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JIMMY CARTER'S BETRAYAL OF THE SOUTH



by Jeffrey
St. John



"To get away with this, he's gonna have to lie a lot."

The coalition of special interests behind the Jimmy Carter campaign is the most serious threat to the American system since 1932.

- Who is Jimmy Carter?
- What does he stand for?
- Why did the Democrats nominate him?
- Who's backing him?
- When will he reveal his true colors?
- Can he be defeated in November?

Emmy-Award-winning Jeffrey St. John reveals all in this **explosive expose**. How the Democratic National Committee and Carter conspired to destroy George Wallace. What the Union Bosses plan for the South. The Carter Style ("talk conservative, act liberal"), Carter's plan for an "Imperial Presidency." The rigged polls. And much, much more.

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THE WHITE HOUSE OFFICE

Personal
Attn please

Mr. Ron Fussen

1st floor West Wing

Jimmy Carter
Presidential Campaign
For America's third century, why not our best?

JIMMY CARTER'S PRESENTATION TO THE
PLATFORM COMMITTEE OF THE DEMOCRATIC PARTY

"A NEW BEGINNING"

GOALS: OPENNESS, COMPASSION, EFFICIENCY



Let me again express my regret that I was not able to meet with you personally. As I indicated in my telegram to the staff of the Democratic National Committee, the need to campaign in a large number of states over a short period of time left me with no reasonable alternative.

You have an historically important opportunity. It is time for a New Beginning in our Bicentennial Year - A new Beginning so that as a nation we can rededicate ourselves to the ideals upon which our country was founded and reinvigorate the basic principles that made our country great, principles which have been honored in the breach in the last few years. What is at stake in 1976 is whether we are going to begin the process of restoring the precious things we have lost in this country. You can begin that process with a platform which reaffirms the Democratic Party's traditional values, presents clear policy initiatives and commits this Party to three basic propositions.

Our Party and the platform should emphasize three themes--

- (1) The need for an open, responsive, honest government, at home and abroad.
- (2) The need to restore a constitutional government in

operating subsidies.

Priority attention should also be given to restructuring the national antiquated system of regulating transportation. The present patch-work scheme of rail, truck, and airline regulation at the federal level now costs consumers billions of dollars every year. However valid the original purpose of promoting a fledgling industry and protecting the public from the tyranny of monopoly or the chaos of predatory competition, the present system has, more often than not, tended to discourage desirable competition.

(i) Housing

The following agenda on housing is aimed at putting to work hundreds of thousands of unemployed construction workers and fulfilling our national commitment to build 2 million housing units per year:

- (1) direct federal subsidies and low interest loans to encourage the construction of low and middle class housing.
- (2) expansion of the highly successful Section 202 housing program for the elderly, which utilizes direct federal subsidies.
- (3) greatly increased emphasis on the rehabilitation of existing housing to rebuild our neighborhoods; certain of our publicly created jobs could be used to assist such rehabilitation. It is time for urban conservation instead of urban destruction.
- (4) greater attention to the role of local communities under the Housing and Community Development Act of 1974.
- (5) greater effort to direct mortgage money into the financing of private housing.
- (6) prohibiting the practice of red-lining by federally sponsored savings and loan institutions and the FHA, which has had the effect of depriving certain areas of the necessary mortgage funds to upgrade themselves.
- (7) Encouraging more loans for housing and rehabilitation to the poor.
- (8) providing for a steady source of credit at low interest rates to stabilize the housing industry.

(j) Agriculture and Rural America

The Republican agriculture policy has whip-sawed the consumer with higher prices and the farmers with declining profits, with speculation

Revised

MEMORANDUM FOR JIM CAVANAUGH
FROM BILL GOROG
SUBJECT: Carter/Birmingham Speech/Bankruptcies

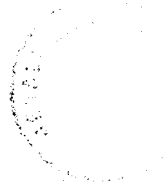
Jimmy Carter spoke in Birmingham, Alabama, this morning and attacked our Republican record regarding small business. His staff has failed him again but rather than getting in an argument on that score, I would suggest that the press check with Dun & Bradstreet to get the right numbers They clearly show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

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

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

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

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



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

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

Not

While campaigning in Alabama, Presidential nominee Jimmy Carter charged that public bankruptices have doubled in the past eight years. The facts do not support this assertion, and as Secretary of Commerce I feel it is my duty to set the record straight.

Figures published by Dun and Bradstreet, respected publishers of business information show the number of public failures resulting in bankruptcy proceedings to be 9, 636 in 1968 and 11, 432 in 1975, an increase of 18.6% not 50%.

I have said in the past that Mr. Carter has waivered on the issues. Being inconsistent is one thing, but using inflated statistics designed to fool the public is quite another.

Business failures have not doubled since 1968 and I call upon Governor Carter to check the facts before causing undue public alarm in this election year.

Ford Administration National Transportation Policy Statement, as stated by Secretary Coleman on September 17, 1975:

"Responsible action is needed to reform and modernize the regulatory system in which surface, air and water transportation operate. However valid the original purpose of promoting a fledgling industry and protecting the public from the tyranny of monopoly or the chaos of predatory competition, the public perception of the system now is that it serves primarily to foster security in the industry it is designed to regulate. In its operation the existing regulatory structure is too often outdated, inequitable, inefficient, uneconomical and often irrational."

Governor Carter's representative's statement before the Democratic Platform Committee on July , 1976:

"Priority attention should also be given to restructuring the nation's antiquated system of regulating transportation. The patchwork scheme of rail, truck, and airline regulation at the federal level needlessly costs consumers billions of dollars every year. However valid the original purpose of promoting a fledgling industry and protecting the public from the tyranny of monopoly or the chaos of predatory competition, the present system has, more often than not, tended to discourage desirable competition."

June 4, 1976

MEMORANDUM FOR: DAVE GERGEN
FROM: GEORGE VAN CLEVE
SUBJECT: ATLANTA SCHOOL DESEGREGATION PLAN

I. THE ATLANTA PLAN

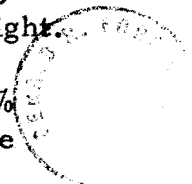
The "Atlanta Plan" was instituted in 1973 pursuant to a negotiated settlement of a fifteen year long lawsuit brought by black plaintiffs against the Atlanta City School Board. The plan consisted of four major elements:

- (1) Voluntary transfer was to be allowed by any pupil from a school where his race was in the majority to a school where his race was in the minority;
- (2) Faculty and staff were to be moved throughout the system in order to have the faculty/staff racial composition reflect system composition;
- (3) No school was to be less than 30% black; and
- (4) Disputes concerning the administration of the plan were to be handled in the first instance by a biracial Citizens Committee formed at settlement and, if necessary, resolved by the court.

According to Congressional Quarterly, April, 1974, the plan required transportation of some 2,761 students (2000 black, 800 white) out of a total elementary/secondary enrollment of approximately 100,000, and provided that the top school administrative staff would be at least 50% black and that a black school superintendent would be appointed. According to Newsweek, July 30, 1973:

It [the plan] will leave 83 of the city's 141 schools all-black, while increasing the number of desegregated schools by just eight.

When the Atlanta lawsuit began, the Atlanta school system was 70% white and 30% black. By 1973, according to the District Court, the



system was 79% black and 21% white. Total system enrollment dropped by 17,000 (mostly whites) between 1968 and 1973, to approximately 95,000. Atlanta is highly residentially segregated, and it was the opinion of the District Court that given the racial composition of the school population massive busing would be required in order to achieve any substantial integration. The District Court specifically refused to order such busing on the ground that it would cause more white flight. On appeal, the Fifth Circuit Court of Appeals sustained the decision on the condition that any plan decided upon contain the first two elements described above. The NAACP Legal Defense Fund, co-counsel for plaintiffs in the lawsuit, refused to sign the settlement agreement entered into on remand, and unsuccessfully appealed it. The national NAACP suspended the members of the Atlanta NAACP who negotiated the settlement.

Conclusion -- The "Atlanta Plan" is a political compromise worked out by the Atlanta black leadership with the Atlanta School Board when it became evident that the court would not order any significant busing to take place. It is clear that the school system was not integrated in any meaningful way by the plan. The plan does not represent an alternative to busing in the sense that it achieves goals busing would not achieve (see discussion, III infra).

II. Carter Involvement

Carter's current position on busing differs from the position he took while Governor of Georgia. Currently, Carter opposes forced busing, but does not support a constitutional amendment to ban it. He says instead that he supports the Atlanta "voluntary plan." While Governor of Georgia, in 1972, Carter said that if the state legislature did not pass a resolution calling on Congress to call a constitutional convention to consider an antibusing amendment he would support a one-day school boycott (Atlanta Constitution, 2/17/76).

Carter's role in the 1973 settlement remains unclear. He "has claimed nationally that he was active in hammering out Atlanta's school de-segregation plan..." (Atlanta Constitution, 1/15/76). However, all available evidence suggests he had little or nothing to do with it. A lengthy New Yorker analysis (March 17, 1973) of the settlement does not mention his name. Nor does a column about the settlement which appeared in Christian Century (August 29, 1973) or the letter written in response to that column (Christian Century, October 3, 1973). Nor does the Newsweek report on the settlement (July 30, 1973) mention Carter. According to Bill Shipp of the Atlanta Constitution (1/15/76), Carter:

...allocated \$25,000 from the governor's emergency fund to help implement the Atlanta plan. He made a public show of keeping his daughter, Amy, in the public school system. And he did indeed act as an observer. He also issued statement after statement condemning any attempt to stall the negotiations.

The author claimed he had documentation to support these statements. Carter himself said about his role:

What I did, primarily, was let my staff attend and monitor the meetings at which the plan evolved. I issued a public expression of full support for whatever plan would be evolved. I pledged the state's participation in the costs. At a critical stage in the negotiations, I went as Governor to give my reassurance. (Time, 2/2/76)

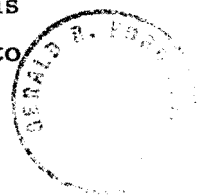
Time claimed it had received corroboration of Carter's statements.

III. Administration Bill and Atlanta Plan: Some Comparisons

The points of contact between the Atlanta plan and the Administration bill are Sections 105(f) and 203 of the bill, and parts one and four of the plan (discussion, infra). However, the fact that certain possible remedial steps permitted or required of the court by the administration bill resemble remedial steps taken in Atlanta should not be allowed to obscure the fact that the bill specifies when a court may legally order busing in the first place, an issue of critical significance with regard to which the entire Atlanta plan is totally irrelevant. This point might be restated as follows:

The Administration bill will not allow school desegregation (including a busing remedy) unless certain narrowly defined types of acts have been committed. The Atlanta plan is, as it would have to be, silent on what types of acts can trigger desegregation action by a court. Once it is found by the court that illegal acts have been committed:

- (1) The court may not order busing until a Citizens council has been formed and has had the opportunity to formulate a desegregation plan (Section 203). The Atlanta District Court was not legally required to establish such a committee, although it did. The fourth part of the Atlanta plan, arbitration and reporting by the Council, while not required by the bill, could be adopted by any court sua sponte or by the parties;
- (2) The court may require the school district to allow voluntary transfer between schools without regard to other limitations in section 105 (Section 105 (f)). This is, I think, identical to



part one of the Atlanta plan;

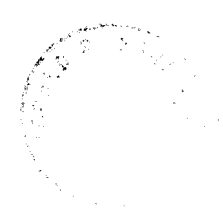
- (3) The court may order busing only to the extent required to remove effects of the unlawful acts. The "Atlanta plan", even if written into law by adoption of (1) and (2) above, does not speak to this issue.

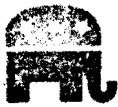
The "Atlanta plan" does nothing:

- (1) to define the problem;
- (2) to legally limit court action on the problem; or
- (3) to suggest alternative remedies which might cope with the problem other than those already to be found in the bill.

CONCLUSION

In view of the reasons for and results of the adoption of the Atlanta plan, it is somewhat surprising that (outside of the South) Carter wants to take credit for it. And there is not much evidence supporting his assertion that he deserves the credit. The plan itself does almost nothing to solve the basic problems raised by the busing issue, and everything worthwhile it does do is incorporated in better fashion in the Administration bill.





Republican
National
Committee.

