuclear Regulatory Commission, and nominated a new Chairman.
 - Established the Nuclear Safety Oversight Committee, an expert advisory group to monitor the progress of the Nuclear Regulatory Commission, other Federal agencies and others in improving the safety of nuclear power plants.
 - Put the Federal Emergency Management Agency in charge of all off-site emergency activities, and had them complete a review of all emergency plans.
 - Accelerated the program to place a resident Federal inspector at every reactor site, and I can now report that there are such inspectors at every operating reactor.
- o I have also established the Nation's first comprehensive radioactive waste management program:
 - Submitted my comprehensive program to the Congress and have worked with them to enact nuclear waste legislation.
 - Established the State Planning Council to provide an effective role for State and local governments in the development and implementation of our nuclear waste management program.

SOVIET GRAIN SUSPENSION

Question: Hasn't the grain embargo hurt our farmers more than it has hurt the Soviets? Under what circumstances would you be prepared to lift it?

Answer:

THEME

I TOOK THIS ACTION IN RESPONSE TO THE BLATANT DISREGARD OF THE SOVIET UNION FOR THE FREEDOM OF THE AFGHANISTAN PEOPLE AND THE THREAT THAT IMPLIED FOR WORLD SECURITY. AT THE SAME TIME I SUSPENDED SHIPMENT OF SOVIET GRAIN, I ACTED TO PROTECT AMERICA'S FARMERS FROM BEARING A DISPROPORTIONATE SHARE OF THE BURDEN. BOTH THE SUSPENSION AND THE OFFSETTING ACTIONS TO PROTECT FARMERS HAVE BEEN SUCCESSFUL. I WILL LIFT THE EMBARGO ONLY IF IT CAN BE DEMONSTRATED THAT: (1) IT HAS BECOME INEFFECTIVE OR (2) THE SOVIETS HAVE ALTERED THEIR BEHAVIOR.

1. THE PAST AND THE PRESENT

- o In the 1976 campaign, I promised America's farmers I would resort to an embargo only if our national security or our foreign policy interests were threatened ... that I would never embargo grain shipments just to keep farm prices down as the Republicans did on at least three occasions. I have kept that promise.
- o Armed Soviet troops invaded Afghanistan last year. I was faced with three options: (1) do nothing, (2) respond militarily, or (3) use economic sanctions. I chose the latter.
- o In addition to suspending all grain shipments above the 8 million ton level called for in the grain agreement, I ordered a curtailment of Russian fishing privileges in our waters, cut off the sale of high technology products, halted the sale of phosphate fertilizers, and called for a boycott of the Moscow Olympic games.
- o At the same time, I directed the Secretary of Agriculture to take whatever actions were necessary to ensure that American farmers did not bear a disproportionate share of the resulting burden. This was accomplished by isolating from the market slightly more than 17 million tons of grain.
- o By every measure, the suspension has accomplished its purpose. It has shorted the Soviets of 8 to 10 million tons of badly needed feed grains for their livestock. It has caused the Soviets to draw-down their stocks of grain to rock-bottom levels. It has caused meat and dairy production to fall. It has been a major embarrassment to Kremlin leaders. It has even caused worker unrest, both in the Soviet Union and in Eastern Europe.

- o The measures taken to protect America's farmers have also been successful. Not only did our isolation of grain provide needed support to farm prices, but through the aggressive promotion of farm exports, we increased the level above what we had expected before the suspension. Farm prices are up. As a result, we will set our fourth straight farm export record this year, \$40 billion ... a net positive contribution to our balance of payments of \$23 billion. We have expanded our world markets - e.g., to Mexico and China.

2. THE FUTURE

A. Reagan

- o Governor Reagan has taken different positions on this issue at every turn. Just three months before I suspended grain shipments to the Soviet Union, he said: "If the Russians want to buy wheat from us ... I wouldn't sell it to them."
- o Yet, when it came time to campaign among farmers in the Iowa caucus, Governor Reagan had changed his position, saying the embargo shouldn't have been ordered, wouldn't hurt the Soviets, and would only hurt our farmers.
- o Beyond their vacillation, Republican critics seem to forget their embargoes of 1973, 1974, and 1975 - embargoes that were totally unprovoked and were taken against some of our most trusted friends. They also fail to mention that these Republican Administrations never did a thing to protect our own farmers against the price depressing effects of those embargoes. Indeed, the reason for the embargoes was to drive down domestic farm prices.

B. Carter

- o I am convinced of the correctness of my decision to suspend the shipment of grain to the Soviets.
- o There are only two circumstances that would lead me to lift the suspension, neither of which currently prevail: (1) convincing evidence that the embargo is no longer effective or (2) a belief on my part that the Soviet threat to the rest of the world was being alleviated and that there was progress being made in the Soviets' withdrawal of their occupying troops from Afghanistan.
- o The future of the Soviet grain agreement, which expires September 30, 1981, has not been determined and will be considered later next year.

NOTE: The Soviets have nearly completed their purchases for shipment during the fifth year of the agreement (beginning October 1), with contracts now signed for 4.8 million tons of corn and 3.0 million tons of wheat. Although the International Longshoremen are once again threatening not to load the Soviet grain, we anticipate that the courts will keep the grain flowing with minimal delay.

2. THE FUTURE

A. Reagan

- o It is difficult to know what my opponents' view of farm policy really is. Earlier this year, he said he was not familiar with parity. He once said about farm price supports, "You subsidize the inefficient when you put a floor under the price." About dairy farmers, he said, "My view on dairy subsidies is that we are subsidizing those who could not compete at the expense of those who could possibly bring the price down in the market place."
- o Despite his life-long opposition to traditional farm programs, Governor Reagan's campaign statements imply that he would not try to dismantle farm subsidies. However, one cannot be very optimistic that they would receive the continuing attention and adjustment they require, especially given the Republican record.
- o Republican farm policies never have been noted for their vision. Rather, they have been characterized by confusion and contradiction. They have always preached free markets, but the record shows that they practiced price controls and export embargoes. They vetoed price support legislation, usually when it was most desperately needed. They repeatedly raised our import quotas to allow foreign dairy products to flood our markets. They cut food aid to hungry nations when it was most needed. In short, it is a sorry record. Not only does it display a lack of respect for the functioning of market forces, but it reveals an insensitivity to the economic and human problems of the ordinary farm family.

B. Carter

- o While I am pleased that my Administration has turned around the disastrous situation we inherited and I am proud of the policy we constructed in doing so, there is more to be done. American agriculture is on the threshold of a whole new era -- an era of tightening world food supplies, mounting pressures on our land and water resources, continued strains on our transportation and marketing system, the need to press forward on developing new technologies and production practices, an even more pressing need to safeguard agriculture's access to limited energy supplies and to nurture the development of alternative sources. While this will be an era of excitement and opportunity, it will also be one of rapid change and adjustment.
- o In this era of opportunity and change, I intend to pursue policies built on the solid foundation we have already laid, but giving particular stress to:
 - ensuring that farm prices and support levels keep pace with rising production costs;
 - further actions to deregulate agriculture;
 - the promotion of farm exports, including stepped-up promotion of "value added" products like meat, poultry, breeding animals, and soy products.

