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KEY LINES TO USE AT BEGINNING OF COMMENTS ON REAGAN

1. Simplistic Solutions That Won't Work in the Real World

- Governor Reagan simply does not understand the consequences of his proposal.
- Governor Reagan's program has an initial, surface appeal, but I've learned as President to look beneath the surface.
- Governor Reagan's proposal provides a simplistic and erroneous solution to a very complicated problem.
- I do not believe Governor Reagan would make that proposal if he appreciated the complexities involved.
- I had a similar view before I became President and learned first-hand the complexities involved.
- I have learned a great deal from the experiences of the last 4 years. I wish that the Governor had learned as well.
- I wish the matter were as simple as the Governor has portrayed it. It would have made my job a lot easier these past four years.

-- I would have said the exact same thing myself -- four years ago. Fortunately for the country, I have learned that

2. Troublesome

That kind of thinking has gotten us into trouble before.

3. Republican

That is a good example of age-old Republican doctrine. (NHD, Minimum wage, Medicare)

4. Ignores Consequences

That sounds fine. But let's look at the consequences.

5. Reliance on Experts

Governor Reagan cites what he calls "expert" opinion (on Kemp-Roth, military needs). As President, you get "expert" opinion on both sides. The President must be the final judge.

6. Negative

Anyone can list problems. We need to understand them.

7. Knee-jerk

Governor Reagan seems to have a predictable, knee-jerk response to every situation. Kemp-Roth is his answer whether the economy is expanding or contracting. Military power is always his answer, necessary or not.

8. Vague

The Governor paints a rather vague picture. I would like a few more details. I would like to know ... when ... where ... how ...

9. Elitist

That is a great idea -- if you make \$200,000 a year!

10. Pro-Business

The Governor says we should rely on the private sector alone. That is the approach Herbert Hoover took. The private sector alone can't be depended upon to protect worker safety and health or the environment or to solve our energy problem or provide medical care for the aged.

11. Quoting Democrats

I notice that Governor Reagan likes to quote Democratic Presidents whose programs he opposed.

12. Women's Issues

I do not think many working women would agree with that.

13. Flip-Flops

I salute Governor Reagan for moderating his position. It makes good political sense. Unfortunately it contradicts entirely what he has stood for these past 20 years.

14. Attacks on Record

Governor Reagan fails to mention something: Before we came along, this country did not even have -- (an energy policy; a Camp David peace process; human rights program).

15. Hostages

Does Governor Reagan seriously believe that I have not done everything I could to get those hostages out safely? If he had a solution, I feel confident he would have offered it long ago -- just as any American citizen would.

16. "Secret Plans"

Our country learned in 1968 how dangerous it was to believe in "secret plans" to end international disputes.

17. Democratic Party

Governor Reagan appears to accept Democratic solutions about a generation after they were first proposed. (Civil Rights Act, Medicare, Social Security)

At this rate, he will be supporting ERA and national health insurance sometime in the 21st century!

18. Clear-Cut Choice

That is one position. Fortunately, the American people have a clear-cut choice this year. My position is that

19. Progress

Governor, you used to say on T.V., "progress is our most important product." But what you've just said isn't progress.

20. The GOP Platform/ERA

Harry Truman said that ". . . party platforms are contracts with the people." I agree.

The women of America should know that the platform of the Republican Party deprives them their rightful place in our Constitution.

21. Women--ERA

The Equal Rights Amendment to the Constitution is just as vital and necessary today as were the Civil Rights Amendments to the Constitution of the last century. Anything less is a half-measure.

22. Economy

Kemp-Roth is a rich man's tax cut which would flood the country with excess dollars, and which his own Vice-Presidential candidate has called "voodoo economics".

The Republican economic philosophy is trickled down. I'm with Hubert Humphrey who said Democratic economics percolate up.

Governor, your tax proposals give the largest tax breaks to the people who need them least -- the rich.

Your economic program is survival of the richest.

23. Economy (Labor, Social Security or Medicare)

I think the American working family can tell the difference between an old friend and a new-found friend.

24. Statistics

Those numbers just don't reflect reality.

Governor Reagan's statistics on are about as accurate as his statistics that "90 percent pollution came from trees."

25. Energy (Windfall Profits)

Governor Reagan apparently doesn't believe that the oil companies make enough money.

26. Defense

Governor Reagan's defense proposals mean one thing -- a multi-billion dollar arms race the American people don't need, don't want and can't afford.

First-Hand Accounts

(These can be used to take advantage of your training and experience)

1. Peace in the Nuclear Age.

I served as an engineer on a nuclear submarine.

I know what nuclear power and nuclear weapons can do.

I know that all the laws of combat changed when the first atom was smashed.

I know that the age of the six-gun is over.

I know you cannot go charging up San Juan Hill with today's weapons.

2. Building Peace

I have learned first-hand how to build peace between Nations.

It is not simply by avoiding war.

You build peace by establishing mutual respect, by finding areas where Nations can cooperate to benefit each other.

I learned this lesson in building peace between Israel and her most powerful Arab neighbor -- a peace of economic technological cooperation, a peace that will grow into a strong regional partnership.

I have worked first-hand with Sadat and Begin to build this peace. I am thrilled to see these two countries cooperating for mutual benefit, to watch on television and see Egyptian ships being received at Israeli ports, to see the Jerusalem Post on sale in Cairo.