August 24, 1976

JIMMY CARTER AND GOVERNMENT MANAGEMENT

Jimmy Carter claims to be a "tough, hard-nosed" businessman and that he ran the state government in Georgia "just like Coca Cola companies are run or your local bank."^{1/} Carter also claims to have saved money through reorganization of the state government and by implementation of a zero-based budgeting system, and that he reduced the number of state employees. According to Carter, his record as manager of the state government in Georgia was so good that "nothing has been done since I left office in Georgia to undo what I did."^{2/}

His contention to have reduced the number of state agencies, departments and bureaus from 300 to 22 is an overstatement of accomplishment at best. Only 66 such departments were every funded by the state and most of the eliminated agencies served very little meaningful purpose in the first place. During Carter's term of office state employment, not counting teachers, rose from 34,322 to 42,400 -- an increase of 24 percent. The state budget increased by more than 58 percent while Carter was manager of the state government. Carter states that "my government in Georgia. . .grew considerably while I was governor, but I guarantee it was infinitely more efficient and economical and simpler in structure than it was when I took over."^{3/} There are however, some serious detractors to Carter's reorganization.

Carter's "favorite" new creation, the Department of Human Resources, in which he was "most interested and most proud,"^{4/} has become the prime target of the controversy. Ernest Davis, former Auditor for the state of Georgia, said following an audit of the Department, that the "inadequacy of

control system and confusion of records create a situation where theft or embezzlement is easily possible and would not be readily detected."^{5/}

The current Governor of Georgia, George Busbee, said in a speech in June 1976, that "when I took office, the Department of Human Resources was an organizational nightmare. The Department was under attack from both legislators and citizens for doing an inadequate job. I asked for a year to straighten out the Department and the General Assembly agreed."^{6/} Busbee and the legislature are still trying to straighten out the mess that Carter left behind.

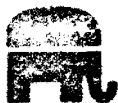
Busbee also found the financial condition of Georgia rather distressing when he took over. "It came as a shock last June to discover that the state's economy would not produce the revenues necessary to fund the fiscal year 1976 budget that had just been passed a couple of months before. It was necessary to summon our legislators back to Atlanta for the first budget-cutting special session in modern times."^{7/} Carter has so badly botched the economic and budgeting systems that Busbee again found another mess to clean up. It's no wonder. Carter hardly understood the budgeting system, and admitted in 1973 that, "when I was campaigning for the job for four years, I kept making the speech about a zero-based budget. I didn't know what it meant, but it was a very attractive speech component, and after I realized I was elected, I realized I had to do something to carry out my promise."^{8/}

Carter has made reorganization of the Federal government a major theme in his Presidential campaign. "I don't want anyone to vote for me for President this year unless you want me as President to completely reorganize the executive branch of this nation's government,"^{9/} but Carter doesn't know how he's going to do it. "There's no way I can take off from campaigning



to do a complete and definitive study of what the Federal government is and what it's going to be three or four years in the future."^{10/} Carter does know, however, that reorganization "only will mean more efficient, and not less expensive government."^{11/}

- 1/ Speech, Jekyll Island, Georgia, July 11, 1974.
- 2/ United Press International, March 31, 1976.
- 3/ Philadelphia Inquirer, April 12, 1976.
- 4/ State of the State Message, Atlanta Constitution, January 15, 1976.
- 5/ Audit Report, Department of Human Resources, year ended June 30, 1974, p.11.
- 6/ Speech, Georgia Municipal Association Convention, Jekyll Island, Georgia, June 21, 1976.
- 7/ Ibid.
- 8/ Speech, Virginia Municipal League, Norfolk, Va., September 19, 1976.
- 9/ Speech, Consumer Federation of America, Washington, D.C., January 23, 1976.
- 10/ Washington Post, March 15, 1976.
- 11/ Wall Street Journal, May 13, 1976.



Republican National Committee.

August 24, 1976

JIMMY CARTER AND VETOES

Jimmy Carter recently attacked President Ford's record on vetoes, stating that it was "a record of political insensitivity of missed opportunity, of constant conflict with Congress and of national neglect." He continued and said, "We've had enough of government by conflict and division and disharmony and veto."^{1/} In an earlier attack on President Ford's use of the veto, Carter maintained that "these vetoes don't help our economy. They don't save money. They cause human suffering."^{2/}

President Ford has vetoed 55 bills pushed through by the Democrat controlled Congress since taking office. He was able to sustain 45 of the 55 vetoes at a net savings of \$9.2 billion to the American taxpayer.^{3/} Included in the bills that President Ford vetoed was a bill which would have exempted members of Congress who reside in the state of Maryland from paying state and local income taxes, and a bill which would have allowed all Federal employees to run for Federal office and to participate actively in partisan elections, which would, in effect, politicize the Federal government.

Carter does not advise his campaign audiences of his record of "government by veto," nor does he mention the fact that in the twenty years of Democratic rule from 1932-52, Democrat Presidents Roosevelt and Truman, whom Carter admires for their greatness, vetoed 885 bills -- more than the combined total number of bills vetoed by all Republican Presidents from Lincoln to Ford.^{4/}

As Governor of Georgia, Carter vetoed an average of 38 House and Senate bills and resolutions each year -- 154 in all.^{5/} In 1974, his last year

in office, Carter vetoed 53 bills and resolutions passed by the General Assembly. He had a significant number of bills overridden (7) by the General Assembly,^{6/} which included, among others, bills which would have allowed for homestead and ad valorem tax exemptions for the elderly.

- 1/ Speech, Los Angeles Town Hall Forum, Los Angeles, Calif., August 23, 1976.
- 2/ Speech, Jefferson-Jackson Day Dinner, Charleston, West Virginia, August 14, 1976.
- 3/ President Ford Committee, Research Division.
- 4/ "Presidential Vetoes: 13 Billion Dollar Savings," House Republican Research Committee, August 12, 1976.
- 5/ State of Georgia, House of Representatives, Composite Status of Legislation, 1971-74.
- 6/ Ibid., 1974.





Republican National Committee.

August 24, 1976

JIMMY CARTER AND DAY CARE

Repeatedly we have heard Jimmy Carter call for the enhancement of the family unit as the primary social structure in America. Now we find him advocating the assumption of traditional family roles in caring for children by the federal government. At a rally in Manchester, New Hampshire on August 3, 1976, Carter said, "We need to have a comprehensive nationwide day care program."

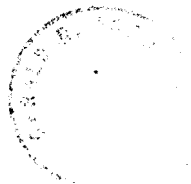
Day care is presently funded throughout the federal budget, primarily under Titles XX and IVb of the Social Security Act and under the Head Start program. In FY 1976, Head Start will serve approximately 349,000 children and Title XX of the Social Security Act would cover approximately 77,000 children on an annualized basis. There are currently 2.3 million children younger than five in families below the poverty level. These two programs will total approximately \$1 billion in FY 1976. To maintain current policies would expand the budget for these programs to \$1.4 billion in FY 1981.

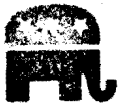
A higher spending option estimated by the Congressional Budget Office would increase the 1981 figure to \$1.8 billion by increasing expenditures for Head Start by \$200 million. If HEW staff/child ratio were met and tax credits were allowed for providers of day care who employ welfare recipients, additional annual increases of \$217 million and \$13 million would be required annually. Thus the 1981 total would be over \$3.5 billion.

A day care proposal sponsored by Rep. Brademas and Senator Mondale would begin at \$150 million for training and planning in FY'76,

increase to \$700 million in FY'77 (\$200 million for training, \$500 million for operation) and \$1 billion in FY'78.

To cover all children (2.3 million) currently under 5 years of age and living in families eligible for welfare (below the poverty level) would require an additional annual \$2.498 billion raising the current projection for FY 1981 to at least \$3.898 billion.





Republican National Committee.

August 24, 1976

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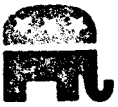
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- 5/ State of Georgia, House of Representatives, Composite Status of Legislation, 1971-74.
- 6/ Ibid., 1974.





Republican
National
Committee.

August 25, 1976

JIMMY CARTER ON BOTH SIDES - OIL DIVESTITURE

Jimmy Carter has displayed two attitudes toward big business, especially the nine major oil companies, as Ken Reich of the Los Angeles Times in an August 22, 1976 article substantiates. During the Democrat Convention, Carter met with fifty of the most powerful businessmen of this country. He told them that a Carter Administration "would be a friend of business" and that he favors "a minimum of government interference" in business. However, his previous statements were more adversarial than friendly.

"...many of the oil companies, particularly the nine major oil companies, have used the confusion and the concern and legitimate shortages in order to greatly increase their profits."

"And I think in many instances they have deliberately withheld both information about fuel supplies and also fuel supplies themselves in order to aggravate an already bad situation in order to enhance their own profits."

Speech, Georgia Municipal
Association
January 21, 1974

"I suspect that a conscious and secret decision has been made to allow oil companies to roll up tremendous profits at the expense of noninfluential citizens in one portion of the country."

Atlanta Constitution
January 31, 1974

"I support restrictions on the right of a single company to own all phases of production and distribution of oil. . ."

Des Moines Registrar
January 15, 1976

"I think in some instances coal production has been constrained deliberately by the oil companies, to hold up the price of oil and to hold up the price of coal. . ."

Fortune
May, 1976

After his nomination was apparent, his statements concerning divestiture have been varied depending on to whom he was talking, or what special interest group talked to him last.

On August 9, Carter spoke to Ralph Nader's Public Citizen Forum in Washington, D.C. On this occasion, he said he favored partial divestiture, forcing oil companies to dispose of either wholesale or retail businesses. He has given support to this notion frequently.

However, after a recent Plains, Georgia, briefing from Governor David Boren, of oil-rich Oklahoma, and other energy magnates such as Thomas Sigler, Vice-President of the Continental Oil Company, Carter sang quite a different tune. He said that instead of divestiture on the wholesale and retail levels, he now had an "inclination to support" Boren's plan to make oil companies file separate tax returns on the profits from each level of operation—production, distribution, refining, and marketing. This is a dramatic reversal from his caustic statements issued in 1974.

He comes full swing from this 1974 position in a statement found in the April 21, 1976 edition of the Indianapolis News:

"One of the most damaging things in this country is the hatred that has been engendered" against oil companies.

What duplicity! As a vitriolic critic of oil companies just two years prior, Carter is in part responsible for the hatred.

The question is, where does Jimmy Carter stand on the important issue of oil divestiture? It does not appear that he still believes big oil companies are deliberately withholding information or confusing the American consumers to reap great profits, but likewise he did tell Ralph Nader's group that he favors divestiture of the wholesale and retail operations of the oil companies. Now he is "inclined" towards Governor Boren's proposal.

The significance of Carter's recent equivocations on oil should not be lightly considered. Much of the Cotton South is also Oil South, and forms, in Carter's thinking at least, a base of natural geographic support. As demonstrated on other issues, such as Right to Work, Welfare and Abortion, Carter is adroit at fitting his comments to the audience; in the case of divestiture of oil holdings, Carter is attempting to hold the the strength of the Oil South, and at the same time appease and assuage liberal, Eastern, and lower income audiences.

A classic example would be Louisiana, a major oil producing state. The Governor, Edwin Edwards, is cool to Carter. Reports from the Petroleum Club of New Orleans indicate distrust of Carter. His former harsh statements have not been forgotten, notwithstanding his current "softening". Yet Louisiana is still considered for Carter. Intemperant comments on a major job producing industry might erode that strength. Thus, the new approach.

Finally, where before Carter pledged that he would not accept campaign contributions "from political action committees controlled by major oil companies," his FEC report indicates that he has accepted such contributions, and significant contributions, under the present restrictions.

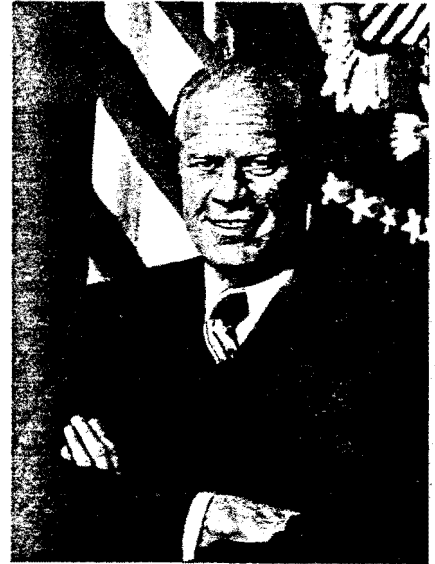
Carter seems to be troubled by the oil divestiture problem, shifting and trimming to fit the audience. It may be that his major financial backers, Henry Ford, etc. are exerting pressure on him to soften the attacks.