- an intensive effort to restructure and rebuild our agricultural transportation system.
- the continued accelerated development of alternative energy sources (gasohol) farm crops.

- Real outlay growth in basic research will secure our technological base for future growth and development.
- Employment and training programs, especially for our youth, will enhance the skills and productive capacity of our people.

2. THE FUTURE

A. Reagan

- o Governor Reagan has promised massive tax cuts, higher defense spending and a balanced budget -- but the numbers do add up.
- o He has recently proposed additional spending increases which make large future deficits and inflation even more likely -- examples: Social Security earnings test removal, tuition tax credits, inheritance tax repeal.
- o He has promised big spending cuts, but refuses to tell us which programs will be cut. All he can say is that waste will be eliminated. In the current Fiscal Year he has promised cuts of \$13-\$19 billion, but still has provided no details.
- o He presided over real expenditure growth as Governor of California that was the highest in the State's history -- 126% increase in spending.

B. Carter

- o Inflation is the most serious threat to our economic security. We must not run the risk of large, inflationary budget deficits from massive across-the-board tax cuts.
- o Moderate tax cuts, consistent with fiscal restraint and emphasizing investment and industrial growth, not consumption, is the responsible approach.
- o This approach will allow us to create a million new jobs by the end of 1982, but still bring down inflation.
- o In the longer term, budgetary goals require strong, non-inflationary economic growth. This requires savings, investment, and attention to structural change in the economy. My program addresses these problems. The Reagan program instead offers a massive consumption-oriented tax cut.

Farm Policy

Question: Haven't your farm policies produced lower incomes and prices for farmers in recent years? How do you propose to remedy this without fueling inflation?

Answer:

THEME

IN ASSUMING THE PRESIDENCY, I INHERITED A FARM ECONOMY THAT WAS IN A STATE OF SERIOUS DECLINE, MADE WORSE BY THE CONFUSED AND CONTRADICTIONARY FARM POLICIES OF PRIOR REPUBLICAN ADMINISTRATIONS. MY ADMINISTRATION HAS SUCCESSFULLY TURNED THIS SITUATION AROUND. NOT ONLY DO WE HAVE CLEAR, CONSISTENT SETS OF FARM POLICIES THAT WORK, WE HAVE THE RESULTS TO PROVE THAT THEY WORK -- HIGHER PRICES, HIGHER INCOMES, HIGHER EXPORTS.

1. THE PAST AND THE PRESENT

- o When I entered office, grain prices were in a tailspin, cattle producers were liquidating their herds after four years of heavy losses, the bottom was dropping out of farm income, consumers and producers were engaged in open confrontation, and our nation's reputation as a reliable exporter of farm products had been seriously tarnished.
- o We immediately began to correct this. I began by appointing a farmer as Secretary of Agriculture. We then took a number of steps to eliminate governmental interference in those decisions that were better left to the individual farmer. We established this nation's first farmer-owned grain reserve. We brought farm price supports in line with rising production costs. We re-established our reputation within the world market and negotiated across-the-board reductions in foreign trade barriers.
- o The results speak for themselves. By every meaningful measure -- total gross farm income, total net farm income, total production, total consumption, total farm exports -- the record of the first four years of this Administration top any previous four-year period in history.

NOTE: Reagan is likely to point to the drop in net farm income between 1979 and 1980 (we now estimate a 24 percent drop). Counter-points, if he does are:

- (1) since farm income varies significantly year-to-year, the only meaningful comparisons are across periods of at least 3-4 years,
- (2) even with the decline, it will be over 25% above the last year of the Republican Administration, and
- (3) thanks to very strong markets, here and abroad, it is already on the rise and will be significantly higher next year.

- o If the ITC finds injury, I will ask my Trade Representative to initiate high-level contacts with the Japanese government immediately. I will seriously consider all possible options, including measures to restrict imports.
- o Whatever the ITC recommends, however, I am confident that we will lick the problem of Japanese imports.

2. THE FUTURE

A. Reagan

- o My opponent has not given us any cohesive policy for addressing the problems of the automobile. He has blamed almost all of the problems of the industry on government regulations.
- o After first saying he was against any steps to restrict imports Governor Reagan stated in Michigan that something must be done to stem the flow of Japanese imports, but has not specifically advocated restraining Japanese imports.

B. Carter

- o I see a bright future for the U.S. auto industry - one that's already starting. We will increasingly make the most fuel-efficient, safest, soundest cars in the world.
- o The key to the revitalization of our auto industry is the industry's effort to produce more small, fuel-efficient cars in this country. With the new 1981 models, we are well on our way to achieving this goal.
- o To ensure that government is doing everything possible to help the auto industry put American auto workers back on the job, I have established an Auto Industry Committee. On this Committee, business, labor and government will work together to help restore the auto industry to full health.
- o This Committee will address the full range of issues affecting the auto industry, including imports, regulations, tax policy and other critical issues. There is no question in my mind that, working together, we can lick the problems of the auto industry and Japanese imports.

BUDGET QUESTIONS: GENERAL APPROACH

THEME

I HAVE A SOLID RECORD OF CUTTING THE REAL GROWTH IN THE BUDGET BELOW THAT OF PREVIOUS ADMINISTRATIONS. I ALSO HAVE FOUR YEARS OF EXPERIENCE IN ESTABLISHING NATIONAL PRIORITIES AND MAKING THE TOUGH BUDGETARY DECISIONS TO MEET THEM. MY POLICY OF FISCAL RESTRAINT IS ESSENTIAL TO REDUCING INFLATION AND BUILDING A SECURE ECONOMIC FUTURE.

MY OPPONENT HAS NO EXPERIENCE IN MAKING THESE HARD CHOICES AT THE FEDERAL LEVEL. HE APPARENTLY DOES NOT UNDERSTAND THAT TOUGH CHOICES EXIST. SO, HE PROMISES HUGE TAX CUTS, MASSIVE INCREASES IN DEFENSE SPENDING, MAINTAINING ENTITLEMENT PROGRAMS AND BALANCING THE BUDGET AT THE SAME TIME. THE RESULT WOULD BE HUGE BUDGET DEFICITS, AND WORSE INFLATION, IN THE 1980s.