3. Building Energy Security

I have learned first-hand there is more to security than simply military hardware.

I have had to plan for energy contingencies. I have had to "sell" the American people on the energy challenge. I have had to confront difficult regional differences in Congress.

4. Government Efficiency

I came to the White House believing that the best way to improve efficiency was to consolidate Governmental units.

I have learned first-hand that the key lies in building a responsive, productive Federal Civil Service. The people make the difference, not the organizational structure. I have pushed through the most sweeping overhaul of the Civil Service in a century. The new system offers real incentives for good management performance. It has received strong bi-partisan support and praise.

5. Dealing with Experts

I have learned you get "expert" opinion on both sides of every issue. Finally, the President must be the "expert".

FOR PRESIDENT CARTER

QUESTIONS TO ASK GOVERNOR REAGAN

A. Overview

1. Which specific domestic initiatives of the past 4 years would you seek to have Congress repeal?
2. How can you say your positions have not changed in light of your current stands on New York City aid, Chrysler aid, abolishing OSHA, eliminating the minimum wage, and China?
3. Can you explain how you planned to divide responsibility with former President Ford when you were considering him as your running mate?
4. Do you disavow any parts of the Republican Platform?
5. Why should people believe that you were serious about cutting Federal spending when you have spent so much of the campaign making promises which cost so much money (inheritance tax removal; tuition tax credit etc.)?
6. What audience have you addressed in this campaign and called upon them for sacrifice, rather than promised additional aid or assistance?
7. How can the American people believe that equal rights would be protected as well by statute if hundreds of statutes would have to be changed by Congress and hundreds by State legislatures?

B. California Record

1. Why should voters believe you will reduce the size of the Federal government, reduce taxes or reduce the number of government employees when you failed to achieve any of these goals in California?

C. Economy

1. Why have you not named yet a specific program that you would cut in this year's budget, in light of the fact that you are proposing to cut \$13-19 billion out of this budget as soon as you take office?
2. Will you oppose further increases in the minimum wage?

3. What evidence do you have that there was any White House role in changing the PPI method of calculation?
4. Why have you not told the American people your unemployment and inflation projections for next year? (The Senate Budget Committee forecast is not based on your Kemp-Roth proposal).
5. In light of the positions you took until just recently on the minimum wage, OSHA, and applying the antitrust laws to unions, why should working people believe your current positions reflect your true views?
6. If you are so concerned about providing investment incentives, why did you drop your support of the 10-5-3 proposal and provide only 10% of your tax cut for investment purposes?
7. Can you tell us why President Ford and your own running mate have not supported your tax cut program?

D. Energy and Environment

1. Can you explain again to the American people why you believe 93% of air pollution is caused by trees and how it is that pollution has been "substantially controlled"?
2. Would you repeal the Windfall Profits Tax or have you changed your position on that tax now?

E. Government

1. Are you still standing by your earlier positions that you will seek to abolish the Departments of Energy and Education or have you changed your positions?
2. What specific powers and functions would you return to the States and what do you mean by "tax sources to pay for them"?
3. Since you opposed the Chrysler and New York City assistance programs when they were being considered by the Congress, what would you have done to deal with those problems?
4. Why do you believe a total freeze of Federal hiring would be any more productive in reducing the number of Federal employees than was your freeze in California? Are you aware I have had such a freeze on for several months?

F. Human Needs

1. Why have you failed to support the Fair Housing bill now being considered by the Congress?
2. Why have you failed to support the Unemployment Compensation Extension now being considered by the Congress?
3. Why do you oppose any form of National Health Insurance?

CHALLENGES

(You may want to use the technique of challenging Reagan to provide an answer, which he obviously will not know or will not want to provide.)

Examples:

1. I challenge Governor Reagan to deny that in this campaign he has changed his 20-year-long position on .
2. I challenge Governor Reagan to deny that he once said .
3. I challenge Governor Reagan to name any expert (not on his payroll) (not supporting his candidacy) who will support that statement.
4. I challenge Governor Reagan to tell us specifically which programs he would begin eliminating next year.
5. I challenge Governor Reagan to let us know if he still plans to dismantle the Departments of Education and Energy upon assuming office.
6. I challenge Governor Reagan to tell us his inflation projections and his specific plan to fight inflation.
7. I challenge Governor Reagan to explain how changing hundreds of Federal and State statutes is a better and quicker way to ensure equal rights than ERA?
8. I challenge Governor Reagan to deny that he led the effort to oppose (Medicare).
9. I challenge Governor Reagan to be specific about his program to transfer programs back to the States and to tell us how that will be financed and how it differs from his \$90 billion transfer program of 1976.
10. I challenge Governor Reagan to deny that he made the same charge about the U.S. becoming No. 2 militarily against Gerald Ford in 1976.
11. I challenge Governor Reagan to let us know why he has not yet indicated his support for the Fair Housing bill in the Senate, which is now opposed by the Republicans following his lead.
12. I challenge Governor Reagan to explain why he opposed a grain embargo against the Soviet Union when he now supports a total trade embargo or why he could now support a total quarantine.
13. I challenge Governor Reagan to deny that taxes and spending doubled while he was Governor.