A message from President Ford ...

Let me thank you for an opportunity to pay tribute to you, the residents and leaders of the small communities within this great nation. The binding together of Americans in small towns and cities has been an essential part of the heritage of this country, and from communities such as yours have emerged many of the ideals that guide our daily lives.

It is important for each of us in our third century to insure the continued vitality of small communities and their local governments. Too often in the past, federal actions and legislation have sapped the resourcefulness of communities, restricted their decision authority, and embroiled them in needless regulation. As President, I am working to reverse this trend. Through such programs as revenue sharing, grant consolidation and regulatory reforms, I am seeking to reduce the burdens of federal programs on localities, while at the same time continuing the federal responsibility for problems of a national scope.

With constructive and fiscally sound federal action, combined with a strong, non-inflationary economy that protects your purchasing power and that of your local government and with vibrant and effective local leadership responsive to your needs, I strongly believe we will see continued progress toward a better way of life for all Americans. I pledge myself and my Administration to this goal and look forward to working with you to make our vision for America a reality.



Gerald Ford

...and from Jimmy Carter



My hometown of Plains, Georgia, is like most small cities throughout America. We have time to live happily with our neighbors. We know each other and we care about each other—and we enjoy being a mainstay of our state and our nation.

The way of life and the principles of sound government management that are practiced in most of the 20,000 small cities of America can serve as examples to our national government. I am committed to restoring open, honest, and efficient government in Washington. I will work for a thorough reorganization and revision of the federal bureaucracy.

We must reduce the duplication, overlap, red tape, and waste that has permeated our federal government. We must have a working government that can be understood by our people, one that ensures that tax dollars are well spent. Zero-base budgeting and government reorganization can help in achieving these goals.

Just as important, however, is each citizen's access to the process of national decision making. The more than 75 million citizens in our small cities and their representatives must be able to communicate openly with the national government, and to participate in the solutions to our common problems.

The experiences of living and working in a small city will always be with me. If elected, I will draw from these experiences to make America a better place for all of us to live and prosper

Jimmy Carter

TEXAS TOWN & CITY Sept. 1976
Small Cities Issue



AMERICAN JEWISH PRESS ASSOCIATION

ST. LOUIS JEWISH LIGHT · Room 1541 · 611 Olive Street · St. Louis, Missouri 63101 · (314) 241-4943

ROBERT A. COHN

President

September 1, 1976

Honorable Jimmy Carter
Carter for President Headquarters
1789 Peach Tree Road
Atlanta, Georgia 30304

Dear Governor Carter:

As President of the American Jewish Press Association, I would like to acknowledge, with warm thanks, the gracious telegram which you recently sent to the 34th Annual Meeting of the American Jewish Press Association in Philadelphia.

The purpose of this letter is to seek the opportunity to arrange a special news conference between you and the members of our Association, which represents 65 major English-language American Jewish community newspapers in the United States and Canada with a combined circulation of more than 700,000. We would very much appreciate the opportunity of a special news conference with you in order to discuss the issues of the 1976 campaign which are of particular interest to the 6,000,000 Jewish citizens of the United States who read our newspapers and magazines.

We are, of course, interested in having the same kind of opportunity to have a news conference with President Gerald R. Ford, and are contacting him to set up such an opportunity.

The series of "great debates" which are being planned between you and President Ford provide an excellent opportunity for a news conference with each of you to be scheduled during one of the debate visits. It is our understanding that the first such debate will be held on September 23 in St. Louis. We would appreciate the opportunity of scheduling such a news conference with you on that date in St. Louis. In addition, we feel it would be appropriate if a representative of the American Jewish Press Association could be a part of any press panel which might interview you and President Ford following any of your debates. We would appreciate your support of this position as well.

Copies of this letter are being sent to your good friend, Mr. Adolph Rosenberg, publisher of the Southern Israelite of Atlanta, and a past President of our Association, who along with Mr. Jimmy Wisch, publisher of the Texas Jewish Post of Dallas-Ft. Worth, another past President, have been asked to coordinate this project for the Association. Copies are also being sent to the President, his press secretary and to Sen. Robert Dole and Sen. Walter Mondale.

We appreciate your consideration of this request, and look forward to your reply.

Sincerely,

Robert A. Cohn
President

RAC:rmh

cc: Honorable Gerald R. Ford
Honorable Robert Dole
Honorable Walter Mondale
Mr. Ronald Nessen
Mr. Jimmy Wisch
Mr. Adolph Rosenberg



AMERICAN JEWISH PRESS ASSOCIATION

ST. LOUIS JEWISH LIGHT · Room 1541 · 611 Olive Street · St. Louis, Missouri 63101 · (314) 241-4943

ROBERT A. COHN
President

September 1, 1976

Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C. 20500

Dear Mr. President:

As President of the American Jewish Press Association, an organization comprised of 65 major English-language Jewish community newspapers in the United States and Canada with a combined circulation of more than 700,000, I respectfully request the opportunity for a special news conference at which the editors and publishers of our Association could question you on the issues of the campaign.

The American Jewish Press Association, founded in 1943, has had an opportunity to interview most of the Presidents during their terms of office since the inception of our organization. We would very much appreciate the opportunity of a special news conference with you in order to discuss the 1976 campaign issues of particular interest to the 6,000,000 Jewish citizens of the United States who read our newspaper and magazines.

We are, of course, also interested in having the same kind of opportunity to have a news conference with Gov. Jimmy Carter, the nominee of the Democratic Party, and are contacting him to set up such an opportunity.

The series of "great debates" which are being planned between you and Gov. Carter provide an excellent opportunity for a news conference with each of you to be scheduled during one of the debates. It is our understanding that the first such debate will be in St. Louis on September 23. We would appreciate the opportunity of scheduling such a news conference with you on that date in St. Louis. In addition, we feel it would be appropriate if a representative of the American Jewish Press Association could be a part of any press panel which might interview you and Gov. Carter following any of your debates. We would appreciate your support of this position as well.

Copies of this letter are being sent to Mr. Ronald Nessen, Sen. Robert Dole, and to your Democratic opponents. In addition, two of our distinguished past Presidents of the American Jewish Press Association, Mr. Jimmy Wisch, publisher of the Texas Jewish Post of Dallas-Ft. Worth, Texas, and Mr. Adolph Rosenberg, publisher of the Southern Israelite of Atlanta, Georgia have been designated by me to help arrange these news conferences, and will be in touch with representatives of your staff to follow up.

We appreciate your consideration of this request, and look forward to your reply.

Sincerely,

Robert A. Cohn
President

RAC:rmh

cc: Honorable Jimmy Carter
Honorable Robert Dole
Honorable Walter Mondale
Mr. Ronald Nessen
Mr. Jimmy Wisch
Mr. Adolph Rosenberg

THE WHITE HOUSE
WASHINGTON

September 20, 1976

TO: RON NESSEN

FROM: JIM SHUMAN

This is an analysis of the additional federal costs of the Democratic/Carter platform which will be released tomorrow on the Hill.

I thought you might like to see a copy beforehand.

The total adds up to \$706.1 billion over the next four years.



DRAFT

DRAFT

DRAFT

EMPTY PROMISES OR EMPTY POCKETS? (OR Who Pays the Piper)

Jimmy Carter is playing the old shell game with the American people this year. His Platform is a cynical and deceptive array of peanut shells, and the voters are supposed to guess which ones contain real pledges and which ones merely cover empty promises.

The Carter campaign has denied Republican charges that just 5 of Carter's programs would add \$100 billion and all of them over \$200 billion to the annual cost of the federal government. They challenged Republicans to prove their charges.

The Republican Policy Committee analysis (see attached chart) shows that the total would, in fact, be far higher -- over \$217.2 billion a year in additional federal spending by 1980 and over \$706.1 billion for four years -- a 50 percent increase in federal spending.

Many of Carter's pledges are vague, unspecific or confusing. Why? Because if Carter dared to spell out precisely what he meant, he would have to admit either that his were hollow promises or that his program would cost almost a trillion dollars for four years...and that's not peanuts!

Republicans know, the American people know and Carter himself knows that this kind of spending is wildly impossible and irresponsible. Personal and corporate income taxes by 1980 will run about \$312 billion -- Carter's programs would mean raising taxes by 66%! Everyone would have to pay a lot more, not just those with incomes above \$14,700 as Carter recently suggested. If he did not raise taxes to pay for these programs, the alternative would be unprecedented and staggering inflation, the least equitable tax of all.

That is why we don't think the pledges and promises made by Candidate Carter and his platform would be kept by President Carter. This calculated deceit of the Carter Platform arouses false hopes from individuals and groups duped into believing they would benefit from new or expanded programs. We saw in the 1960's how destructive and demoralizing it is to raise people's expectations and then not deliver. Carter's Platform promises to repeat this sad cycle.

If Carter disagrees with our analysis, we ask him to explain to the voters exactly what he does mean. Shell games are for carnivals, not for the 1976 presidential election. The American people deserve a straight answer on this important question.

Page 2

President Ford and Senator Dole stand on the Republican Platform -- does Carter support his? The Republican Policy Committee hopes this analysis will prompt an honest and candid response from Carter -- not more evasion, deceit or empty rhetoric.

Additional Federal Costs of Democratic/Carter Platform

| Proposal | 1980 one-year estimate | | | 1977-80 four-year estimate | | |
|--|------------------------|-------------------|--------|----------------------------|-------------------|--------|
| | LOW | MID (billions) | HIGH | LOW | MID (billions) | HIGH |
| 1. HUMPHREY-HAWKINS: | \$12.1 | \$21.8 | \$31.5 | \$29.9 | \$56.5 | \$83.2 |
| 2. COUNTERCYCLICAL AID: | 0.5 | 1.0 | 1.5 | 2.0 | 4.0 | 6.0 |
| 3. PUBLIC EMPLOYMENT: | 1.0 | 2.3 | 3.6 | 11.0 | 13.7 | 18.9 |
| 4. PUBLIC WORKS PROJECTS: | 1.5 | 1.5 | 1.5 | 6.2 | 6.2 | 6.2 |
| 5. DIRECT STIMULUS TO PRIVATE SECTOR: | 1.65 | 1.65 | 1.65 | 6.6 | 6.6 | 6.6 |
| 6. NATIONAL HEALTH INSURANCE: | 88.7 | 101.6 | 114.6 | 314.1 | 342.5 | 370.9 |
| 7. WELFARE REFORM: | 12.3 | 18.9 | 25.6 | 44.4 | 70.8 | 97.3 |
| 8. FEDERAL TAKEOVER OF STATE LOCAL WELFARE COSTS: | 4.1 | 5.2 | 6.4 | 14.68 | 18.71 | 22.94 |
| 9. TITLE I, ELEMENTARY & SECONDARY EDUCATION ACT full funding: | .25 | 1.175 | 2.1 | 1.0 | 4.7 | 8.4 |
| 10. CHILD DEVELOPMENT PROGRAMS: | 7.1 | 14.2 | 25.10 | 13.4 | 26.6 | 47.0 |
| 11. EDUCATIONAL FINANCE EQUALIZATION: | 11.0 | 22.0 | 27.88 | 38.35 | 76.7 | 85.28 |
| 12. TAX BENEFIT FOR THE EDUCATION OF ELEMENTARY AND SECONDARY PUPILS: | .6 | .9 | 1.2 | 2.4 | 3.6 | 4.8 |
| 13. EXPANDED VOCATIONAL EDUCATION: | .7 | .8 | .9 | 1.7 | 2.0 | 2.4 |
| 14. COST OF EDUCATION PAYMENTS TO HIGHER EDUCATION INSTITUTIONS: | .75 | 1.0 | 1.25 | 3.0 | 4.0 | 5.0 |
| 15. VOTER REGISTRATION: | .05 | .225 | .500 | .2 | .9 | 2.0 |
| 16. INCREASING SOCIAL SERVICES TO KEEP PACE WITH INFLATION: | 1.4 | 1.5 | 1.7 | 4.1 | 4.5 | 4.9 |
| 17. LIBERALIZATION OF ALLOWABLE EARNINGS LIMITATION UNDER SOCIAL SECURITY: | 1.8 | 4.6 | 5.8 | 7.2 | 18.4 | 23.2 |
| 18. VA EDUCATIONAL ASSISTANCE - 2 years | 0 | 0 | 0 | .9 | .9 | .9 |
| 19. INDEX REVENUE SHARING TO INFLATION: | 1.4 | 1.7 | 2.0 | 3.4 | 4.2 | 5.0 |
| 20. CHANGE REVENUE SHARING FORMULA | 6.7 | .9 | 1.25 | 2.7 | 3.6 | 4.5 |
| 21. SUBSIDIES OF LOANS FOR LOW & MODERATE INCOME HOUSING CONSTRUCTION: | 1.5 | 5.5 | 3.0 | 6.0 | 10.9 | 12.0 |
| 22. EXPAND HOUSING SUBSIDIES FOR THE ELDERLY: | .1 | .2 | .3 | .4 | .8 | 1.2 |