1. THE PAST AND THE PRESENT

- o The budget must be viewed in terms of real program expenditures in relation to the size of the economy. The record shows budgetary restraint.
 - In my four budgets real outlays have grown at an average rate of 1.5%. In the two previous Republican Administrations the rate was 2-1/2%.
 - Real defense outlays have grown by nearly 3-1/2% each year; in the Nixon-Ford Administrations they fell by nearly 3-1/2% per year.
 - The budget deficit for the current fiscal year is projected to be 1 to 1-1/2% of GNP. When I ran for office the deficit was over 4% of GNP.
- o Within this overall context of restraint, I have directed budget expenditures to programs of highest national priority.
 - Real defense spending has increased by almost 3-1/2% per year after a steady eight-year decline under two Republican Administrations.
 - Major new initiatives in energy conservation and supply, funded by the windfall profit tax, have established a long-overdue energy policy to reduce our dependence on oil imported from insecure foreign sources.

- o In my first two years I concentrated on ending the recession and restoring solid growth. Since then I have placed primary emphasis on fighting inflation.

- o Finally, experience has taught me to be even more aware than I was four years ago how stubborn and persistent inflation is. Because of that heightened awareness, I have been especially vigilant in the past year to prevent actions that might lead to renewed inflation. I successfully opposed a quickie election year tax cut. I have proposed to the Congress for enactment next year a very careful and prudent economic recovery program that is in sharp contrast to the massive and inflationary across-the-board tax cuts that are the centerpiece of Governor Reagan's economic policy. I wish he had learned as much as I have over the past four years about the strength of inflation. If he had, he would not be proposing a tax cut that will cost \$1 trillion over the next seven years.

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1981

- o My economic program for the eighties, in contrast, is restrained, responsible and designed to promote the long-term growth of the economy. It devotes 50 percent of the tax cuts to investment incentives and another 1/3 to offset increased Social Security costs on business, compared to Reagan's 10 percent. I would simplify and accelerate depreciation to promote investment. I would make the investment tax credit partially refundable so that firms which have no earnings but still have substantial investment needs, can benefit from the investment tax credit at the time when it will be most helpful to their cash flow.
- o I would expand public investment as well in long-term investments in our Nation's highways, ports and railroads. I have also proposed an expansion in human resources programs; no investment has a higher payoff than an investment in workers' skills and experience. I have proposed an expansion in support for research and development which underlies industrial innovation and productivity growth. And I have proposed public investments in conservation and weatherization that will increase our economic and national security.
- o I believe that the complex economic problems that will face our Nation in the 80's require not a retreat by the Federal government, but rather a new partnership among the government and the private sector. To foster the cooperation necessary to master the economic challenges of the 80's I will establish a new advisory body, comprised of representatives of business, labor and the public; the President's Economic Revitalization Board, and will continue to work with our labor-business-government boards for steel, autos and coal.
- o I recognize that economic policy must also address the immediate difficulties faced by workers and their families in changing economic circumstances. I have proposed a new, temporary Federal Supplemental Benefits program to provide an additional 13 weeks of unemployment assistance. For the longer term, a 10 percent tax credit for investments in areas suffering from a declining industrial base will be proposed. Passage of my Economic Development Proposal now before the Congress will provide productive employment for those in distressed areas, and passage of my youth bill will provide training and employment for 450,000 young people when fully implemented.
- o Finally, to reduce personal tax burdens on those most afflicted by inflation and the rise in social security taxes for 1981 I have proposed an 8 percent tax credit to offset the rise in social security taxes in 1981, an expansion of the earned income tax credit for those families who pay social security taxes yet earn too little to pay income taxes, and a special tax deduction will be offered to help offset the "marriage penalty."
- o This program will enable us to meet our underlying economic problems, to re-industrialize, and to avoid fueling inflationary pressures.

COPY

AUTO IMPORTS

Question: Do you favor restrictions on the number of Japanese autos imported into the U.S.?

Answer:

THEME

WE HAVE A GOOD SOUND RECORD OF WORKING TO REVITALIZE THE AMERICAN AUTOMOBILE INDUSTRY. I AM COMMITTED TO A POLICY OF CONTINUING TO HELP THE INDUSTRY REGAIN ITS STRENGTH AND TECHNOLOGICAL LEAD. I WILL AWAIT THE DECISION OF THE ITC BEFORE MAKING A FINAL DECISION. BUT I WILL BE PREPARED IF THEY FIND INJURY TO OUR INDUSTRY FROM IMPORTS. BUT I HAVE ASKED THE JAPANESE NOT TO EXPAND THEIR PRODUCTION CAPACITY TO SELL MORE CARS TO THE U.S. AND TO BE SENSITIVE TO AMERICAN JOBS IN THEIR EXPORT POLICY.

1. THE PAST AND THE PRESENT

- COPY
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- o In 1977, I strongly urged the leaders of the U.S. auto industry in the Cabinet Room to begin building fuel-efficient cars. My warnings went unheeded.
 - o I worked with the Congress to pass tough fuel economy standards. This got the industry to start making fuel-efficient cars earlier than they would have otherwise done.
 - o My Administration has done a great deal to revitalize our domestic automobile industry. We have reduced the regulatory burden on the automobile industry by more than \$600 million; we have accelerated the government's purchases of autos and trucks and taken steps to ensure that every car and truck the government buys is made in America; we have proposed new tax incentives to help the industry retool for the future; and we have provided substantial new aid to the workers and communities most affected by the rapid changes in the automobile industry.
 - o We also are working to open the Japanese markets to American made cars and parts, and to encourage Japanese automakers to make additional investments in this country.
 - o I am extremely concerned about the level of Japanese auto imports and their effect on the U.S. auto industry and its workers.
 - o I already have asked the U.S. International Trade Commission to accelerate its investigation of the auto industry. The ITC will report to me on November 10 whether the auto industry has been injured by imports. If the ITC finds injury, they will submit their recommendations for relief to me on November 24.
 - o In anticipation of the ITC's decision, I have asked my Special Trade Representative to complete the necessary staff work so that I can respond immediately to the ITC's reports.

CHANGES IN ECONOMIC POLICY

Question: Hasn't your economic policy been one of continuous new policies, new budget directions, new anti-inflation initiatives? Why haven't you been able to stick with a single economic policy?