- o He tends to stay above the fray, leaving his opponents to try to throw the haymakers.
- o He responds to criticism or attack, either by making light of it or by appearing hurt. In the Anderson debate, for example,
 - when Anderson implied he was against conserving energy, he responded: "Well, as I've said, I am not an enemy of conservation. I wouldn't be called a conservative, if I were.
 - when Anderson attacked some statistics he used, he responded: "Well, some people look up figures, and some people make up figures. And John has just made up some very interesting figures." (He also looked very pained that his figures were being challenged.)
- o He regularly appeals to his audience's patriotic pride, both with anecdotes and in his closing statements in every debate.
- o He occasionally injects a light touch into the debate, including some self-deprecating humor. For example,
 - when the moderator asked for a one sentence response to a question and then called Reagan for responding with two sentences, he responded: "I thought I put a semicolon in there."
 - when he referred to Ancient Rome and the moderator made a comment about being young then, Reagan popped back: "Im' the only one here old enough to remember."
 - when asked his position on ERA, he responded: "I'm for ER. I can't go along with A."

In sum, Governor Reagan's style is to carry on a conversation with his viewing audience. He is very disarming, always general, and often loose with his facts. His answers nearly always revert to his anti-government themes. He appears to be appealing to his audience's common sense; but more often appeals to patriotism and national pride.



REAGAN AND PREVIOUS DEBATES

A review of the way Governor Reagan handles himself in debates (he has participated in five this year) is very instructive, and very impressive.

Governor Reagan's style in these debates -- while it appears simplistic on the surface -- is both disarming and effective:

- o With a very few exceptions, he talks to his viewing audience and not to his opponent. In his debate with Anderson, for example, such phrases pop up as "John tells us" or "when John talks about" or "John claims."
- o He seldom answers the question he is asked.
- o He avoids specifics. He virtually never talks in programmatic terms. He never uses lists of programs or proposals.
- o He uses slightly irrelevant anecdotes to deflect direct questions; indeed, he is probably the best deflector of questions on American politics. For example, when asked what justices presently on the Supreme Court he would like his appointments to the Court to emulate, he answered with an anecdote about John Marshall being a great justice and not a lawyer.
- o Virtually every answer he gives blames government or government intervention for the problem about which he's asked.
- o He falls back heavily on his record as Governor of California in answering questions.
- o He uses conversational questions effectively, both to avoid questions he is asked, to make his own points without sounding shrill or harsh, and to keep the audience interested. That's one way he avoids reciting long, boring lists or proposals. His transcripts are filled with questions beginning with "Shouldn't we", "Why don't we," "Wouldn't it make sense", etc. For example, in his debate with Anderson, when asked about his urban program, he used such questions as:
 - Why don't we start with the Federal Government turning back tax sources to states and local governments, as well as responsibilities for those programs?
 - Wouldn't it make a lot more sense if the Government let them (the cities) keep their own money in the first place?
 - Why don't we offer incentives for business and industry to start up these zones (depressed city areas)?
 - What if we had a Homestead Act, and said to people for \$1 we will sell you this house?

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MAJOR CARTER ACCOMPLISHMENTS

DOMESTIC

1. Comprehensive Energy Program.
2. Restored Openness and Integrity to Government.
3. Restored economic growth after deep recession of '74-'75; and increased employment overall, as well as for minorities, women and youth.
4. Rescued Social Security System from bankruptcy.
5. Expanded and improved major "people" programs - health, housing, social services.
6. Deregulated airline, trucking, railroad and banking industries.
7. Government Reform -- Civil Service Reform; simplified regulatory process; reduced paperwork burden.
8. Reduced size of Federal government (40,000 fewer full time employees)
(Note: temporary and part-time more than employees have increased)
9. Appointment of record number of minorities and women to judgeships and top policy management positions.
10. Expanded government efforts on behalf of equal opportunities and equal rights.
11. Education - substantial expansion of key programs and creation of Department of Education.
12. Comprehensive Urban Policy.
13. Protected the Environment.
14. Strong Farm Policy.

(FACTS AND FIGURES ON THESE DOMESTIC ACCOMPLISHMENTS ARE SET FORTH IN THE FOLLOWING PAGES.)

FOREIGN

1. Peace
2. Camp David Accords/Egypt-Israel Peace Treaty
3. Completion of SALT II Negotiations
4. Ratification of Panama Canal Treaties
5. Majority Rule/Free Elections in Zimbabwe

6. Normalization of Relations with China
7. Real Increases in Defense Spending, reversing years of decline
8. Strengthened NATO Alliance
9. Firm opposition to Soviet invasion of Afghanistan
10. Negotiation and Congressional approval of Multilateral Trade Agreement - most substantial trade agreement of our generation

COMPREHENSIVE ENERGY PROGRAM

Key Elements

1. Production

- o Comprehensive Energy Act of '78 (including phased deregulation of natural gas prices).
- o Decontrol of oil prices.
- o Coal Production and Conversion Incentives.
- o Alaskan Natural Gas Pipeline (supplying 5% of our gas).
- o Mexican Natural Gas Agreement.

2. Conservation

- o Standby Gasoline Rationing Plan.
- o Tokyo and Venice Energy Conservation and Consumption Commitments of Allies.

3. Solar and Gasohol

- o Conservation and Solar Bank (providing \$3 billion in loans over next 4 years).
- o First Solar Energy Tax Credits.
- o Solar Commitment of 20% by year 2000; solar funding tripled.
- o Windfall Profits Tax.

4. Safer Nuclear Power

- o Implementation of Kemeny Commission Recommendations.