| Proposal | 1980 one-year estimate | | | 1977-80 four-year estimate | | |
|--|------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|
| | LOW | MID (billions) | HIGH | LOW | MID (billions) | HIGH |
| 23. STEADY FLOW OF HOUSING CREDIT: | .06 | .13 | .19 | .3 | .5 | .8 |
| 24. UPGRADING SECONDARY ROADS & BRIDGES: | .8 | 1.6 | 2.4 | 1.6 | 3.3 | 4.9 |
| 25. FULL FUNDING OF RURAL DEVELOPMENT ACT: | .4 | .6 | .8 | 1.5 | 2.1 | 2.9 |
| 26. INCREASED FEDERAL FUNDING FOR ENERGY RESEARCH AND DEVELOPMENT: | .6 | 1.3 | 1.6 | .8 | 1.6 | 2.3 |
| 27. FARM PRICE SUPPORT PROGRAMS: | 4.4 | 4.9 | 6.2 | 16.4 | 17.8 | 20.6 |
| 29.-74.. | ? | ? | ? | ? | ? | ? |
| TOTAL: | <u>\$161.5+</u> | <u>\$217.2+</u> | <u>\$270.5+</u> | <u>\$534.2+</u> | <u>\$706.1+</u> | <u>\$850.1+</u> |

1. HUMPHREY-HAWKINS BILL

The Congressional Budget Office prepared an economic analysis of the Humphrey-Hawkins bill, H.R. 50, "The Full Employment and Balanced Growth Act of 1976." (May 21, 1976.) Using a variety of economic and policy assumptions, this analysis indicated that although the initial net cost (allowing for reduced unemployment compensation payments and increased tax revenues) would run between \$12.1 and \$31.5 billion, the net cost of the program after 12 months of operation would taper off to between \$7 and \$19.9 billion and after 24 months to between \$5.4 and \$15.9 billion. Estimating the four year cost can be done two ways. Using the initial cost figure (\$12.1 to \$31.5 billion) to represent achievement of 3 percent unemployment by 1980, assume a linear progression toward that goal at a 25% rate annually, i.e. one-fourth the full program in the first year (\$3 to \$7.8 billion), one-half the second year and three-fourths the third year. The total four year net cost under this method of estimating would range between \$30 and \$78.5 billion. An alternative would be to compute the initial cost, the 12-month figure, the 24-month figure and assume that the fourth year would approximate the 24-month figure as well. This yields a range of net cost between \$29.9 and \$83.2 billion. As CBO further indicates, "inflation that occurs between 1976 and 1980 could increase these costs." These estimates are based on 1976 dollars.

The range of estimates for each period depends on displacement and inclusion or exclusion of teenagers over age 18 in the program. Public employment programs often displace some workers who had previously been employed, perhaps in lower-paying private-sector jobs, or by simply rehiring with federal funds persons who had been previously paid with state or local funds. CBO low-end cost estimates were based on an assumption of zero displacement, while high-end estimates assumed a 40 percent displacement rate. Higher displacement would mean even higher costs.

2. COUNTERCYCLICAL AID TO CITIES

Many ambitious countercyclical aid proposals were circulated in Congress in the wake of the New York City fiscal crisis. The concept -- giving no-strings-attached federal grants to states and cities -- found its way into a job creation bill, S. 3201 (now P.L. 94-369) as Title II. Congress overrode the veto of this legislation and, pending appropriations, distribution of countercyclical funds is scheduled to begin in the fall of 1976.

Originally proposed as an annual \$2 billion program, the enacted version was pegged at \$1.25 for the first five quarters. However, the first (July, 1976) quarter payment will total somewhat over \$300 million.

Although the Democratic Platform endorses the countercyclical aid concept without specifying a funding level, Jimmy Carter in his presentation to the Democratic Platform Committee stated that "\$2 billion of countercyclical assistance...is essential and affordable."

Estimating added countercyclical aid costs depends on future rates of unemployment. Assuming the present program at \$1 billion annually, Carter's \$2 billion proposal means an added \$1 billion per year. Higher or lower unemployment rates affecting the current program would raise or lower this one-year estimate. The four-year estimate would similarly be affected by the extent and duration of 6% or higher unemployment rates.

3. PUBLIC EMPLOYMENT

The Democratic Platform states that "consistent and coherent economic policy requires federal anti-recession grant programs...accompanied by public employment...." In each case, the programs should be phased in automatically when unemployment rises and phased out as it declines." In Carter's presentation to the Democratic Platform Committee he was more specific:

"we should provide 800,000 summer youth jobs and double the CETA program from 300,000 to 600,000 jobs."

In February, 1976, the House of Representatives, under Democratic leadership, passed the "Emergency Employment Projects Amendments of 1976," H.R. 11453. This legislation would have increased Title II and VI CETA public employment jobs from 320,000 to 600,000. The Congressional Budget Office estimated that additional costs, over existing programs, would run about \$4.373 billion for Fiscal 1977, assuming an average annual cost of \$7289 per job created. The Education and Labor Committee disagreed with this estimate and predicted that the average man-year cost of a public service job under the bill would be \$8500, or an overall cost of \$5.1 billion.

This legislation was side-tracked in the Senate, however, and H.R. 12987, a stop-gap measure continuing the CETA public employment programs due to run out during the Fiscal 1976-77 transition quarter, was enacted instead. The net cost of the Senate version of H.R. 12987 was estimated by the Congressional Budget Office to be \$1.543 billion in Fiscal 1977. The final conference version of the legislation will be an estimated \$2.5 billion.

President Ford, by contrast, had requested a \$1.5 billion measure that provided for phasing out Title VI of this program in Fiscal 1977.

Since the Carter and Democratic Platform proposals range from the program favored by the House Democratic leadership to the final version of H.R. 12987, an estimate range is derived by assuming that President Ford would provide \$1.5 billion in Fiscal 1977 for Title VI during its phase-out period and nothing thereafter while assuming that a Carter administration would go for the \$5.1 billion program, the \$2.5 billion program or a figure inbetween, probably depending on prevailing unemployment rates. This computation yields a Fiscal 1977 net estimate of between \$1 billion for the added cost of H.R. 12987 over the President's request to \$3.6 billion for the added cost of H.R. 11453 over the President's request. Assuming that inflation increases would cancel out any savings from lower program levels due to reduced unemployment, a four-year range falls between \$11 billion and \$18.9 billion.

All the above estimates allow for the potential savings to be realized from unemployment compensation reductions and increased tax revenues. Regarding summer jobs, it should be noted that since 830,000 summer jobs were funded this year, 80,000 more than Carter recommended, a small savings would be obtained.

4. PUBLIC WORKS PROJECTS

The Democratic Platform calls for "public works projects" as a part of a "consistent and coherent economic policy." Carter, in his testimony before the Democratic Platform Committee elaborated:

"creation of meaningful and productive public needs jobs as a supplement to the private sector, including jobs for unmet needs in areas such as housing rehabilitation and repairing our railroad railbeds."

A major public works-jobs initiative by the Congressional Democratic Leadership, H.R. 5247, the "Public Works Employment Act" was enacted in January 1976. When it was vetoed by President Ford, Congress responded with a second similar but scaled down bill, S. 3201, which became law despite a second veto. Were it not for having a Republican President in the White House, the first measure would now stand as public law, and with a Democratic President, the total cost might have been even higher than H.R. 5247.

H.R. 5247 carried a \$6.2 billion authorization which would have resulted in a Fiscal 1977 spending increase of about \$2.5 billion, over \$1 billion in Fiscal 1978 and another \$1.5 billion in Fiscal 1979 and beyond.

5. DIRECT STIMULUS TO THE PRIVATE SECTOR

The Democratic Congress enacted the "Emergency Employment Appropriations Act, 1976," H.R. 4481, in an ill-advised effort to stimulate the economy through increased deficit spending. Typical of "direct stimulus" proposals, this measure weighed in at some \$3.3 billion over the amount requested by President Ford, and would have required expenditures of about half this amount in Fiscal 1976 and the remainder in Fiscal 1977 and subsequent years, despite the fact that unemployment percentages were already trending downward. Several items in the bill were for increased spending levels for existing programs; their effect would be to lock in higher costs for these programs in future years. Assuming that a Democratic Congress unimpeded by a Republican President would enact a program of at least this magnitude, a \$1.65 billion annual figure stands as a reasonable estimate.

6. NATIONAL HEALTH INSURANCE

Both the Democratic Platform and Jimmy Carter's presentation to the Democratic Platform Committee call for a comprehensive national health insurance system with "universal and mandatory" coverage, financed by a combination of employer-employee shared payroll taxes and general tax revenues.

The most serious legislative proposal to provide this form of health insurance is H.R. 21, the Kennedy-Corman bill. Federal spending for the first year of this program has been estimated at \$70 billion by the Rand Corporation (May, 1976). However, this cost will be offset by a savings of \$4 billion through elimination of present tax expenditure items. The net cost during the first year of the program's operation is therefore estimated at about \$66 billion. This approximates the estimates made by the Congressional Budget Office.

Projecting the cost of national health insurance, the Congressional Budget Office in its March 15, 1976, Budget Options for Fiscal Year 1977 report discussed the impact of various options. For a tax-financed comprehensive national health plan, it calculated the following range of estimates (which vary depending on assumptions regarding the effectiveness of cost controls):

| FY | | billions |
|------|-------|-------------------|
| 1977 | ----- | \$114.0 - \$116.5 |
| 1978 | ----- | \$125.4 - \$135.4 |
| 1979 | ----- | \$138.3 - \$156.7 |
| 1980 | ----- | \$151.4 - \$177.3 |
| 1981 | ----- | \$164.7 - \$200.1 |

CBO estimated continuation of programs which health insurance would replace during the same period to cost:

| FY | billions |
|------------|----------|
| 1977 ----- | \$45.0 |
| 1978 ----- | \$50.8 |
| 1979 ----- | \$56.5 |
| 1980 ----- | \$62.7 |
| 1981 ----- | \$69.3 |

By contrast, President Ford's budget proposed curtailing growth in federal health expenditures by program consolidation and limiting reimbursable physician and hospital costs, while adding protection against catastrophic health costs and placing a ceiling on beneficiary cost-sharing for medicare services. The Ford proposal would have saved \$3.3 billion in Fiscal 1977, reducing the total to \$41.7 billion. Figures are not available for anticipated savings through Fiscal 1981 but they would yield a program somewhat less costly than the present one.

By subtracting the projected cost of present programs from the anticipated costs of a tax-financed comprehensive national health insurance program, it is possible to get an idea of the added costs of Carter's platform proposal:

| FY | billions |
|------------|------------------|
| 1977 ----- | \$69.9 - \$71.5 |
| 1978 ----- | \$74.6 - \$84.6 |
| 1979 ----- | \$81.8 - \$100.2 |
| 1980 ----- | \$88.7 - \$114.6 |
| 1981 ----- | \$95.4 - \$130.8 |

Total added cost over the 1977-1980 four-year period would be between \$314.1 and \$370.9 billion.

7. WELFARE REFORM

According to the Democratic Platform, "Fundamental welfare reform is necessary. ...We should move toward replacement of our existing...system with a simplified system of income maintenance, substantially financed by the federal government." Both the Platform and Carter's testimony to the Platform committee emphasize the need for a work requirement.