Answer:

- o The press has exaggerated the number of policies. I'm required to submit a new budget for each fiscal year to deal with the expected economic circumstances. This does not mean we had a new economic policy each year. Even minor changes in my voluntary wage-price guidelines were counted by some as a new policy.
- o My basic economic philosophy and my approach to economic policy have been quite consistent over the past four years. My aim is:
 - to encourage healthy economic growth;
 - to do so carefully and prudently so as not to make the government itself an engine of inflation;
 - to meet quickly and decisively any new inflationary threats from abroad -- like last year's massive oil-price increase;
 - to restrain the growth of Federal spending so as to be able to provide responsible and noninflationary tax reduction for the American people;
 - and to make our country less dependent on foreign oil.
- o My basic policy goals have not changed. But economic circumstances at home and abroad do change, sometimes very swiftly and unpredictably. And specific budgetary, monetary and other economic measures have to be promptly set in motion to deal with those changes. Consistent economic policy does not mean sticking one's head in the sand. It would be the height of irresponsibility to stand idly by while inflationary or recessionary forces run unchecked. All Presidents have recognized this and changed their economic policies accordingly.
- o Let me give an example. In March of this year, as the last surge of oil price hikes was underway, inflation threatened to get out of hand. Even though I had just sent a new budget to the Congress, I convened Congressional leaders to work with me on cutting additional amounts of Federal spending, in order to deal with the intensified inflation. The medicine worked. While inflation is still too high, it has receded sharply from that in the early months of this year.
- o In all of this, I did not change my basic approach. But I did move quickly with specific new policies to meet a new threat to our country's economy. F.D.R. said he would continue to experiment in dealing with an intolerable problem until he found the right solution. He wasn't accused of inconsistency.

ECONOMIC PROPOSAL COMPARISON AND OVERVIEW

Question: How would you compare your economic revitalization program with Governor Reagan's tax cut proposal? How does your economic revitalization program help the average working person or family? Won't the additional Federal spending be inflationary?

Answer:

THEME

MY RECORD IN ECONOMIC POLICY IS NOT AS GOOD AS I WOULD LIKE, BUT THE ECONOMY IS IMPROVING IN MANY AREAS. EMPLOYMENT GROWTH DURING MY TERM HAS BEEN FASTER THAN IN ANY PREVIOUS ADMINISTRATION. I HAVE PUT INTO PLACE A SERIES OF POLICIES WHICH WILL LEAD TO A MORE PRODUCTIVE AND LESS INFLATIONARY AMERICAN ECONOMY IN THE FUTURE. MY ECONOMIC REVITALIZATION PROGRAM IS PRUDENT, RESTRAINED, AND CAREFULLY DESIGNED TO INCREASE INVESTMENT, PRODUCTIVITY AND EMPLOYMENT, AND TO REDUCE INFLATION. MY OPPONENT, ON THE OTHER HAND, HAS PROPOSED A SINGLE, SIMPLISTIC ANSWER TO THE COMPLEX ECONOMIC PROBLEMS WHICH FACE OUR NATION -- A MASSIVE, ACROSS-THE-BOARD INDIVIDUAL TAX CUT WHICH WOULD BE REGRESSIVE, INFLATIONARY, AND COMPLETELY UNRESPONSIVE TO THE CRITICAL NEED TO INCREASE INVESTMENT AND RESEARCH AND DEVELOPMENT TO SPUR FASTER PRODUCTIVITY GROWTH FOR ECONOMIC GROWTH IN THE 80'S.

1. THE PAST AND THE PRESENT

COPY

- o We have had a difficult year but the trends are favorable. I have led this Nation out of one recession which I inherited and we are coming out of one which hit during my Administration. Inflation, while still too high, has come down and has averaged % over the last months.
- o During the first three years of my Administration, 8.8 million new jobs were created -- more jobs than were created in any other Administration in history and twice as many as during the previous Republican Administration.
- o Against formidable political opposition, I have put into place a comprehensive and coherent National Energy Program, and its effects are now evident: we have cut our foreign oil consumption by two million barrels since I took office and no other nation on earth can match that record.
- o I have put into place policies to increase the productivity of our economy. From 1976 to 1979 investment has increased 25%. Perhaps even more important has been my success in reducing inefficient, productivity-reducing regulations: we have deregulated the airlines, the railroads, trucking and the banking industries. These actions have already saved consumers billions of dollars as they increase competition and the efficiency of the American economy.

- o I have implemented a prudent and responsible fiscal policy, and after decades during which other administrations only talked about spending restraint, I have achieved it: the growth in real Federal budget outlays has been cut in half compared to the rate of the previous Republican Administration. And, in 1981 the Federal deficit as a percent of GNP will be less than half what it was in 1976.

2. THE FUTURE

A. Reagan

- o I have learned the bitter lessons of inflation. I will not over-inflate the economy but Governor Reagan's Kemp-Roth tax cut would do so.
- o In contrast to my balanced, moderate approach to economic policy, Governor Reagan has proposed one single, simplistic proposal to deal with all of the complex economic problems of our country -- a massive, across-the-board, 30% individual income tax cut -- a rich man's tax cut which would flood the Nation with excess dollars. There is no recognition of the crucial need to reduce our vulnerability to OPEC oil price increases.
- o There is no emphasis in his program of the critical need to encourage private investment in plant and equipment. I believe that the tax code must provide investment incentives so that our workers will be equipped with the most modern and efficient capital in the world. That is apparently less important to Governor Reagan, since he devotes only 10 percent of his tax cut to investment incentives.
- o Further, Governor Reagan's tax cuts would benefit the rich at the expense of the rest of us. A person earning \$200,000 would receive 35 times as large a tax cut under the Reagan proposal as a person earning \$20,000 a year.
- o Most importantly, Governor Reagan has not learned the lessons of the past few years about inflation. We cannot afford to fuel inflation. Yet, his proposal is extremely inflationary -- his own running mate said it would bring 30% inflation. That is not unlikely when you cut taxes by \$1 trillion over the next years, and remain committed to massive defense spending, protecting entitlement programs, and promise new spending programs.

B. Carter

- o I, too, am committed to reducing personal tax burdens, but spending restraint is an essential prerequisite. Massive tax cuts which primarily benefit the rich and which pick the pockets of the rest of Americans by generating huge, inflationary pressures cannot be tolerated.

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- o My program of budgetary firmness has meant a decline in the rate of growth of federal spending I inherited.

2. THE FUTURE

COPY

A. Reagan

- o The key is I have learned from hard experience the difficulty of fighting inflation and the dangers of over-stimulation. Mr. Reagan would repeat the errors of the past by a highly stimulative, consumption-oriented tax cut for the wealthy. Governor Regan's proposals stand in sharp contrast to mine. Instead of a targeted program of investment incentives, about 85% of his program would be Reagan-Kemp-Roth notion of a single across-the-board personal income tax cut. This proposal is so poor an idea that the Governor's own running mate opposed it. So did many of his own economic advisers. So did former President Ford. When Republicans refuse to support the economic program of their own nominee, you can bet they have good reasons. And they do.
 - It would be inflationary. Unless accompanied by enormous budget cuts -- cuts that the Governor keeps promising but never spells out -- his plans would cause budget deficits of \$100 billion or more, and increase inflation. His own running mate called the proposal "economic voodoo" and said it would raise the inflation rate to 30 percent.
 - It would be regressive. In 1983, his proposal would give \$175 to a family making \$12,000, but \$15,000 to a family making \$200,000.
 - It provides the vast majority of its tax relief for consumption, not investment and productivity. Although his program does include a proposal for accelerated depreciation, most of his tax relief is not tied to the investment we need for productivity.
- o My opponent also claims that he will cut spending enough for the nation to afford this enormous tax cut and still balance the budget. But somehow he can't come up with any programs to cut. In fact, in the past few weeks, he's been promising more wherever he travels. At our last count, he was at \$140 billion in 1983 and still spending.