5. Synthetics

- o Synthetic Fuels Corporation (target of 2 million barrels per day by 1992): biggest peacetime program in history to achieve energy security.

Key Results

- o Imports declined every year I've been in office -- historic reversal of increasing dependence every decade since WW II, which I inherited.

- o Importing 2.2 million barrels per day less than in '77 (25% less) (in 3 years before you took office oil imports rose 44%). (In 1980, oil imports are down by 1.4 million barrels per day compared to 1979.)
- o Gasoline demand down 10% (750,000 barrels per day) since 1978.
- o Domestic crude oil production this year will reach 7 year high of over 8.6 million barrels daily (10% increase over '77) (in 3 years before you took office production declined by 7% or 600,000 barrels per day).
- o Oil and gas exploration efforts will set new record in '80 with an estimated monthly average 3,000 rigs in operation -- 70% increase over '76.
- o Coal production in '80 will reach 850 million tons -- 25% above '76 (between '72-'76, production grew only by 13%) -- all-time high.
- o Coal consumption in '80 will be 17% above '76, and coal's share of total U.S. energy needs in '80 will pass 20% while oil's share will decline for second consecutive year; coal exports in '79 reached 5-year high, and will set another record in '80 (84 million tons). For first time over 50% of our electricity comes from American coal and not OPEC oil.
- o Use of solar energy in households has increased tenfold in past 4 years.

OPENNESS AND INTEGRITY

Key Elements

- o Executive Order requiring financial disclosure of government officials and prohibiting revolving-door practices.
- o Ethics in Government Act - putting into statute the requirements of the Executive Order; also establishment of Special Prosecutor procedure.
- o Inspectors General - placed in each Cabinet Department to identify fraud and waste; identified \$1 billion in wasteful expenditures; over 600 fraud convictions to date.
- o Executive Order reducing over-classification of government documents - increases amount of classified material to be released over next decade by 250 million pages.
- o Held 31 Town Hall Meetings - none held by previous Presidents.
- o Held 59 press conferences.

Key Results

- o Restored openness and integrity of earlier Democratic Administrations.
- o Greater public access than ever to government decisionmakers and government information.
- o Ensured feeling by American people of integrity of their governmental leaders.

RESTORED ECONOMIC GROWTH AND INCREASED EMPLOYMENT

Key Elements

- o \$21 billion economic stimulus package in '77.
- o \$20 billion tax cut in '78 (that cut plus the \$8 billion cut in the stimulus package are valued at \$40 billion in 1980).
- o Reduction by one-third of capital gains rate.
- o MTN Agreement and Export Policy.
- o '77 Economic Stimulus Package -- \$21 billion program to stimulate economy and create jobs.
- o Humphrey-Hawkins Full Employment Act.
- o Increased public service employment funds by 115% and jobs by 150,000 (from 300,000 in '77 to 450,000 now).
- o Increased youth employment funds by 230% (providing 1 million youth with training and jobs).
- o Private Sector Jobs Program (\$400 million annually -- 120,000 will get private sector jobs in '80).
- o Targeted Employment Tax Credit -- (tax credit for hiring hard-core unemployed).
- o Summer jobs programs -- 1 million jobs annually.
- o Doubling size of Job Corps.

Key Results

- o GNP is up by more than 12% since '76 (between '72-'76, rose by only 7%).
- o Industrial production rose 15% from the end of 1976 - end of 1979 (between '72-'76 industrial production rose only 6-1/2%).
- o Corporate profits taxes rose from 1976-1979 by 58% (between '72-'76, corporate profits rose by 54%).
- o Real business investment in new plant and equipment has grown at an annual rate of 4.7% since '76 (this is 4 times greater than the rate for the previous 8 years).

- o New home construction has averaged 1.7 million units since '76 (during previous comparable period (3 yrs 9 months) average was only 1.5 million units).
- o Got country out of recession you inherited (and will lead out of one we now have).
- o Employment is now 97.2 million -- highest in history.
- o 8.8 million new jobs created since December '76 -- nearly double the number (4.4 million) created in the previous 4 years under Nixon-Ford. (Note: stress that unprecedented growth is labor force kept unemployment up).
- o Employment of adult women increased by 16% -- 5.6 million new jobs since December 1976.
- o Employment of Blacks increased by 13% -- 1.3 million new jobs.
- o Employment of Hispanics increased 25% -- 1 million jobs.

SOCIAL SECURITY SYSTEM

Key Elements

- o Proposed and signed legislation to strengthen financial status of all of the Social Security Trust Funds.
- o Proposed credit to negate effect of next year's Social Security tax increase - without reducing in any way Social Security Trust Funds.
- o Opposed efforts to tax Social Security benefits, cap Social Security cost-of-living increases, raise the retirement age for Social Security.

Key Results

- o Not a single check to any of the 35 million Social Security recipients was delayed a day.
- o System was able to afford 14% cost-of-living increase this year.
- o Proposed credit has provided way to ensure continued fiscal integrity while reducing inflationary impact of the Social Security taxes.

DEREGULATION

Key Elements

- o Passage of Airline Deregulation.
- o Passage of Trucking Deregulation.
- o Passage of Banking Deregulation (small savers reform).
- o Passage of Railroad Deregulation.
- o Administrative action on Communications Deregulation.