The proposal developed by former Congresswoman Griffiths (D-Mich.) stands as the most seriously considered welfare reform proposal of the type Carter describes. The Congressional Research Service of the Library of Congress estimates that the Griffiths bill will cost, in addition to the \$11.2 billion currently being spent on welfare programs (1976 figure), an additional \$1.5 billion in outlays and \$8.4 billion in lost tax revenues, for a total cost of \$9.9 billion over present welfare costs.

The Congressional Budget Office in their March 15, 1976 report on Budget Options, estimated that,

"If the (Griffiths) system were initiated in 1978 and cash allowances were raised to keep pace with inflation, the first year cash allowance outlays would be \$2.3 billion less than levels needed to maintain current policy in the programs which the cash allowance would replace -- AFDC and food stamps. However, the tax credit would reduce 1978 revenues and generate outlays estimated at \$25.4 billion. Estimated costs do not assume an extension of the present earned income tax credit. The net effect...would be to raise federal outlays for income assistance for the lower-income population by \$23.1 billion in 1977 and \$26.4 billion by 1981."

In contrast, President Ford has proposed several cost-saving measures for welfare programs which would reduce program costs below the current policy level by \$4.9 billion in fiscal year 1977. Computing the cost of the Griffiths proposal over present policy, however, yields the following estimates if the Library of Congress estimate is used as the low figure, the CBO estimate as the high figure, and the average of the two as the middle figure:

| FY | Low | Medium (billions) | High |
|-------|--------|----------------------|--------|
| 1977 | \$ 9.9 | \$16.5 | \$23.1 |
| 1978 | 10.7 | 17.3 | 23.9 |
| 1979 | 11.5 | 18.1 | 24.7 |
| 1980 | 12.3 | 18.9 | 25.6 |
| Total | \$44.4 | \$70.8 | \$97.3 |

8. REDUCING STATE AND LOCAL SHARE OF WELFARE COSTS

Carter, testifying before the Platform Committee, stated that, "The welfare burden should be removed from cities, with all welfare costs being paid by the federal and state governments."

The Democratic Platform elaborated, "...Local governments should no longer be required to bear the burden of welfare costs...there should be a phased reduction in the states' share of welfare costs.

Using HEW's most recent (1975) figures, a 75 percent federal government assumption of state and local contributions for AFDC, SSI and Social Services would amount to \$4.38 billion, in addition to the \$10.7 billion in federal funds already being spent. A 75 percent takeover of just AFDC contributions would run some \$2.8 billion over the present federal share of \$4.5 billion.

Four-year estimates were not available. However, it is clear that inflation, increased welfare rolls and whatever higher welfare costs are involved in a welfare reform program would push the estimates up significantly. If more than 75 percent federal takeover were contemplated, this too would increase federal costs.

CMS calculates that under current policy, AFDC costs would increase during the next five years at about seven percent annually while SSI would go up annually at a rate between eight and eleven percent. Ignoring the increases that would be attributable to a costly welfare reform program, figuring an annual growth rate of eight percent and working from the 1975 figures, the following estimates are derived:

| FY | low ¹ | medium (billions) | high ² |
|-------|------------------|----------------------|-------------------|
| 1977 | \$ 3.26 | \$ 4.18 | \$ 5.10 |
| 1978 | 3.52 | 4.51 | 5.50 |
| 1979 | 3.80 | 4.87 | 5.94 |
| 1980 | 4.10 | 5.25 | 6.40 |
| Total | \$14.68 | \$18.71 | \$22.94 |

¹AFDC only

²AFDC, SSI and Social Services

9. TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT

The Democratic Platform states that,

"We should strengthen federal support of existing programs that stress improvement of reading and math skills. Title I of the Elementary and Secondary Education Act must reach those it is intended to benefit to effectively increase these primary skills. 'Break-throughs' in compensatory education require a concentration of resources..."

Democrats : in Congress have repeatedly sought full funding of Title I, ESEA, i.e. appropriating fully as much as the Act authorizes. Since the FY 1977 authorization is \$4.39 billion and the appropriations will be \$2.28, full funding would require an additional \$2.1 billion in Fiscal 1977 (high estimate). The Congressional Budget Office's July 15, 1976 report on Budget Options indicates that "increasing the share of federal resources devoted to services for inadequately served populations could add \$250 million to Title I" (low estimate). Choosing a course of increased funding mid-way between full funding, the goal of the education lobby, and the CBO's budget option yields a figure of \$1.175 billion. Assuming that inflationary pressure will push up present expenditure rates as well as Carter increases between 1977 and 1980, the four-year estimate is simply a multiplication of the 1977 one-year estimate.

10. DEVELOPMENTAL AND EDUCATIONAL CHILD CARE PROGRAMS

The Democratic Platform calls for,

"federally financed, family centered developmental and educational child care programs -- operated by the public schools or other local organizations, including both private and community -- and that they be available to all who need and desire them."

Carter's presentation to the Platform similarly called for "adequate child care for all

parents who desire to use it," and for "high quality, accessible child care facilities so that mothers who wish to work can do so,"

The leading proposal to develop the kind of program described by the Democratic Platform is the one developed by Senator Mondale, the Vice-Presidential nominee, and Rep. Brademas, S.626/H.R. 2966, "The Child and Family Services Act." This would create a new federal program.

This legislation contains a deceptively low initial authorization level sufficient only to allow for an initial planning phase and a gradual start-up of this massive new program -- just \$1.85 billion for a three-year period. However, the program structured under this Act, if fully implemented, would be vastly more costly after the initial start-up period. Most of those who have sponsored the bill and have testified before House and Senate Subcommittees on it have emphasized its child care or child development aspects, and it is fair to say that they hope the program would make available reasonably high quality child care services to those who want or need them.

The Executive Director of the Child Welfare League testified, for example, that, "appropriations needed to provide decent child care for the segments of the child population most at risk is...\$14.243 billion per year. Costs for purely custodial care,...would be about half that amount."

His estimates were based on the following assumptions:

| | Amount |
|---|-------------------------|
| "Latchkey" children needing care: | |
| 10,000 under age six.....\$26,000,000 (\$2,600 per child per year) | |
| 842,000 school age.....\$1.094 billion (\$1300 per child per year) | \$1.120 billion |
| <u>184,000</u> children looked after by caretaker while at work: | |
| 65,000 preschool.....\$169 million | |
| 119,000 school age.....\$154 million..... | \$.323 billion |
| <u>4,925,000</u> preschool children requiring care whose parents are in work force..... | \$12.8 billion |
| TOTAL | \$14.243 billion |

(Joint Hearings of the Committee on Labor and Public Welfare, U.S. Senate and the Subcommittee on Select Education and Labor, U.S. House of Representatives, on S. 626 and H.R. 2966, on February 21, 1975, page 210.)

The Congressional Research Service of the Library of Congress attempted to cost out a fully-implemented Brademas-Mondale child development/child care program and arrived at a \$25.1 billion figure, making the following assumptions:

- Children Under 1 Year -- 3,081,000; assume a 5 percent participation rate and a cost per child of \$3,000.
Cost = \$462,150,000.
- Age 1 -- 2,999,000; assume a 10 percent participation rate and a cost per child of \$3,000.
Cost = \$899,700,000.
- Age 2 -- 3,014,000; assume a 20 percent participation rate and a cost per child of \$2,700.
Cost = \$1,657,700,000.
- Age 3 -- 3,225,000; assume a 50 percent participation rate and a cost per child of \$2,500.
Cost = \$4,031,250,000.
- Age 4 -- 3,577,000; assume a 50 percent participation rate and a cost per child of \$2,500.
Cost = \$4,471,250,000.
- Age 5 -- 3,493,000; assume a 50 percent participation rate and a cost per child of \$1,700.
Cost = \$2,969,050,000.

continued on next page

Ages 6 through 12 -- 25,824,000; assume a 50 percent participation rate and a cost per child of \$900.
Cost = \$11,620,800,000.

Ages 13 and 14 -- 8,434,000; assume a 30 percent participation rate and a cost per child of \$800.
Cost = \$2,024,160,000.

High though this estimate may seem, the Library points out that the bill does not limit eligibility for services and that the costs per child were mid-range estimates based on amounts currently deemed necessary by experts for "adequate" or "good" child care.

Assuming that Carter would fully implement the program described in the platform, estimates are made based on the Library of Congress figure for the high-range, the Child Welfare League figure for the mid-range, and half the Child Welfare League figure for the low-range. It is also assumed that the program will begin at a very modest level and then double each year to reach full program levels by 1980.

| FY | low | medium (billions) | high |
|-------|--------|-------------------|---------|
| 1977 | \$.9 | \$ 1.75 | \$ 3.13 |
| 1978 | 1.8 | 3.55 | 6.27 |
| 1979 | 3.6 | 7.10 | 12.55 |
| 1980 | 7.1 | 14.20 | 25.10 |
| Total | \$13.4 | \$26.60 | \$47.05 |

11. EDUCATIONAL FINANCE EQUALIZATION

The Democrats indicate that they want to,

"guarantee that jurisdictions of differing financial capacity can spend equal amounts on education...With increased federal funds, it is possible to enhance educational opportunity by eliminating spending disparities within state borders."

In Congress, several bills have been proposed by Democratic leaders to achieve this "equalization" of educational finances via infusions of federal funds.

H.R. 16 was introduced by Rep. Perkins, Democratic Chairman of the House Education and Labor Committee. Under this proposal, Title I Basic Grants to States would be between \$4.1 and \$4.5 billion based on a 41.1 million school enrollment figure for the 1978-79 school year base figure. Title II Equalization Grants would run between \$21.1 and \$23.3 billion. The range in both cases depends on whether or not private school enrollment were compensated. The grand total for this bill, therefore, would be between \$26.2 and \$27.8 billion by 1980.

H.R. 16 - Educational Finance Equalization (billions)

| | Title I - basic grants | Title II equalization Grants | Total | |
|-------|------------------------|------------------------------|---------|---------|
| 1977 | public only | \$4.33 | \$8.83 | \$13.16 |
| | public & private | 4.77 | 9.74 | \$14.51 |
| 1978 | public only | \$4.30 | \$13.16 | \$17.46 |
| | public & private | 4.74 | 14.49 | \$19.23 |
| 1979 | public only | \$4.23 | \$17.27 | \$21.50 |
| | public & private | 4.66 | 19.00 | \$23.66 |
| 1980 | public only | \$4.16 | \$21.19 | \$25.35 |
| | public & private | 4.57 | 23.31 | \$27.88 |
| TOTAL | public only | \$17.02 | \$60.45 | \$77.47 |
| | public & private | 18.74 | 66.54 | \$85.28 |

This proposal presses the limits of what an unrestrained Democratic Congress prodded by a Democratic President might seek for an educational finance program and therefore constitutes a

high-range estimate.

For a mid-range estimate, H.R. 10145, another Perkins bill, was used. This measure provides for a federal grant to all States for each fiscal year equal to one-third of the aggregate current expenditures in all States for the second fiscal year preceding such fiscal year which were derived from State or local sources. The costs of this program will be approximately \$16.6 billion for Fiscal 1977, \$18.1 billion for 1978, \$20 billion for FY 1979 and \$22 billion for FY 1980.

For a low-range estimate, assume that a program is enacted amounting to only one-sixth the aggregate current expenditures, i.e. one-half the amounts specified in H.R. 10145.

12. TAX AID FOR THE EDUCATION OF ALL PUPILS

The Democratic Platform supports "a constitutionally acceptable method of providing tax aid for the education of all pupils in non-segregated schools in order to insure parental freedom in choosing the best education for their children."

Dozens of bills have been introduced in Congress on this subject. Assuming eligible private school enrollment of between five and six million and an average tax benefit of \$150 per year -- a threshold amount necessary to have any meaningful impact on parents' ability to afford private education -- the revenue cost would be \$900,000,000. A \$200 tax benefit would mean a revenue cost of \$1.2 billion annually (high estimate) while a \$100 tax benefit would reduce revenues by \$.6 billion (low estimate). For four-year estimates, it is assumed that enrollments will hold steady, although were such a tax benefit to be enacted it might well have the effect of stimulating increased private school enrollments.