B. Carter

- o I am committed that ours remain the most productive economy on earth.
- o I have proposed an economic renewal program for prompt enactment next year that would help increase productivity and create jobs (1 million within 2 years) without increasing inflation as well. It includes:
 - vastly accelerated depreciation schedules for plant and equipment to encourage modernization (40%);

- targeted tax programs for investment;
- aid to workers and communities;
- public investment in our transportation system and in the scientific research that maintains our economic leadership;
- a new partnership between government and industry, to solve problems cooperatively through an Economic Revitalization Board;
- a reduction in Social Security taxes by an income tax credit that reduces inflation and leaves the Social Security Trust Fund secure.

o Furthermore, we have begun to find new ways to fight inflation. My proposal to offset social security tax increases will reduce inflation in the immediate future. I am also exploring other ways to use the tax system to help moderate wage and price behavior.

- Second, we must continue to control the growth of Federal spending, and reduce the burden of regulation and taxation. I have already proven that we can do this, by cutting the rate of spending growth to half that of my Republican predecessor. My proposal to offset social security taxes will help reduce inflation in the immediate future. We will continue to deregulate the economy as I have done with airlines, rails, trucking and banks.

- I am strongly opposed, however, to committing the government to hundreds of billions in tax cuts with no specific plan to reduce spending. Here again I differ sharply from Governor Reagan, whose Kemp-Roth tax cut would be highly inflationary.

- Third, I believe that in the years immediately ahead America is going to have to invest heavily in its own future
 - o both to modernize its industry, create jobs, and
 - o to build the new facilities we need to make our energy future secure.

- o That is why the Economic Revitalization Plan I have proposed the Congress enact next year is carefully targeted to increase business investment. It is a program that will put people - one million new jobs within two years - to work and increase productivity to maintain our economic strength without rekindling inflation. And here again I differ from Governor Reagan: almost 90 percent of his massive tax cuts are for consumption-oriented tax relief and only 10 percent go to promote investment incentives.

- o Ours is the most productive economy on earth. Working together, it will remain so.

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JUL 27 1981

HANDLING OF ECONOMY

Question: Given our problems with unemployment, recession and inflation, why do you believe your handling of the economy merits another four years?

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Answer:

THEME

THE PAST TWO YEARS HAVE BEEN HARD FOR OUR NATION, BUT RECESSION IS OVER AND INFLATION HAS ABATED. WE HAVE HAD MANY SUCCESSES AS WELL AS DISAPPOINTMENTS. I HAVE PROPOSED AND BEGUN AN ECONOMIC RENEWAL PROGRAM AND AN ENERGY PROGRAM THAT WILL CREATE JOBS AND STRENGTHEN OUR NATION'S INDUSTRY. I HAVE ALREADY TAKEN STEPS TO FIGHT INFLATION AND I HAVE PROPOSED NEW PROGRAMS TO CONTINUE THIS FIGHT. MY OPPONENT, BY CONTRAST, PROMISES TO SOLVE ALL THE PROBLEMS OF THE ECONOMY PRIMARILY BY ONE SINGLE, SIMPLE AND WRONG IDEA: A LARGE ACROSS-THE-BOARD TAX CUT THAT EVEN HIS OWN RUNNING MATE ADMITTED WOULD BE INFLATIONARY AND A MISTAKE.

1. THE PAST AND THE PRESENT

- o Our nation's economy has suffered from rising inflation for fifteen years due to the costs of the Vietnam War, the Soviet grain sale of 1972, OPEC price shocks in 1974 and 1979, and declining productivity. In the last two years, the nation's oil bill has more than doubled, making the problem worse. We have learned through hard experience the tenacity of inflationary forces and the importance of opposing them continually, intelligently and well.
- o In the past four years, I proposed and began the nation's first real energy program to help meet this challenge. And we are beginning to do so. Today, we buy two million barrels a day less oil from OPEC than we did in 1977. This means our nation's economy will be more stable and have lower inflation in the future.
- o To increase productivity in our basic industries, I have brought together business and labor to meet with government and solve problems cooperatively. In the coal industry, working together for the first time, we reached agreement on ways to make mining better and more efficient. And we have begun to do this in the automobile and steel industries.
- o I have worked to reduce paperwork (15% reduction) and cut red tape that can frustrate our natural enterprise. My programs for deregulation of the trucking, airline, railroad and banking industries mark the most important restructuring of relations between government and industry since the New Deal. For the first time, I have set strict limits on agency paperwork requirements.

-- We have put in place the Nation's first energy program. It includes a conservation and solar bank, a synthetic fuels corporation, and an end to the dangerous practice of keeping oil and gas prices artificially low.

-- As a result, we import about 25 percent less oil than we did when I took office. More oil and gas wells are being drilled. And we use energy more efficiently than ever before.

- o I have cut the growth of Federal spending in half, while increasing support for our Nation's defense as well as other critical needs such as energy conservation and youth unemployment.
- o The dollar is now strong. And the United States -- unlike all other oil importing nations -- has been reducing its balance of payments deficit.
- o We have eliminated regulations which stifled free enterprise in airline, trucking, and railroad industries and in the banking and financial institutions.
- o Obviously, I am not pleased with the record on inflation nor with the current rate of unemployment. But the trends are in the right direction. We were not able to absorb completely the shock of doubled OPEC prices. And I would have to admit that, early in my Administration, we underestimated the strength of inflationary forces which had been building for the previous ten years. Inflation has been reduced sharply. The consumer price index has averaged _____ percent over the last _____ months. Unemployment has dropped the past several months and should continue to do so. Auto sales, industrial production and homebuilding are up.

2. THE FUTURE

A. Reagan

COPY

- o I have learned a great deal from my experience. Most importantly, I have learned the dangers of over-stimulating the economy. That's why I opposed an election year tax cut and it's why I so strongly oppose the Reagan Kemp-Roth massive tax cut. Governor Reagan's proposals stand in sharp contrast to mine. He clearly has not learned the lessons of the past few years on inflation. Instead of a targeted program of investment incentives, about 90% of his program is the Kemp-Roth notion of a single across-the-board personal income tax cut. It is a rich man's tax cut which would flood America with excess dollars. This proposal is so poor an idea that the Governor's own running mate opposed it. So did many of his own economic advisers. So did former President Ford. When Republicans refuse to support the economic program of their own nominee, you can bet they have good reasons. And they do.