Key Results

- o The 40-year government push for greater government regulation has been reversed - most fundamental restructuring of relationship between government and industry since New Deal.
- o Airline deregulation has produced a record number of flights and passengers; first year consumer savings - \$2.5 billion.
- o Trucking deregulation will enhance competition and reduce energy consumption; saves consumers \$5-\$8 billion a year.
- o Banking deregulation has allowed banks and savings and loan associations to increase the interest they pay to those with relatively small savings.
- o Rail deregulation will save America's railroads from bankruptcy.

REDUCED SIZE OF FEDERAL GOVERNMENT

Key Element

Last March, you imposed a hiring 2-1 freeze. This was the third one since 1977.

Key Result

By October of 1980, there will be 44,000 fewer full-time Federal employees than when you took office. By comparison, during the four previous years, the number of full-time Federal employees grew by 57,000 workers.

(Note: Part-time hire increased by about 80,000)

APPOINTMENTS

Key Elements

- o Appointed more women, Blacks and Hispanics (over 80) to federal judgeships than all previous Presidents combined.
- o Appointed more women, Blacks and Hispanics to senior government positions - Cabinet, sub-Cabinet, Agency Head, White House staff - than any previous President.
- o Appointed three of the six women to ever serve in Cabinet positions.
- o Appointed 40 women judges (there were only 5 women judges at the beginning of the Administration).
- o Appointed 38 Black judges (only 17 Black judges before).
- o Appointed 16 Hispanic judges (only 5 Hispanic judges before).
- o One third of all judicial appointments have been women or minorities; when you took office women and minorities represented just 5% of the federal judiciary.
- o Appointed four Blacks to Cabinet positions, and over 50 to key sub-Cabinet positions.
- o Number of senior management positions held by women has doubled.

Key Results

- o Real progress made for first time in our history in having women and minorities appointed in numbers much more representative of their proportion to the population.
- o Have appointees whose quality is as high or higher than federal government and the federal judiciary has ever had.
- o Have placed women and minority judges in position to be interpreting our laws into the next century.

EDUCATION

Key Elements

- o Creation of Cabinet-level Department of Education (combining 150 existing Federal programs into one organization).
- o Elementary and Secondary Education Act Amendments (extension of Act, expanding and targeting Federal aid to disadvantaged).
- o Middle Income Student Assistance Act.
- o Increase in Education budget since '77 -- 73% -- largest increase in comparable period in history.
- o Increased funding of key education programs:
 - Basic Skills Training -- 86%
 - Bilingual and Education -- 100%
 - Higher Education and Student Aid -- 48%
 - Education for the Handicapped -- 57%
 - Head Start -- 73%

Key Results

- o You are The Education President.
- o Education represented at the Cabinet-table for first time in history.
- o Greater Federal assistance -- without Federal involvement in local schools -- than at any time in history.
- o No student denied a college education because of access to needed financial assistance.
- o Greatly increased emphasis on the basic skills -- reading, writing, computation.

URBAN POLICYKey Elements

- o Creation of Urban Development Action Grant Program (first \$1.3 billion of UDAG grants have already stimulated \$7.5 billion of new investment in our Nations cities and created more than 400,000 new jobs).
- o Expansion of Economic Development Administration funding from \$60 million annually for urban areas to nearly \$1 billion per year.
- o Creation of a rehabilitation tax credit to encourage businesses to rehabilitate their facilities in urban areas (nearly \$2 billion of rehabilitation will be assisted this year through the credit).
- o Executive Order requiring Federal facilities in urban areas to be located in the central business area (resulting so far in relocation of more than 200 government facilities).
- o Executive Order requiring Federal agencies to target their procurement activities to high unemployment areas (this year \$1.2 billion of Federal contracts will be targeted to these areas).
- o Reauthorization of General Revenue Sharing.
- o \$1 billion in counter-cyclical aid.
- o Increase funding by nearly \$1 billion for the Community Development Block Grant Program.
- o Commitment to provide \$50 billion for capital investment in mass transit during the 1980's (compared to \$15 billion in the 1970's).
- o Funding for 300,000 subsidized housing units in FY '81, a 25% increase.

Key Results

- o Nation has a comprehensive urban policy for the first time.
- o Grants-in-aid to States and localities have increased by almost 35% since '77 (from \$68 billion to \$91 billion).
- o Funding to increase private sector jobs and investment in our urban areas has increased by nearly 3000% (\$60 million to \$1.8 billion).
- o This funding (UDAG, EDA, investment tax credit for industrial rehabilitation, Federal procurement targeted to high unemployment areas) will produce \$6.5 billion in private investment and 400,000 new jobs this year.

PROTECTING THE ENVIRONMENT

Key Elements

- o Executive actions and progress in legislation to protect Alaska lands.
- o Enactment and implementation of Nation's first Stripmining law.
- o Strengthening and reauthorization of Clean Air and Water Acts, and their effective enforcement at EPA.
- o Enactment and implementation of Nuclear Non-Proliferation Act in context of overall policy of halting push toward plutonium and commercial breeder reactors.
- o Development of comprehensive, environmentally sensitive nuclear waste management policy.
- o Initiation of new policies and program to reform water resource development; opposition to wasteful water projects.
- o Establishment of goal of a 20% solar U.S. for the year 2000.
- o Establishment of energy conservation as cornerstone of national energy policy.
- o Steady expansion of system of protected national lands: parks, trails, wilderness areas, scenic rivers.
- o Appointment of environmentally-concerned individuals to key government positions.