13. EXPANDED VOCATIONAL EDUCATION

The Democratic Platform favors expanding federal support in various areas of educational need, including vocational education. It also commits itself to support of adult education and training which will provide skills.

Jimmy Carter, testifying before the Democratic Platform Committee, elaborated by stating that these programs should address the 2.5 million students leaving the educational system without adequate vocational training and the 750,000 untrained youth entering the unemployment pool annually. He recommended that community colleges and other existing programs be strengthened and extended.

One reasonable estimate of what expanded federal support in these areas might entail would be to look at the House and Senate-passed versions of new vocational education legislation.

The Senate version, S. 2657, authorized for Title II vocational education and Title V career education programs of \$1.091 billion for Fiscal 1978, \$1.310 billion for FY 1979, and \$1.525 billion for FY 1980.

The House version, H.R. 12835 authorized for vocational education \$.780 billion for FY 1977, \$.973 billion for FY 1978, \$1.134 billion for FY 1979, and \$1.314 billion for FY 1980.

Current spending levels for Occupational, Vocational and Adult education are running somewhat over \$600 million annually.

Using the House bill as the low estimate, the Senate bill as the high estimate and the average of the two as the mid-range estimate yields the following:

| FY | low | medium (billions) | high |
|-------|-------|----------------------|-------|
| 1977 | \$.1 | \$.2 | \$.3 |
| 1978 | .4 | .45 | .5 |
| 1979 | .5 | .6 | .7 |
| 1980 | .7 | .8 | .9 |
| Total | \$1.7 | \$2.05 | \$2.4 |

14. COST OF EDUCATION PAYMENTS TO HIGHER EDUCATION INSTITUTIONS

The Democratic Platform calls for the federal government to "directly provide cost of education payment to all higher education institutions...to help cover per-student costs which far exceed those covered by tuition and fees."

Such a program is presently authorized at \$1 billion annually under the Higher Education Act, Title IV - A - 5, Sec. 419 (including general assistance to graduate schools). Funds for this

program have never been appropriated, so any money for it would be in addition to present spending levels.

Using this already-enacted \$1 billion program as a mid-range estimate, a low estimate might be derived by calculating 75% funding while a high estimate might mean a 25% increase in the program.

15. VOYER REGISTRATION BY MAIL

Both the Democratic Platform and Jimmy Carter, in testimony before the Platform Committee, called for:

"passage of legislation providing for registration by mail in federal elections to erase existing barriers to voter participation."

Democratic Members of the House of Representatives, responding to pressure from candidate Carter, pushed through a watered down version of the "Voter Registration Act," H.R. 11552. The Senate, favoring a more ambitious proposal, has not acted. Carter, in the meanwhile, subsequently advocated "universal registration," a still more costly option.

Estimates for implementing a registration by mail program have been variously estimated at \$50 million to \$500 million. Usually excluded from these estimates are the hidden expenses the Postal Service will be forced to absorb for distribution of the registration forms to every address in the United States.

Although federal elections are held every two years, the cost estimates for the registration legislation are computed on an annualized basis. Using \$50 million for a low estimate, \$500 million for a high estimate and the mid-point of \$225 million as a mid-range estimate and assuming that increasing experience and efficiency in operating the program will cancel out inflation increases during the first four years yields four-year estimates of \$.2 billion, \$.9 billion, \$2 billion.

16. INCREASING THE SOCIAL SERVICES PROGRAM TO KEEP PACE WITH INFLATION

The Democratic Platform states:

"In 1972, the ceiling for federal social service grants was frozen at \$2.5 billion, and subsequent inflation of 28 percent has reduced the effective federal aid to existing programs. While there must certainly be a ceiling on such grants, it should be raised to compensate for inflation and to encourage states and localities to expand social services to low- and moderate-income families."

Compensating for the 28 percent inflation since 1972 will cost \$700 billion annually, giving a new social services base of \$3.2 billion. Estimating FY 1977-80 costs depends on what inflation rate is assumed. Using a 5 percent rate for a low estimate, a six percent rate for the middle estimate, and a 7 percent rate for a high estimate yields the following additional costs over the present ceiling (\$2.74 billion in FY 1977, \$2.5 billion thereafter):

| FY | low | medium (billions) | high |
|-------|-------|----------------------|-------|
| 1977 | \$.5 | \$.6 | \$.6 |
| 1978 | 1.0 | 1.1 | 1.2 |
| 1979 | 1.2 | 1.3 | 1.4 |
| 1980 | 1.4 | 1.5 | 1.7 |
| Total | \$4.1 | \$4.5 | \$4.9 |

Extending eligibility for social services to low- and moderate-income families would involve an astronomically expensive restructuring of this welfare-oriented program, the cost of which is impossible to calculate without further details.

17. LIBERALIZATION OF THE ALLOWABLE EARNING LIMITATION UNDER SOCIAL SECURITY

There is currently a limit of \$2760 on the amount one may earn and still draw full social security benefits. The Democratic Platform advocates "a liberalization of the allowable earnings limitation under Social Security for older Americans who wish to continue working and living as productive citizens."

Raising the present limit to \$5000 would cost \$1.8 billion in additional Social Security benefit payouts. A \$10,000 limit would add \$4.6 billion; a \$15,000 limit would add \$5.8 billion and any limit higher than \$20,000 would cost from \$6 to \$7 billion.

Using \$5000 as a low estimate, \$10,000 as a mid-range estimate and \$15,000 as a high estimate and holding these figures constant (even though income security benefits for the aged increased by 28.5 percent between 1975 and 1977 and can be expected to continue climbing sharply during the next four years) yields four-year estimates of \$7.2 billion, \$18.4 billion and \$23.2 billion respectively.

18. EXTEND VA EDUCATIONAL ASSISTANCE TWO YEARS

In previous wars, veterans received eight years of educational benefits. Thus far, Vietnam veterans have received 10 years of benefits, and Carter proposes to extend educational assistance two years for those veterans already enrolled and drawing benefits in VA-approved educational and training programs.

According to the Veterans Administration, provision of a two-year extension to veterans who were enrolled in education programs under the G.I. bill during the Spring semester of 1976 and whose educational benefits expired on May 31, 1976 would cost \$610 million in FY 1977 and \$356.5 million in FY 1978.

19. INCREASE REVENUE SHARING TO COMPENSATE FOR INFLATION

An increase in the annual funding of the general revenue sharing program to compensate for the erosion of inflation is called for by the Democratic Platform.

Using a five percent rate for a low estimate, a six percent rate for a middle estimate and a seven percent rate for a high estimate gives the following increases in the present \$6.65 billion revenue sharing program:

| FY | low | medium (billions) | high |
|-------|-------|----------------------|-------|
| 1977 | \$.3 | \$.4 | \$.5 |
| 1978 | .7 | .8 | 1.0 |
| 1979 | 1.0 | 1.3 | 1.5 |
| 1980 | 1.4 | 1.7 | 2.0 |
| Total | \$3.4 | \$4.2 | \$5.0 |

20. CHANGE REVENUE SHARING FORMULA

Without greater specificity, it is impossible to cost out the impact of a broadly-based community needs formula which conceivably could include poverty, condition of housing stock, percentage of dependent population or other variables. However, H.R. 10319, a measure introduced by Rep. Fawell and proposed as an amendment during the 1976 revenue sharing debate, provided a needs-based formula using only poverty level data. A computer simulation of the impact of this formula showed that the additional cost could be \$630 million annually, or a four-year total of \$2.52 billion.

Adjusting the formula to measure tax effort could be done in a variety of ways. Assuming that the principal concern is to expand the definition of tax effort to include other non-tax sources of revenue such as water, sewage and sanitation charges, however, yields an annual \$270 million figure for a four-year total of \$1.08 billion.

Using these estimates as a mid-range figure, 75% of that amount as the low estimate and 125% as the high estimate yields the following:

| FY | low | medium (billions) | high |
|-------|---------|----------------------|---------|
| 1977 | \$.675 | \$.9 | \$1.125 |
| 1978 | .675 | .9 | 1.125 |
| 1979 | .675 | .9 | 1.125 |
| 1980 | .675 | .9 | 1.125 |
| Total | \$2.7 | \$3.6 | \$4.5 |

21. SUBSIDIES AND LOANS FOR LOW AND MODERATE INCOME HOUSING CONSTRUCTION

The Democratic Platform takes the Republicans to task for losing the "vision of the House Act of 1968 the result of three decades of enlightened Democratic housing policy...reasserts these goals and pledges to achieve them." This Act, typical of the extravagant promises and false expectations of the 1960's, promised 2.6 million units a year. Achieving this would involve subsidizing probably 1 million units substantially or even building them directly. Assuming \$25,000 per unit, the cost would be \$25 billion annually for direct construction. Reinstating the original Section 235 and 236 programs with a 1 percent interest rate for 40 years would involve obligations of \$72 billion.

Such goals are obviously impossibly high, and the Democratic Platform and Carter's testimony to the Platform Committee pledge support for direct federal subsidies and low interest loans to encourage the construction of low- and moderate-income housing.

Fiscal Year 1977 outlays for housing subsidies to stimulate low- and moderate-income housing under Section 8, interest subsidies, Section 235 and 236 amount to \$3 billion.

Assuming the Democrats mean to double this figure, an assumption well in keeping with legislative proposals by Democratic Congressional leaders, would mean another \$3 billion annually for a four-year total of \$12 billion.

The Congressional Budget Office March 15, 1976 report on Budget Options indicates that expanding production of subsidized housing for lower-income households through emphasis on Section 8 and assisting roughly 5.2 million households would require additional outlays of \$1.7 billion in Fiscal 1977, \$1.2 billion in Fiscal 1978, \$2.5 billion in Fiscal 1979 and \$5.5 billion in Fiscal 1980, for a four-year total additional outlays of \$10.9 billion.

Using a 50% increase in existing outlays as a low estimate, the CBO option as a middle estimate and a doubling of existing outlays as a high option yields the following:

| FY | low | medium (billions) | high |
|-------|-------|----------------------|--------|
| 1977 | \$1.5 | \$1.7 | \$3.0 |
| 1978 | 1.5 | 1.2 | 3.0 |
| 1979 | 1.5 | 2.5 | 3.0 |
| 1980 | 1.5 | 5.5 | 3.0 |
| Total | \$6.0 | \$10.9 | \$12.0 |

22. HOUSING SUBSIDIES FOR THE ELDERLY

Both Carter and the Democratic Platform call for expansion of the highly successful programs of direct federal subsidies to provide housing for the elderly. Fiscal year 1977 outlays for this program are approximately \$200 million. "Expansion" is assumed to mean a 50 percent increase, a doubling or a 150 percent increase for purposes of arriving at low, medium and high estimates. This would require \$.1, \$.2 or \$.3 billion respectively for one-year and \$.4, \$.8 or \$1.2 billion for four-years.

23. STEADY FLOW OF HOUSING CREDIT

Carter's testimony before the Democratic Platform Committee called for "providing a steady source of credit at low interest rates to stabilize the housing industry." This proposal was included in the Democratic Platform.

The major program that Democrats in Congress have pushed in the past and are likely to press in the future in the mortgage credit area is GMA. An additional \$5 billion has been authorized in the Emergency Housing Act of 1976. \$2 billion of this \$5 billion has been appropriated for use by HUD during Fiscal 1977. Assuming all \$5 billion would be appropriated and utilized during a Carter Administration, and assuming further an outlay level equal to 10 percent of total obli-

gational authority results in an estimate of \$.125 billion per year or \$.5 billion over four years. Spending only half this amount could be assumed for a low estimate, while additional legislation to spend 50% more would yield a high estimate.

24. UPGRADING SECONDARY ROADS AND BRIDGES

The Transportation plank of the Democratic Platform offers commitment to dealing with transportation needs of rural America by upgrading secondary roads and bridges and by completion of the original plan of 1956 for the interstate highway system where it benefits rural Americans.