- It would be inflationary. Unless accompanied by enormous budget cuts -- cuts that the Governor keeps promising but never spells out -- his plans would cause budget deficits of over \$100 billion and increase inflation. His own running mate called the proposal "economic voodoo" and said it would raise the inflation rate to 30 percent. Inflation is so difficult to root out of our system that we cannot afford to gamble on an economic program that so many knowledgeable people believe to be very inflationary.
- It would be unfair. His proposal would give \$175 to a teacher making \$12,000, but the corporate officer making \$200,000 would receive \$15,000. It is, simply stated, a rich man's tax bill.
- It provides tax relief for consumption, not investment and productivity. Only 10 percent of his tax program is devoted to stimulating the investment we need for productivity.
- o My opponent also claims that he will cut spending enough for the nation to afford this enormous tax cut and still balance the budget. But for some reason he cannot name a single cut. That will make it pretty hard to balance the budget. And in the past few weeks, he's been promising new programs that will make it even harder. At last count he was at \$140 billion in 1983 and still promising.
- o My opponent seems to believe that government should play almost no role in the economy at all. While I worked with the steel industry to help solve the problems of this vital industry, he seems to think government should keep hands off. I suppose that's why he thinks we can solve our energy problem by giving it all to the oil companies.
- o I don't think a person who believes that the minimum wage is one of the principal causes of unemployment - as Mr. Reagan said - can develop answers to reduce unemployment.

B. Carter

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- o My economic renewal program concentrates on investment and productivity incentives to create jobs -- so we grow without rekindling inflation by a massive stimulus to consumers. I have founded my economic program on three principles:
 - First, that we must achieve energy security through the comprehensive energy program now in place. This has reversed the decades of growing dependence on foreign oil. Every year of my Presidency we have imported less foreign oil than the year before. Here I differ strongly with Governor Reagan, who has said repeatedly that all we need to do to solve our energy problem is to leave it in the hands of the oil companies.

JUN 27 1983

COPY
SECONDARY QUESTIONS

ECONOMY

JUN 27 1983

Wage and Price Policy

Question: Are you planning to continue your wage and price guideline program next year and beyond? Would you consider any tightening of the guidelines? Wouldn't you concede that they have not been very successful in restraining inflation?

Answer:

- o The voluntary wage and price standards have been an important part of my program.
- o The voluntary wage and price standards did work. Quantitative estimates show that the rate of wage inflation in 1979 was 1-1½ percentage points less than it would have been.
- o The wage and price standards program was critical in our ability to prevent the 125% increase in OPEC oil prices in 1979 from driving us to a permanent underlying inflation rate of over 10 percent. Policies to encourage wage and price restraint are important in our fight to bring down the underlying rate of inflation.
- o When I announced the Economic Revitalization Program on August 28 I explicitly noted that my advisors would be examining ways to extend the voluntary program for private wage and price restraint. In addition, I said that as there is room for further tax reductions in the coming years we must look for ways to use those tax reductions to encourage wage and price moderation. There will be some voluntary incomes policy for next year.
- o By contrast Governor Reagan has absolutely no proposal for slowing the underlying rate of inflation. Indeed, he proposes massive tax cuts which would only create huge deficits and rekindle inflation.

ENERGY AND ENVIRONMENT

ENERGY: CONSERVATION

Question: You are putting a lot of Federal money into energy conservation programs. What are you really getting for your investment?

Answer:

THEME

I HAVE PUT IN PLACE OUR FIRST ENERGY PROGRAM. GOVERNOR REAGAN HAS NO REAL ENERGY PROGRAM EXCEPT LETTING THE BIG OIL COMPANIES "LOOSE". CONSERVATION IS THE QUICKEST, CHEAPEST WAY TO DECREASE OUR DANGEROUS DEPENDENCE ON FOREIGN OIL. MY CONSERVATION PROGRAMS HAVE SHOWN DRAMATIC RESULTS AND I WILL BE PROUD TO CONTINUE THEM.

1. THE PAST AND THE PRESENT

- o We are consuming almost 2 million barrels per day less than when I took office (from 18.4 mmb/d in 1976 to 16.5 mmb/d in 1980). Two-thirds of the savings comes from conservation and only a small part is due to the recession. We are consuming 8% less gasoline than one year ago.
- o These changes are in large part a result of the policies that I have put into place in these last four years, such as:
 - The National Energy Conservation Policy Act which provides grants and other incentives for energy conservation in schools, hospitals, residences, automobiles, and major home appliances.
 - The Energy Tax Act, which established the first tax incentives for residential conservation. Over 10 million Americans have used this new tax credit to insulate their homes.
 - For low-income Americans, a Federal program is weatherizing more than 23,000 homes every month.
 - The mandatory Building Temperature Regulations for non-residential buildings have saved between 200,000 and 400,000 barrels of oil equivalent per day.
 - Domestic automakers have exceeded Federal automobile fuel efficiency standards in 1978, 1979 and 1980. Increasingly stringent standards will save some 500,000 b/d by 1985 and over 1 million b/d by 1990.
 - The new Energy Conservation and Solar Development Bank will encourage conservation by low interest loans.

- the 55 mph speed limit has saved 228,000 b/d of gasoline, and has saved 40,000 lives, according to the Department of Transportation.
- In Fiscal Year 1981, the Federal Government will spend more than \$2 billion to promote energy conservation, yielding more than \$5 billion in nationwide residential and industrial conservation investments.
- o Some say that these decreases in consumption were actually caused by the recession. But last year, when real GNP grew 2.3%, our total energy consumption dropped, for the first time in a non-recessionary year in almost 30 years. Gasoline consumption dropped 10% last December, several months before the recession really hit.

2. THE FUTURE

A. Reagan

- o Governor Reagan regards all of these programs as "government meddling." His party's platform is against the 55 mile per hour speed limit, against the fuel efficiency standards in cars, and against Federal conservation programs. He places little emphasis on conservation.

B. Carter

- o I will continue to implement my programs to encourage the American people to conserve energy. I believe conservation is an essential ingredient of a responsible energy program. My program will lead us to energy security.
- o The new Energy Conservation and Solar Development Bank in H.U.D. will soon be started to speed conservation.

ENERGY: CRUDE OIL DECONTROL

Question: Wouldn't we produce more oil if we immediately decontrolled crude oil prices? Why do you oppose that?