Key Results

- o Reversal of previous 8 years of environmental neglect by Executive Branch.
- o Government and environmental community now working together to solve problems and protect the environment.
- o Unanimous endorsement by environmental community leaders.

STRONG FARM ECONOMY

Key Elements

- o Food and Farm Act of '77 -- comprehensive 4 year farm bill.
- o Placed farmers in key decision-making positions at USDA.
- o Established Nation's first farmer-owned and controlled grain reserve.
- o Promoted U.S. agricultural exports, including the development of new markets (such as China).

Key Results

- o Farm prices have gone through a dramatic recovery:

In January, 1977 . . .

corn was \$2.34 per bushel and falling (it eventually reached \$1.60)

-in August 1980 it was \$2.93 and rising

wheat was \$2.43 per bushel and falling (it eventually bottomed-out at \$2.00)

-in August 1980 it was \$3.86 and rising

beef cattle were \$32.20 per hundredweight

-in August 1980 they were \$65.10 and rising

milk sold for \$9.65 per hundredweight

-in August 1980 it was \$12.80 and rising

- o Agricultural exports have risen 82% since 1977, setting new records each year. This year, farm exports will reach \$40 billion, compared with \$32 billion last year (and \$22 billion in 1977) -- the largest one-year increase in our Nation's history. This will result in an agricultural trade surplus of \$21 billion this year.
- o Farm income rose during each of the first three years of your Administration, rebounding from the steady decline that had occurred during the latter years of the Nixon-Ford Administration. In 1979, net farm income reached a record-tying high \$33.3 billion. While net farm income is being squeezed this year by the effect of OPEC oil price rises, stronger farm prices are already beginning to provide relief. Despite this squeeze, farm income will be higher this year than it was when this Administration came into office.

- o For alcohol fuel, we have set a production capacity goal of 500 million gallons by the end of 1981. This represents an over six-fold increase from the 1979 level and will provide gasohol (90/10 mixture) equivalent to about 10 percent of U.S. unleaded gasoline consumption.

MAJOR CARTER LEGISLATIVE ACCOMPLISHMENTS

1. Economy and Workers

- o Economic Stimulus Package - '77
- o Social Security Refinancing - '77
- o Tax Cut - '78
- o Humphrey-Hawkins Act - '78
- o Minimum Wage Increases - '78
- o New York City Assistance - '78
- o Chrysler Assistance - '80

2. Energy

- o Department of Energy - '77
- o Comprehensive National Energy Act '78
(including natural gas deregulation, energy tax incentives,
conservation and conversion incentives)
- o Windfall Profits Tax - '80
- o Synthetic Fuels Corporation - '80
- o Solar Bank - '80
- o Low-Income Energy Assistance '79
- o Stand-by Gasoline Rationing Plan - '80

3. Government Reform

- o Reorganization Authority - '77
- o 12 Reorganization Plans
- o Ethics in Government Act - '78
- o Omnibus Judgeship Act - '78
- o Department of Education Act - '79

- o Airline Deregulation - '78
- o Inspectors General Act - '79
- o Trucking Deregulation - '80
- o Banking Deregulation (Small Savers Reforms) - '80
- o Rail Deregulation - '80

4. Human and Social Needs

- o Food Stamp Reform - '77
- o Food and Farm Act - '77
- o Increased Education Spending
- o Urban Policy - '78
- o Consumer Cooperative Bank Act - '79
- o Mental Health Act - '80

5. Rights and Liberties

- o D.C. Voting Rights Amendment - '79
- o ERA Deadline Extension - '79
- o Anti-Boycott Act - '77
- o Foreign Intelligence Surveillance Act - '78
- o Age Discrimination Act Amendments (mandatory retirement) - '78

6. Natural Resources

- o Strip Mining Act - '77
- o Clean Air and Clean Water Act Amendments - '78
- o Outer Continental Shelf Leasing Act
- o Omnibus National Parks Act

7. Foreign and Defense Policy

- o Panama Canal Treaties - '78
- o Taiwan-U.S. Relations Act - '79
- o Multilateral Trade Negotiations Act - '79

- o Increased Defense Spending - '78 - '81
- o Egyptian-Israeli Treaty Assistance Act - '79

CARTER INITIATIVES ENACTED DESPITE WIDESPREAD
INITIAL PREDICTIONS OF DEFEAT

- o Windfall Profits Tax
- o Natural Gas Deregulation
- o Civil Service Reform
- o Chrysler Assistance Packages
- o New York City Loan Guarantees
- o Panama Canal Treaties
- o Airline Deregulation
- o Trucking Deregulation
- o ERA Ratification Deadline Extension
- o D.C. Voting Rights Amendment
- o Multilateral Trade Negotiations Agreement
- o Lifting of Turkish Arms Embargo
- o Repeal of Byrd Amendment (Rhodesian imports)
- o Stopping the funding for B-1 bomber
- o Rail Deregulation