The most recent (1972) National Highway Needs Study estimates that some \$36.8 billion of backlog and new needs would accrue by 1980, and \$38.4 billion by 1990, in terms of 1969 dollars, or \$51.7 and \$53.9 billion in terms of current dollars. Undertaking this upgrading in a four-year program is not feasible because state and local matching funds would not be available, federal regulations preclude expeditious programming of capital improvements, the construction industry could not respond to this magnitude of demand so quickly nor could state and local highway agencies. Therefore, apportioning the upgrading goal out through 1990, assuming that no increase at all could occur in 1977, a realistic attempt to upgrade secondary roads and bridges would involve at a low range \$1 billion annually between FY 1978-80 for a FY 1980 expenditure increase of \$.8 billion and a cumulative FY 1978-80 expenditure increase of \$1.630 billion. At a mid-range of \$2 billion annually from FY 1978-80, the FY 1980 expenditure increase would be \$1.614 billion for a cumulative impact of \$3.26 billion. At a high-range \$3 billion FY 1978-80 level, the FY 1980 expenditure increase would be \$2.42 billion and the cumulative impact would be \$4.9 billion.

25. FULL FUNDING OF THE RURAL DEVELOPMENT ACT

The Democratic Platform "pledges to strengthen the economy and thereby create jobs in our agricultural and rural areas by the full implementation and funding of the Rural Development Act of 1972."

Under existing policy, Federal expenditures for the Act are expected to be \$.29 billion in FY 1977, \$.34 billion in FY 1978, \$.48 billion in FY 1979 and \$.67 billion in FY 1980.

The Library of Congress examined the 14 programs contained in the Rural Development Act and estimated that probable maximum levels of program participation and demand would increase costs between \$.64 billion and \$.82 billion during those years. Using this as a high estimate, 75% of this figure for a mid-range estimate and half the maximum for a low-range estimate yields the following additional expenditures:

| FY | low | medium (billions) | high |
|-------|--------|----------------------|--------|
| 1977 | \$.32 | \$.48 | \$.64 |
| 1978 | .35 | .53 | .70 |
| 1979 | .38 | .56 | .76 |
| 1980 | .41 | .61 | .82 |
| Total | \$1.46 | \$2.18 | \$2.92 |

26. INCREASED FEDERAL FUNDING FOR ENERGY RESEARCH AND DEVELOPMENT

The Democratic Platform recommends "that the federal government promptly expand whatever funds are required to develop a new system of energy...support an active federal role in research and development of clean burning and commercially competitive coal burning systems and technologies, ... (and undertake) major federal initiatives, including major governmental participation in early high-risk development projects...to harness renewable resources like solar, wind, geothermal, the oceans, and other new technologies such as fusion, fuel cell and the conservation of solid waste and starches into energy."

The Congressional Budget Office, in its July 15, 1976 Background paper No. 10 on Energy Research: Alternative Strategies indicates that a full funding strategy would add to the President's base program completion strategy all of the demonstration projects identified in ERDA's national plan in all program areas. This would be a high option estimate for the ambitious energy research and development program described in the Democratic Platform.

A mid-range option would be a strategy downplaying the fission programs but emphasizing all other long-term technologies. A low-range option would be a strategy emphasizing near- and mid-term technologies and deferring all major long-term technology demonstration projects not already underway.

In terms of budget outlays, the costs of these options over the program completion costs of \$2.7 billion in FY 1977, \$3.2 billion in FY 1978, \$3.6 billion in FY 1979 and \$3.8 billion in FY 1980 would be:

| FY | low | medium (billions) | high |
|-------|--------|----------------------|-------|
| 1977 | -- | -- | -- |
| 1978 | \$.1 | \$.1 | \$.1 |
| 1979 | .15 | .2 | .6 |
| 1980 | .6 | 1.3 | 1.6 |
| Total | \$.85 | \$1.6 | \$2.3 |

27. FARM PRICE SUPPORT AND PARITY PROGRAM

The Democratic Platform states that,

"Without parity income assurance to farmers, full production cannot be achieved in an uncertain economy. We must assure parity returns to farmers based on costs of production plus a reasonable profit."

Carter expressed the same concern in his testimony to the Democratic Platform Committee.

This language would seem to support the view that a Carter Administration would reinstitute the farm price support policies and acre limitations of the 1950's and 1960's. These old farm policies were largely abolished by the 1973 Agricultural and Consumer Protection Act. A return to these discarded policies would cost the U.S. more than \$4 billion a year by 1980 according to estimates of agricultural economists at the Brookings Institution and the U.S. Department of Agriculture.

Allowing for inflation, storage costs and crop size, estimates for additional costs of a price support program are:

| FY | low | medium (billions) | high |
|-------|--------|----------------------|--------|
| 1977 | \$ 3.8 | \$ 4.0 | \$ 4.2 |
| 1978 | 4.0 | 4.3 | 4.8 |
| 1979 | 4.2 | 4.6 | 5.4 |
| 1980 | 4.4 | 4.9 | 6.2 |
| Total | \$16.4 | \$17.8 | \$20.6 |

28. DOMESTIC DEVELOPMENT BANK

29. YOUTH PARTICIPATION IN PUBLIC EMPLOYMENT PROGRAMS

30. ESTABLISH SPECIAL MEANS FOR TRAINING AND LOCATING JOBS FOR DIFFICULT TO EMPLOY PEOPLE IN THE PRIVATE SECTOR AND TO EXTENT NECESSARY IN PUBLIC SECTOR

31. ADEQUATE FUNDING FOR A GREATLY IMPROVED GOVERNMENT-WIDE SYSTEM FOR DELIVERY OF EQUAL JOB & PROMOTION OPPORTUNITIES

32. DIRECT GOVERNMENT LOANS FOR SMALL BUSINESS, ESPECIALLY MINORITY OWNED

33. INDEXATION OF MINIMUM WAGE (would affect some government employees).

34. RAISE PAY STANDARDS FOR OVERTIME (would affect some government employees)

35. EXTEND UNEMPLOYMENT INSURANCE TO COVER ALL WAGE AND SALARY WORKERS

36. FULL ENFORCEMENT OF OSHA, COMPREHENSIVE MINE SAFETY ACT AND BLACK LUNG COMPENSATION

37. INDEPENDENT CONSUMER AGENCY

38. INCENTIVES TO REWARD EFFICIENCY & INNOVATION, ASSURE NONDISCRIMINATION AND AFFIRMATIVE ACTION IN CIVIL SERVICE

39. PARTIAL PUBLIC FINANCING FOR CONGRESSIONAL CANDIDATES ON MATCHING BASIS

40. OFFICE OF CITIZEN ADVOCACY IN EXECUTIVE BRANCH

41. FULL FUNDING FOR NEIGHBORHOOD LEGAL SERVICES FOR THE POOR

42. GOVERNMENT SUPPORTED SYSTEMS FOR DEVELOPING OBJECTIVE PRODUCT PERFORMANCE STANDARDS

43. INCREASED FEDERAL AID TO GOVERNMENT LABORATORIES AND PRIVATE INSTITUTIONS TO SEEK THE CURE TO HEART DISEASE, CANCER, SICKLE CELL ANEMIA, PARALYSIS FROM SPINAL CORD INJURY, DRUG ADDICTION AND OTHER INFLECTIONS (sic)
44. INCREASING THE NUMBER OF DOCTORS AND PARAMEDICAL PERSONNEL IN THE PRIMARY HEALTH FIELD
45. VIGOROUS FEDERAL PROGRAMS AND POLICIES OF COMPENSATORY OPPORTUNITY AND FULL FUNDING OF CIVIL RIGHTS PROGRAMS
46. EXPAND FEDERAL SUPPORT FOR BILINGUAL EDUCATION
47. FEDERAL AID TO IMPLEMENT DESEGREGATION THROUGH MATCHING FUNDS, INCENTIVE GRANTS AND OTHER MECHANISMS
48. INCREASED FEDERAL INVESTMENT IN GRADUATE EDUCATION
49. FULL FUNDING OF LIBRARY PROGRAMS
50. ADEQUATE FUNDING AND IMPROVED MANAGEMENT AND HEALTH CARE IN VA HEALTH CARE PROGRAM
51. REDUCING HEALTH COSTS PAID BY SENIOR CITIZENS UNDER THE PRESENT SYSTEM
52. EXTEND MEDICARE TO AMERICANS ABROAD WHO ARE ELIGIBLE FOR SOCIAL SECURITY
53. FUNDING FOR THE GROWTH AND DEVELOPMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND HUMANITIES
54. SPECIAL ANTI-RECESSION EMPLOYMENT PROGRAMS FOR ARTISTS
55. INCREASED EMPHASIS ON REHABILITATION OF EXISTING HOUSING TO REBUILD OUR NEIGHBORHOODS
56. INCREASE LOANS AND SUBSIDIES FOR HOUSING AND REHABILITATION ESPECIALLY IN POVERTY-STRICKEN AREAS
57. MASSIVE EFFORT TO HELP MAJOR OLDER CITIES IN THEIR UNPRECEDENTED FISCAL CRISES
58. FUNDING AND IMPLEMENTATION OF THE JUVENILE JUSTICE AND DELIQUENCY PREVENTION ACT OF 1974
59. EXTEND FEDERAL DEATH BENEFITS TO POLICE KILLED IN THE LINE OF DUTY
60. INCREASED FEDERAL OPERATING SUBSIDIES FOR MASS TRANSIT IN URBAN AND RURAL AREAS
61. PROGRAM OF NATIONAL RAIL AND ROAD REHABILITATION AND IMPROVED MASS TRANSIT TO PUT THOUSANDS OF UNEMPLOYED CONSTRUCTION WORKERS BACK TO WORK
62. DEVELOP PROGRAMS TO MAKE THE FAMILY FARM ECONOMICALLY HEALTHY AGAIN
63. INSURE AND GUARANTEE LOANS FOR ELECTRIFICATION AND TELEPHONE FACILITIES FOR RURAL AMERICANS
64. INSURE THE EXISTENCE OF ADEQUATE FACILITIES, COMMUNITY FACILITIES SUCH AS WATER SUPPLY AND SEWAGE DISPOSAL SYSTEMS, DECENT HOUSING AND NEEDED TRANSPORT
65. NEW FEDERAL INCENTIVES FOR AIDING INDIVIDUAL HOME OWNERS IN UNDERTAKING ENERGY CONSERVATION INVESTMENTS
66. STRIP MINING REGULATION
67. REVITALIZE BASIC CREDIT PROGRAMS FOR FARMERS
68. PROVIDE ADEQUATE CREDIT TAILORED TO THE NEEDS OF YOUNG FARMERS
69. REINSTATE SOIL CONSERVATION PROGRAMS
70. FEDERAL ASSISTANCE PROGRAMS TO FARM WORKERS FOR HOUSING, EMPLOYMENT, HEALTH CARE, SOCIAL SERVICES, AND EDUCATION
71. SUBSTANTIAL INCREASES IN FUNDING FOR ENVIRONMENTAL RESEARCH AND DEVELOPMENT
72. FEDERAL ASSISTANCE IN PROMOTING GREATER DEVELOPING COUNTRY CAPITAL MARKETS
73. SIGNIFICANT CONTRIBUTIONS TO THE MULTI-NATIONAL WORLD FOOD RESERVE SYSTEM
74. INCREASE BILATERAL AND MULTILATERAL ASSISTANCE TO AFRICA

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NOT FOR CIRCULATION

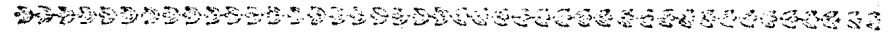
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Conversation With the Candidates

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THE WHITE HOUSE
WASHINGTON

Oct. 11, 1976

FOR: RON NESSEN

FROM: FRED SLIGHT

FYI

Candidates Outline Education Goals

George M. Gazda, APGA president, and Charles L. Lewis, APGA executive vice president, on Aug. 27 wrote the following letter to presidential candidates Jimmy Carter and Gerald R. Ford:

The American Personnel and Guidance Association is a nonprofit, education association with a membership of some 41,000 counselors.

As professionals operating in every segment of American society, guidance and counseling specialists play an important role in assisting students and adults.

Your cooperation in answering the attached questions will help our members decide

for whom they should vote in the Nov. 2 presidential election.

Your views will be published in *Guidepost*, our semimonthly newspaper mailed to 42,000 members and subscribers. A recent copy of the paper is enclosed for your inspection.

An identical letter is being sent to [the other presidential candidate]. We plan to publish concurrently the answers of both candidates in our Oct. 7 edition of *Guidepost*, and we need your responses by Sept. 24 in order to meet our deadline.

The candidates' answers to APGA's questions appear below.