Answer:

THEME

MY RECORD IN ENCOURAGING INCREASED ENERGY PRODUCTION IS VERY SOUND, OVER HALF OF OUR DOMESTIC OIL PRODUCTION IS ALREADY FREE FROM PRICE CONTROLS, AND THE REMAINING CONTROLS ARE NOT A SIGNIFICANT CONSTRAINT ON PRODUCTION. FURTHER, I AM CERTAIN THAT IF I HAD CHOSEN "OVERNIGHT" DECONTROL IN 1979, AS IS NOW URGED BY GOVERNOR REAGAN, IT WOULD HAVE CAUSED A PROFOUND AND UNACCEPTABLE SHOCK TO OUR ECONOMY. I AM PHASING OUT PRICE CONTROLS CAREFULLY, IN A PHASED-WAY, TO AVOID INFLATIONARY SHOCK.

1. THE PAST AND THE PRESENT (RECORD)

- o On April 5, 1979, I directed that domestic crude oil price and allocation controls be ended by September 30, 1981. Over half of U.S. oil production is already free from price controls, and the decontrol schedule is steadily releasing additional volumes.
- o The remaining price controls are not a serious constraint on domestic crude oil production today. The number of operating oil and gas rigs reached an all-time high this month (3,164) and there are more new wells being drilled this year than any year in history. The real constraint on production today is the availability of drilling rigs.
- o The Department of Energy estimates that if I had imposed the immediate decontrol of all crude oil in April 1979, it would have caused about a 1-1/2% increase in our Nation's inflation rate in 1980 above that caused by phased decontrol.

2. THE FUTURE

A. Reagan

Governor Reagan has called for the immediate decontrol of all oil prices. But he has offered no specific information on how much of an increase would result, or at what price to our economy. Such an action now would be very inflationary. I do not believe he fully understands the consequences of his proposal.

3. CARTER FUTURE

- o I will continue to move in a responsible manner toward complete decontrol, taking into account economic effects as well as energy policy.
- o I am convinced we will be able to continue our high record of exploration and development.

ENERGY: EMERGENCY PRICE CONTROL AUTHORITY

Question: Would you consider reimposing oil price controls in the event that OPEC prices began to skyrocket? Would you seek the extension of the price control authority just in case it were necessary to use it some time in the future?

Answer:

THEME

I HAVE PUT OUR FIRST ENERGY PROGRAM IN PLACE. GOVERNOR REAGAN HAS NO REAL ENERGY PROGRAM EXCEPT TO TURN THE OIL COMPANIES "LOOSE". DOMESTIC PRICE CONTROLS HAVE ABSOLUTELY NO IMPACT ON SKYROCKETING OPEC PRICES; THEY MERELY DISCOURAGE DOMESTIC PRODUCTION OF CRUDE OIL. HOWEVER, IN THE NEXT SESSION OF CONGRESS, I EXPECT TO ADDRESS THE MANY IMPACTS OF THE END OF CRUDE OIL CONTROLS IN SEPTEMBER 1981. I EXPECT TO SEEK CERTAIN APPROPRIATE AUTHORITY IN CASE OF A SEVERE INTERNATIONAL ENERGY SUPPLY EMERGENCY.

1. THE PAST AND THE PRESENT

- o I look forward to September 1981 as the culmination of the phased decontrol of crude oil that I announced in April 1979.
- o If OPEC prices were to increase today, the reimposition of price controls would not be the answer. Domestic price controls have no impact on OPEC prices, except that they may hold down domestic production and so increase our dependence on imported oil. I would consider the use of emergency allocation measures, however, to ensure that the available supply was fairly distributed.
- o I am concerned that I retain the necessary standby authority to deal with a severe energy supply emergency, in case one should arise after September 1981. I expect that I will seek such authority in the next session of Congress.

2. THE FUTURE

A. Reagan

Governor Reagan claims to be absolutely opposed to all controls on crude oil, so he would presumably not want any emergency authority to be continued. He has never explained how he would deal with a severe energy supply interruption.

B. Carter

I intend to phase out all domestic crude oil controls on schedule, but I also plan to remain equipped with the necessary authority to respond to an energy supply emergency.

This is a responsible approach, it is an approach which will provide us with needed energy security.

Energy: "Lock-Up" of Federal Lands
And Resources

Question: If you really want to increase domestic energy production, why do you hold back so much Federal land with valuable energy resources?

Answer

THEME

I HAVE PUT OUR FIRST ENERGY PROGRAM IN PLACE; GOVERNOR REAGAN HAS NO REAL PROGRAM EXCEPT TURNING THE OIL COMPANIES "LOOSE". THE CHARGE THAT I HAVE "LOCKED-UP" THE ENERGY RESOURCES ON PUBLIC LANDS IS SIMPLY MISTAKEN. UNDER MY ADMINISTRATION, I HAVE OPENED UP MORE FEDERAL LANDS FOR MINERAL DEVELOPMENT THAN WERE EVER AVAILABLE BEFORE. THERE MUST BE A PROPER BALANCE BETWEEN MAINTAINING OUR NATIONAL PARKS AND SCENIC AREAS AND ENERGY EXPLORATION. I HAVE PROVIDED THAT BALANCE.

1. THE PAST AND THE PRESENT

- o Some have charged that the Administration sponsored Alaska Lands Bill will make that State's energy resources unavailable. In fact, our legislation leaves over 90% of the promising oil and gas acreage available for development, and 100% of the Outer Continental Shelf (where most of the oil and gas will probably be found) is available. Further, we have submitted separate legislation calling for private leasing of the National Petroleum Reserve.
- o Onshore Oil and Gas Development:
 - Of the 822 million acres of Federal mineral estate, approximately 500 million acres are available for oil and gas leasing.
 - In addition, 100 million acres are under lease and less than 1% of all oil, gas and geothermal leases have surface occupancy restrictions.
- o Wilderness Areas:
 - Of the 174 million acres of public lands reviewed for wilderness characteristics, 124 million acres have already been determined to be better suited for multiple-use management.
 - Ninety percent of the lands under lease have already been released from wilderness review and are available for mineral development.

o Outer Continental Shelf Development:

- My new five-year leasing program offers more acreage (45 million acres) than all acreage offered since the program began in 1954.
- Although only 2% or 3% of the total Outer Continental Shelf area has been leased, only a very small part of the OCS has any oil and gas potential. The most promising OCS areas (Alaska, Santa Barbara Channel, Gulf of Mexico and parts of the Atlantic) have been leased already or are scheduled for leasing.

2. THE FUTURE

A. Reagan

- o Governor Reagan says that he would accelerate the leasing of Federal lands. But he has no plan proposed to do that. And he has made no provision for environmental protection.

B. Carter

- o I will continue to develop all Federal mineral resources as rapidly as possible, consistent with our environmental requirements.

ENERGY: SOLAR GOAL

Question: Isn't your goal of 20% solar and renewable energy by the year 2000 an unrealistic one?