4

1976 CAMPAIGN PROMISES

KEY POINTS

1. You were first President to compile and publicly disclose all your campaign promises; this was done to allow public to judge your performance against the promises.
2. Any fair-minded, objective assessment of your performance shows that you have honored an extraordinary number of the promises, and worked to honor virtually every one. In those areas where your efforts have not been successful, one of the principal reasons has been Congress' failure to act -- not your failure to do what is within your power. However, in some cases, promises have not been honored because circumstances have changed, new facts have become apparent, and you have changed your positions as a result. There is no reason to be defensive about this; it should be used as a positive point -- that things looked simpler to you in some areas before you became President and now you know more (implying that Reagan's simplistic solutions also suffer from a lack of full information about the problems involved).
3. Finally, you have done a better job of honoring your promises than many predicted four years ago, and a far better job than many of your predecessors in honoring their campaign promises.
4. Major Promises Honored:
 - o Comprehensive energy policy
 - o Comprehensive urban policy
 - o Appointments -- bringing more women and minorities into the government at senior positions
 - o Reorganization -- more than dozen reorganization plans, new Departments of Education and Energy
 - o Preserving Social Security System
 - o Deregulating Airline Industry
 - o Civil Service Reform
 - o Greater public access to government information and officials
 - o Improved relations with State and local governments
 - o Reforming and strengthening OSHA
 - o Increasing public service job opportunities and youth employment programs
 - o Increasing Minimum Wage
 - o Increasing Federal commitment to public education

- o Using voluntary wage and price policy
- o Pardoning Selective Service violators
- o Supporting human rights around the world
- o Strengthening NATO alliance
- o Bringing peace between Israel and Egypt
- o Improving relations with China
- o Eliminating waste in the military
- o Halting the B-1 bomber

5. Promises Not Kept Because of Congressional Resistance:

- o National Health Insurance
- o Welfare Reform
- o Tax Reform
- o Consumer Protection Agency
- o Public Financing of Congressional Campaigns
- o Post-card voter registration
- o New SALT Agreement

6.** Promises Where Positions Can Reasonably Be Said to Have Changed or We Have Not Delivered:

- o Balancing Federal budget by end of first term
- o Seeking 4% inflation rate by end of first term
- o Opposing decontrol of old oil
- o Permitting deregulation of only new natural gas
- o Reducing government agencies from 1800 to 200
- o Opposing sale of arms to Egypt
- o Not relinquishing actual control of Panama Canal
- o Reducing our weapons sales to other countries
- o Reducing defense spending (here frankly state you found a profoundly different situation than you had expected as a candidate. You found USSR building bigger and our own Armed Forces in greater need of repair)

SITUATION INHERITED IN JANUARY 1977

(It is important to always remind the audience of the situation you inherited.)

1. Deepest recession since the Great Depression.
2. Unemployment at 8% (November '76) and averaging 8.5% for all of 1975.
3. A shortage of fuel for heating (especially natural gas) in the Winter of '76-'77 in the Northeast and Midwest U.S.
4. No national energy policy, with oil imports increasing and U.S. production declining.
5. Social Security System on the verge of bankruptcy.
6. "Real" defense spending declining, by 14% between '72-'76 and by 35% between '68-'76.
7. NATO defenses weakening.
8. Highest deficit in U.S. history.
9. Rising Federal employment.
10. Egypt and Israel poised for further war.



ECONOMIC REVITALIZATION PROGRAM

Results

Cost: Tax package - \$27.6 billion in 1981 (calendar)

New Jobs Impact: - 500,000 new jobs in first 12 months without rekindling inflation.

- 1 million new jobs within two years

Real Investment Impact: Increase by 10% over '81-'82 period

GNP Impact: Will add 1 percentage point to real GNP growth.

Inflation Impact: Reduce inflation because of Social Security tax credits (short term) and investment and productivity incentives (long term)

Deficit Impact: '81 budget deficit increased by only \$6 - 7 billion

KEY ELEMENTS

1. Industrial Revitalization:

- SIMPLIFIED, LIBERALIZED DEPRECIATION
- REFUNDABLE TAX CREDIT (UP TO 30%)
- 3% REAL GROWTH IN GOVERNMENT R&D FUNDING (to encourage innovation and research)

2. Business-Labor-Government Cooperation:

- PRESIDENT'S ECONOMIC REVITALIZATION BOARD
- INDUSTRIAL DEVELOPMENT AUTHORITY
- TRIPARTITE COMMITTEES IN STEEL AND AUTOS AND COAL COMMISSION WITH ALL PARTIES

3. Community Assistance:

- TARGETED INVESTMENT TAX CREDIT (10%)
- \$1 BILLION COUNTERCYCLICAL REVENUE SHARING

4. Reducing Individual Tax Burdens:

- SOCIAL SECURITY TAX CREDIT (8%)
- INCREASED EARNED INCOME TAX CREDIT (to 12% from 10%)
- "MARRIAGE PENALTY" DEDUCTION (deduction of 30% of lower spouse's earnings)

INDICATORS OF CURRENT ECONOMIC RECOVERY

1. 670,000 new jobs added in past 3 months (June-September); manufacturing employment is up by 175,000 over past 2 months.
2. Index of Leading Economic Indicators - has risen for 3 straight months; the 3-month rise has been at a rate larger than any other 3-month rise for 31 years.
3. Housing starts are up for 4 consecutive months (now at annual rate of 1.6 million units); are up 70 percent above their May level; rose 9% last month.
4. Real GNP rose by 1% in 3rd quarter (official estimate) -- would mean we have had shortest recession in our history.
5. Domestic auto sales are 19% above their June level.
6. Three out of the four major indexes of stock values are at or very close to their all-time highs.