CARTER

EDITOR'S NOTE: Gov. Carter chose not to respond to the individual questions and instead issued this statement through his Washington, D.C. campaign office.

Dear Personnel and Guidance Counselors:

I welcome the chance to speak on education-related issues to the men and women of the American Personnel and Guidance Association.

As President, I would establish a cabinet-level Department of Education. It will consolidate the grant programs, job training, early childhood education, literacy training, and many other functions that are currently scattered and diffused throughout the federal bureaucracy.

We need to make guidance and counseling efforts an integral part of our country's educational

(See CARTER, p. 3)



Gov. Jimmy Carter



President Gerald R. Ford

FORD

EDITOR'S NOTE: President Ford responded through his Washington, D.C., campaign headquarters office.

1. Do you support the establishment of a cabinet-level department of education? If so, what would your estimated time schedule be for its establishment?

President Ford does not support the establishment of a cabinet-level department of education. The President has stated that:

Nothing is more destructive of the diversity of thought and opinion necessary for progress than an excess of control by the central government . . . We must continually guard against Federal control over public schools.

2. What new or different plans

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Presidential Candidates Express Views

CARTER

(From page 1)

system, particularly, among the disadvantaged and more unfortunate members of our society who aspire to improve their conditions.

My personal commitment to education has been reflected throughout my career as a public official in Georgia. As Governor, I initiated a broad reform of public education which was successfully completed after two years of hard work and perseverance. As President, my priorities will not change. I remain committed to quality education and educational services for all citizens.

Specifically, reform must begin with methods of financing. Funds for local governments should be increased. It is a fact that the major share of funding for public education will continue to come from state and local sources. As Governor, I was successful in forming educational financing in Georgia and in seeking to eliminate disparities based on the relative wealth of the area in which a child lives.

My educational reform program will contain specific and substantive proposals for implementation by the President, by the Congress and the states.

My educational program will assure the following:

- Proper relationship between private and public education.
- Expanded vocational and career opportunities.
- Educational rights of the handicapped.
- Proper consideration of private philanthropy in education as decisions on basic tax reform proposals are made.

The piecemeal, stop and go approach, which we have had the past eight years, will not solve our problems. A comprehensive program and the political courage to see it through are required.

FORD

(From page 1)

have you for equalizing the costs for the great majority of middle-income Americans who want to take advantage of postsecondary education opportunities for themselves and their children?

The Ford Administration has proposed a \$1.1 billion level of funding for the Basic Opportunity Grant program. This program provides aid to needy students and can be used at any college or university selected by the student. The amount of the grant is based upon the student's ability to pay, and is adjusted to the cost of the institution to be attended. Every needy student may receive up to \$1,400 per year, but no more than one-half of their need. The student's need is determined after

taking into account the contribution the family is expected to make. This expected family contribution varies with income and family size. The Federal Government also provides grant funds to colleges and universities to create work-study jobs for students. Federally funded work-study programs pay 80 percent of the wages to a working student employed by a school or by an off-campus nonprofit institution.

3. What new ideas do you have for financing public education so that the overburdened American taxpayer will have relief, but not at the expense of "quality education?"

On March 1, 1976, the President proposed the Financial Assistance for Elementary and Secondary Education Act which will consolidate 24 existing programs into one block grant. The focus of this block grant will be on improved educational opportunities for those with special needs — the handicapped and educationally deprived. Federal funds will be provided with a minimum of Federal regulation and a minimum of local control. This proposal is based on the conviction that education needs can be most effectively and creatively met by allowing States greater flexibility in the use of Federal funds. Under the proposed legislation, funds will be allocated to States based on a formula which takes into account the number of school-aged children and the number of children from low-income families.

4. What is your concept of an effective guidance and counseling program for all Americans, including students, the handicapped, the unemployed, the aged, the disadvantaged, minorities and women?

At the present time formula grants are awarded to the States for stimulating new ways of creating bridges between school and employment for young people who: (a) are still in school, (b) have left school either by graduation or by dropping out, or (c) are in postsecondary programs of vocational preparation.

Formula grants are also made available for adult education. This program is directed at adults who are 16 years of age or older and who have not achieved the 12th grade level of education. The purpose is to enable them to become more employable, productive and responsible citizens.

Formula grants are also made to the States to assist in the provision of educational services to handicapped children at the preschool, elementary and secondary level. Funds are allocated to the States based upon the number of all children, aged 3 to 21 inclusive, in the States.

5. What should be the role of career education and career guidance in the infrastructures of the U.S. Department of Labor and the Office of Education?

No answer given.

October 14, 1976

Carter versus Carter on the Economy

Once again, there is another strange performance from the Carter camp, this time concerning the vital issue of our economy. Jimmy Carter has been campaigning around the country, promising to simultaneously balance the budget, reduce inflation, stimulate employment, and to begin spending at least \$100 billion dollars on new government programs. He has confidently been telling Americans that he can do it all -- through his superior management and competent leadership.

Yesterday, his chief economic advisor, Professor Lawrence R. Klein, said that it can't be done, that Governor Carter is wrong on the probable effects of his own program. The New York Times, October 13, 1976, headlines "ECONOMIC ADVISOR DOUBTS CARTER AIM ON CUT IN INFLATION" -- "Klein Calls Goal 'Unrealistic'".

According to the Times, Jimmy Carter's principal economic advisor said last night that Mr. Carter's goal of lowering inflation to 4% by 1980 was not realistic and that Carter economics would actually increase inflation, although he hoped it would only be temporary. "Mr. Carter couldn't have 4% by 1980, but perhaps he could have it in the second term," the Carter economics chief added, admitting that his economic forecasting model predicted that under Carter policies "the inflation rate might be a half (percentage point) higher in the middle years" of the 1976-80 period than if present economic policies were continued.

In another peculiar performance, Mr. Carter's own campaign has now waffled once again, conducting its own internal debate.

... Jimmy Carter once told us that he aimed at a 2% inflation rate.

... However, on July 28, 1976, the former Georgia Governor said his major economic goal was to achieve an inflation rate of 4% or less within 4 years.

Once again, it's a case of Carter vs. Carter. The President's position on the economy is very clear and he's ready to debate Jimmy Carter. The question is: will the real Jimmy Carter please stand up?

October 15, 1976

GUIDANCE

SUBJECT: CARTER CRIME SPEECH - REBUTTAL

SITUATION: Jimmy Carter is making a speech in Detroit today in which he says of the President, "If he wants to reduce crime, why doesn't he start his crusade now", referring to the President's Miami speech. Carter then outlined his own program for fighting crime.

GUIDANCE: Carter, as Governor, in his inaugural address, pledged to "stamp out crime in Georgia." Actually, during his last 2 years, crime increased in four of the seven major crime categories (homicide, rape, aggravated assault, burglary) and was higher than the national averages. The crime rate has dropped steadily in Georgia since he left office.

Statistics can be found in a publication called "Crime in Georgia" published by the State Crime Commission, Crime Statistics Data Center, December 1974 and December 1975.

INDEPENDENT CLERGY CAMPAIGN COMMITTEE

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P R E S S R E L E A S E

FOR IMMEDIATE RELEASE

October 27, 1976

Contact: F. Madison
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BLACK CLERGY WARN AGAINST CARTER CUNNING

Independent Clergy supporting the candidacy of President Ford today released a statement calling on Black voters to review the shrewd, calculating and cunning strategy of appealing to "ethnic purity" believers in white ethnic neighborhoods on one day and saying "I didn't mean it" in Black ghettos the next day and sending his brother to win redneck votes in California by pointing out his likeness to Wallace on a third day.

Reminding the voters that the late Adam Powell had coined the phrase "Tricky Dicky" to describe the clever maneuvers of one candidate, a spokesman for the group says we shall be tempted to refer to the man from Plains, Georgia as "Shimmy Jimmy". His manipulation of people, talking on both sides of the same issue and ruthless determination to have his own way are traits that raise serious questions about the kind of President he would be and whether or not the "trust" placed in him by 80% of the Black voters will be betrayed.

(MORE)

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"I don't know about Jimmy Carter" said Rev. Edward V. Hill, Chairman of the nationwide Committee of clergymen representing a cross-section of Protestant denominations, "But I do know that Jerry Ford says what he means and means what he says". "I do know that he deliberates, takes time, sometimes moves too slowly for some folks, but he's steady, dependable, you can count on him. He says you can't spend what you don't have and he won't promise what he can't deliver---I like that...Black people need realism they don't need a hand out they need a hand up---they need social programs that do not undermine personal responsibility and self reliance and self respect. Those are the kinds of programs that President Ford is pushing---programs like OIC and the Urban League are advocating. As ministers of the Gospel, we see the need to stress the basic virtues and values such as respect for law and for the moral sensibilities and fair play in taxes and in education, in health systems and in employment practices. We believe that we can depend on Ford as a team player to protect the principles of fair play and hew to the line and hold the line on the moral and spiritual values of our Judaeo Christian culture. He won't talk one way and do something else. I hope that my brothers who are barnstorming for Carter will not be disappointed in their man if he wins. I don't want to take a chance...and that's why I'm voting for President Ford on Tuesday" Rev. Hill said.

Rev. Sandy Ray of Brooklyn, New York, Rev. L.V. Booth of Cincinnati, Ohio, are co-chairmen with Rev. Hill. Rev. William Holmes Borders of Georgia and several Bishops of the AME and AME Zion and the Holiness Church are Honorary Co-Chairmen, including Bishop Hubert Robinson, Bishop William Smith, and Bishop S.V. Washington.



NEWS RELEASE

**National
Black
Republican
Council**

September 15, 1976

FOR IMMEDIATE RELEASE

CONTACT: James C. Cummings, Jr.
317/635-7561

INDIANAPOLIS -- Congressman Andrew Young (D.Ga.), the architect and director of the program to deliver the Black vote to Presidential Candidate Jimmy Carter, today was charged with an attempt to avoid "responsibility and accountability for creating a false image of Mr. Carter and misleading Black people with promises no president could fulfill."

The charge was leveled by James C. Cummings, Jr., recently elected chairman of the National Black Republican Council, which includes affiliates in 30 states and the Virgin Islands. Cummings lives in Indianapolis and was elected during the group's first quadrennial convention last month at Kansas City.

Cummings accuses Congressman Young of ducking a face-to-face showdown before the American people in the form of a series of debates to discuss the positions of President Gerald R. Ford versus Candidate Carter on issues of concern to Blacks. Cummings issued an invitation to the Congressman for the debates last week. To date he has not received a response.

Black voters deserve an opportunity to be exposed to the pros and cons of the positions of both major candidates, Cummings declared in his statement. "Is there a better way to give our people this opportunity than for knowledgeable supporters of both candidates to argue the issues face-to-face before Black audiences with appropriate media coverage?" he asked.

"I am ready to defend the programs of President Ford, and probe the weaknesses

of Jimmy Carter's positions anywhere in the United States," Cummings declared.

Cummings said he invited Congressman Young to debate because the Georgia legislator is perceived by Blacks throughout the nation as the leader of the Carter effort to achieve strong support among Blacks. The National Black Republican Council, which Cummings heads, is an official auxiliary of the Republican National Committee and Cummings is the only Black member of that group's executive committee. He is also chairman of the Indiana Black Republican Council, and until his election as national chairman served as chairman of the Midwest Region which includes 13 state councils.

In his letter inviting Congressman Young to debate, Cummings said: "The presidential election campaign of 1976 provides those of us who have for a long time fought for the rights and advancement of Blacks in this country with a unique opportunity for additional important service.

"President Gerald R. Ford, the candidate I support, and Jimmy Carter, whom you support, present a clear choice to all voters, Black and White. However, I don't feel the average Black voter at this moment understands the difference and appreciates his ability to determine his future and the future of the next generation of Blacks by the lever he pulls upon entering the voting booth November 2.

"I am confident that you and I can serve our people and our nation well by clarifying the differences of our candidates in a way all people can understand, and giving Blacks, in particular, a sound basis on which to make a choice based on the facts of performance and realistic goals of the candidates.

"I therefore suggest that we meet in a series of debates in support of the positions of our candidates, as these positions impact upon the needs and concerns of Black people, and promise potential improvement in the quality of their lives in the future. This level of inter-party participation would serve as the greatest possible voter education project Black voters to this date have ever been exposed to, or participated in," Cummings concluded.