Answer:

THEME

AS AN IMPORTANT ELEMENT OF MY COMPREHENSIVE ENERGY POLICY, I ESTABLISHED A NATIONAL GOAL OF SUPPLYING 20% OF OUR ENERGY NEEDS FROM SOLAR AND RENEWABLE RESOURCES BY THE YEAR 2000. THIS IS AN AMBITIOUS TARGET WHICH WILL REQUIRE THE ACTIVE EFFORTS OF BOTH THE GOVERNMENT AND THE PRIVATE SECTOR, BUT I REMAIN COMMITTED TO MEETING IT.

1. THE PAST AND THE PRESENT

There was practically no solar or gasahol program when I took office.

- o I have more than tripled the Federal budget for solar and renewable resources to more than \$1.5 billion for fiscal year '81. This includes substantial investments in research and development in commercialization.
- o I have proposed and enacted the first tax credits to encourage the use of solar technologies in residential and commercial buildings, including the 40% credit passed this year.
- o Those policies are working. Ten times as many households have solar technology in place today as when I took office.
- o The Conservation and Solar Energy Development Bank that I proposed will provide a total of \$7.5 billion (1980-90) to spur conservation and solar energy investment.
- o We have quadrupled gasahol capacity over the last 24 months.
- o But Federal efforts alone cannot meet the ambitious 20% solar goal. The private sector must also commit its resources to pursuing these important energy resources.

2. THE FUTURE

A. Reagan

- o I regret Governor Reagan has never shown much interest in solar and renewable energy sources. He has offered no concrete development proposals for these alternative resources. The Republican Platform calls only for continued government support for research.

B. Carter

- o I will continue to strengthen programs now in place to encourage the increased use of solar and renewable resources to ensure that the Federal Government is doing everything it can to meet the 20% goal.
- o I will also push for new programs to encourage such use if they are needed. For example, I will continue to seek a tax credit for passive solar technologies.

Energy: Synfuels

Question: How can you justify spending \$88 billion to produce a few synthetic fuels?

Answer:

THEME

I HAVE PUT OUR FIRST ENERGY PROGRAM IN PLACE. GOVERNOR REAGAN HAS NO REAL PROGRAM. THE SYNTHETIC FUELS CORPORATION IS CHARGED WITH DEVELOPING THE SYNTHETIC FUELS INDUSTRY TO PRODUCE AT LEAST 2 MILLION BARRELS OF OIL EQUIVALENT BY 1992. THE FEDERAL GOVERNMENT WILL NOT ACTUALLY PRODUCE ANY OF THESE FUELS ITSELF; WE WILL ACT INSTEAD AS A CATALYST FOR THE TALENTS AND INVENTIVENESS OF AMERICAN PRIVATE INDUSTRY, ABSORBING SOME OF THE SPECIAL RISKS OF THESE NEW TECHNOLOGIES IN ORDER TO EXPEDITE THEIR DEVELOPMENT. THE FEDERAL GOVERNMENT WILL NOT SPEND THIS MUCH. THE FEDERAL INVESTMENT IS LIMITED TO STANDING LOAN AND PRICE GUARANTEES.

1. THE PAST AND THE PRESENT

- o Synthetic fuels will play an important role in freeing our Nation from its dangerous dependence on imported oil. We need to have them available on a commercial scale as soon as possible. The private sector will develop and produce these fuels, but because of the high business risk inherent in these new technologies, they cannot move as rapidly as we need.
- o I established the Synthetic Fuels Corporation to serve as a catalyst for the private development of synthetic fuels. The Synthetic Fuels Corporation will provide loan guarantees and price or purchase guarantees to selected synfuels projects in order to decrease the risk to the companies that build them. This partnership of public and private capital will bring us a commercial-scale synthetic fuels industry much more rapidly than could the private sector alone.

2. THE FUTURE

A. Reagan

I think Governor Reagan's stand on synthetic fuel is very short-sighted. Governor Reagan would "turn the oil companies loose" to develop synthetic fuels, if they felt like doing so. He would abolish the Synthetic Fuels Corporation and end all government investment in synfuels. This would be a tragedy for our energy future.

B. Carter

I will continue to provide risk-minimizing financial support for synfuels projects in order to meet our goal of 2 million barrels/ equivalent per day of synthetic fuels by 1992.

The steps I am taking will provide a secure future for our country.

ENERGY: WINDFALL PROFITS TAX

Question: Wouldn't we produce more oil if we limited or repealed the Windfall Profits Tax? Why do you oppose that?

Answer:

THEME

I HAVE PUT OUR FIRST ENERGY PROGRAM IN PLACE. GOVERNOR REAGAN HAS NO REAL PROGRAM EXCEPT TO TURN THE OIL COMPANIES "LOOSE". I AM PROUD THAT WE SUCCEEDED IN ENACTING THE WINDFALL PROFITS TAX TO ENSURE THAT THE OIL COMPANIES DID NOT PROFIT EXCESSIVELY FROM THE DECONTROL OF CRUDE OIL AND TO FUND OUR VITAL NATURAL ENERGY POLICIES. THERE IS ABSOLUTELY NO EVIDENCE THAT THE EXISTENCE OF THIS TAX IS CONSTRAINING THE DOMESTIC PRODUCTION OF OIL.

1. THE PAST AND THE PRESENT

- o I decided to decontrol domestic crude oil in order to increase domestic oil production. We simply could not continue discouraging the development of American oil resources while we subsidized the increasing imports of foreign oil.
- o But rather than let all of the increased profits go to the oil companies, we enacted the Windfall Profits Tax. This tax will bring in over \$227 billion in 1980-90 to finance the development of alternative energy sources, triple our investment in mass transit and assist low-income households in meeting rising energy costs. The oil companies still keep 29¢ of every \$1 of income from decontrol after all taxes are paid -- a handsome return.
- o There is absolutely no evidence that the Windfall Profits Tax has held down domestic crude oil production. The number of operating oil and gas rigs reached an all-time high this month (3,164) and there are more new wells being drilled this year than any year in history. The real constraint on production today is the availability of drilling rigs.
- o Where specialized, marginal domestic production was more likely to be discouraged by high taxes (tertiary, newly discovered and heavy oil), the tax is applied at a very low rate.
- o We are continuing to make adjustments for unintended inequities in the Windfall Profits Tax. For example, we will support a \$1,000 tax credit for small royalty owners.

2. THE FUTURE

A. Reagan

Governor Reagan supports immediate, total crude oil decontrol and the repeal or weakening of the Windfall Profits Tax. This would drain the purchasing power of consumers through high prices, award massive profits to the oil companies and do nothing to help low-income families cope with the rising cost of energy or provide the revenues for an alternative energy program for mass transit.

B. Carter

I will continue to invest the revenues from the Windfall Profits Tax in securing our Nation's energy independence for mass transit and in aiding our poorest citizens. This will provide us with energy security.

OVERVIEW