COMPARISON OF U.S. ECONOMIC GROWTH WITH MAJOR ALLIES

The OPEC oil price increases over the past few years have had an adverse impact on the economies of the U.S. and many of its major industrialized allies as well. However, a number of major indicators reveal that the U.S. has adjusted and fared better than many of our Allies.

Employment Growth

Over the past 3-1/2 years, U.S. employment has grown by almost 9 million jobs or 10%, as opposed to 4% in France, 0% in Great Britain, 1% in Germany, 4% in Japan, and 2% in Italy.

Real GNP Growth

Between 1976 and 1979, real GNP in the U.S. grew 12.5%; France was 9.9%; West Germany was 11%, Italy was 9.7%, and Great Britain was 5.5%.

Rate of Inflation (GNP Deflator)

The GNP price deflator in 1979 has the U.S. rate at 8.8% compared to 10.3% in France, 15.1% in Italy; 14.4% in Great Britain; and 9.9% in Canada.

Latest Inflation (CPI)

Latest 12 months: U.S. (13%); France (14%); Italy (19%); U.K. (16%); Canada (11%); Japan (9%); Germany (5%).

CARTER AND REAGAN INFLATION PROJECTIONS

CEA does forecasts for 1980 and 1981. The midsession budget update (July) contains projections (really assumptions) for 1982-85.

We project that inflation will steadily decline from 1981 to 1985, averaging 8 percent over this period. This does not take into account inflation-lowering effects of the Economic Renewal proposals.

Governor Reagan projects an average inflation rate of 9 percent -- before his massive tax cut which, CEA estimates, could add another 4-6 percentage points in each year from 1983 to 1985.

Key Points to Make Defending Economic Record (By Schultze)

1. During my administration, the United States has a record of providing jobs and employment that is unparalleled among other large industrial countries and unmatched by any previous administration. Employment in the United States in the past 3-1/2 years rose by nearly 10 percent. The closest country is Japan with an increase of 6 percent while employment in other major countries like Germany, France, and England has not increased at all. Similarly, industrial production in the United States during the 3 years before this recession began -- and the recession is temporary -- rose by more than any other major industrial country except Japan, and we were not far behind them.

My employment record is much better than that of the Ford Administration. The average unemployment rate during the worst four months of the last 3-1/2 years was lower than the average unemployment rate for President Ford's entire 29 months in office!

2. Our economy is vulnerable to OPEC price and supply actions. Energy policy and economic policy are tightly tied. With respect to energy the United States has made outstanding progress.

- o Starting 1-1/2 years ago we began to phase out controls on domestic oil and gas prices. We ended the incredibly dangerous practice of holding United States oil and gas prices below the world market and thereby subsidizing wasteful consumption. Oil and gas decontrol was a painful and difficult but absolutely necessary step.
- o Working with the Congress we put in place the foundations of a comprehensive National Energy Program to increase energy production and conserve energy use, and levied the windfall profits tax to help pay for it.
- o These policies have begun to have dramatic results. The United States is now importing 25 to 30 percent less oil than it did 1 and 2 years ago; our consumption of energy products has dropped 8 to 10 percent, and while some part of that drop is due to the recession, most of it reflects real energy conservation. There are now 70 percent more drilling rigs in operation than there were when I took office and the number of oil and gas wells being drilled has reached a new record.

3. Despite massive increases in oil prices in the past two years the United States -- unlike other oil importing countries -- has been reducing its balance of payments deficit. We are now moving into a surplus position.
4. After a period of weakness in the value of the U.S. dollar overseas, I took decisive action 2 years ago to stabilize the dollar -- in cooperation with the German, Japan, and Swiss governments. Since then, in a world of sharply changing events and disruptions in oil supply, the United States dollar has remained strong, and has indeed risen in value compared to the German mark and Japanese yen.

5. In the past four years, working with the Congress, my Administration has eliminated regulation where it stifles free enterprise. We have cut price-propping and competition-deadening regulation from a number of critical industries and opened them up to the fresh winds of competition. We have made more progress in this area than at any other time in the 20th century. In the face of widespread opposition and skepticism, especially at first, we have deregulated airlines, trucking, railroads, and large parts of the banking and financial institutions and we are on our way to doing the same for the communications industry.
6. With respect to inflation, the record is not so good. When I came into office the underlying rate of inflation in business costs -- which ultimately determines what happens to prices -- was about 6-1/2 to 7 percent. Now it is at about a 9 percent rate. Obviously that is not good.
 - o But you judge a doctor not by whether his patient has any physical problems or not, but by how serious was the illness or injury through which the doctor pulled the patient.
 - o The United States in the past 18 months suffered a major and harmful shock to its economic system because of the massive increase in world oil prices. Oil prices rose last year by much more than they did after the first Arab oil embargo (in 1973), and we ourselves were painfully but necessarily decontrolling our own domestic oil prices.
 - o Yet instead of the worst recession in 40 years -- which is what happened after the first Arab oil shock -- this time we had the shortest recession.
 - o Inflation did for a while increase very sharply but together with the Congress I took a series of tough and difficult action last March, and since then inflation has come down sharply. It is still a problem that we have to continue fighting but it is being controlled.
 - o We did not do a perfect job and we have learned a great deal in the process. But, considering the shock that our economy was dealt and the long history of inflation, my Administration did a highly creditable job in dealing with the problem. I have gained invaluable experience from this episode. I am absolutely committed to pursuing careful and prudent policies that will put people back to work in this country but will do so in ways that will permit us to reduce inflation still further.