

INDICATORS OF CURRENT ECONOMIC RECOVERY

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

## COMPARISON OF U.S. ECONOMIC GROWTH WITH MAJOR ALLIES

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

### Employment Growth

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

### Real GNP Growth

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

### Rate of Inflation (GNP Deflator)

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

### Latest Inflation (CPI)

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

CARTER AND REAGAN INFLATION PROJECTIONS

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

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

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

Key Points to Make Defending Economic Record (By Schultze)

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

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

2. Our economy is vulnerable to OPEC price and supply actions. Energy policy and economic policy are tightly tied. With respect to energy the United States has made outstanding progress.
  - o Starting 1-1/2 years ago we began to phase out controls on domestic oil and gas prices. We ended the incredibly dangerous practice of holding United States oil and gas prices below the world market and thereby subsidizing wasteful consumption. Oil and gas decontrol was a painful and difficult but absolutely necessary step.
  - o Working with the Congress we put in place the foundations of a comprehensive National Energy Program to increase energy production and conserve energy use, and levied the windfall profits tax to help pay for it.
  - o These policies have begun to have dramatic results. The United States is now importing 25 to 30 percent less oil than it did 1 and 2 years ago; our consumption of energy products has dropped 8 to 10 percent, and while some part of that drop is due to the recession, most of it reflects real energy conservation. There are now 70 percent more drilling rigs in operation than there were when I took office and the number of oil and gas wells being drilled has reached a new record.
3. Despite massive increases in oil prices in the past two years the United States -- unlike other oil importing countries -- has been reducing its balance of payments deficit. We are now moving into a surplus position.
4. After a period of weakness in the value of the U.S. dollar overseas, I took decisive action 2 years ago to stabilize the dollar -- in cooperation with the German, Japan, and Swiss governments. Since then, in a world of sharply changing events and disruptions in oil supply, the United States dollar has remained strong, and has indeed risen in value compared to the German mark and Japanese yen.

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

## MAJOR GOALS OF SECOND CARTER TERM

### DOMESTIC

1. Passage of Economic Renewal Package strengthened economic growth, increased investment, improved productivity, reduced tax burdens.
2. Continued record-level rate of job creation and reduced unemployment rate.
3. Continued reduced inflation rate.
4. Reduced dependence on foreign oil, increased development of domestic and new energy sources.
5. National Health Insurance.
6. Ratification of Equal Rights Amendment (and D.C. Voting Rights Amendment).
7. Increased economic and government opportunities for minorities and women.
8. Continued fiscal strength of Social Security.
9. Continued revitalization of our nation's urban areas.
10. Stable farm prices, increased farm exports.
11. Welfare reform.

### FOREIGN

1. Maintenance of Peace -- eight years of uninterrupted peace.
2. Continued real growth in our defense spending, and strengthening of defense capabilities.
3. SALT II Ratification.
4. Continued Human Rights Policy.
5. Broadened Middle East Peace.
6. Continued development of relationship with People's Republic of China.
7. Continued strengthening of NATO.
8. Recognition by Russians they have more to gain by improved relations with U.S.

PLATFORMS

The attached domestic platform comparison shows the stark contrast between the two parties' philosophies and principles. The main point to be made in any platform reference during the debate is simply that you support a platform of progress and hope and a platform in the traditions of Roosevelt, Truman, Kennedy and Johnson, while Governor Reagan supports a platform that seeks to repeal progress and a platform written by an extreme faction of the Republican Party.

PLATFORM COMPARISON FOR DEBATE (DOMESTIC)

	<u>Democratic</u>	<u>Republican</u>
<b>A. <u>ECONOMY</u></b>		
1. Humphrey-Hawkins	Commitment to meet its goals.	Silence.
2. Tax Reductions	Commitment to targeted, non-inflationary tax cuts.	Kemp-Roth, 30% tax cut.
3. Federal Spending	Spending restraint is important economic weapon, but must be sensitive to those who look to Federal Government for aid.	Support for constitutional amendment to balance the budget; limit government spending to fixed percentage of GNP.
4. Anti-Recession Assistance	Commitment to \$12 billion spending stimulus (Minority Report)	Kemp-Roth tax cut.
5. Rebuilding American Industry	Commitment to a program to rebuild American industry.	Kemp-Roth tax cut.
6. Worker Protection		
o OSHA	Opposes legislation to weaken OSHA.	Supports legislation to weaken safety programs.
o Minimum Wage	Opposes youth sub-minimum; supports future increase.	Supports youth sub-minimum; silence on future increases.
o Plant Closings	Supports legislation to help workers affected by sudden, unexpected plant closings.	Silence.
<b>B. <u>GOVERNMENT AND HUMAN NEEDS</u></b>		
1. National Health Insurance	Supports.	Opposes



Democratic

Republican

2. Abortion

Supports 1973 Supreme Court decision; supports government funding (Minority Report).

Seeks constitutional amendment overturn Supreme Court decision.

3. Welfare

Supports welfare reform, with goal of eliminating burden of welfare costs on local governments and reducing burden on States.

Seeks to transfer entire welfare responsibility to States, along with tax sources to finance it.

4. Education

Supports Department of Education.

Seeks to eliminate Department of Education.

Supports increased assistance to private schools.

Supports tuition tax credits.

5. Equal Rights Amendment

Strongly supports ratification; DNC sanctions on non-supporters who are candidates (Minority Report).

Silent on ratification (reversing 40-year record of support).

6. D.C. Voting Rights Amendment

Strongly supports ratification.

Silent.

7. Civil Rights

Condemns Ku Klux Klan and Nazi Party.

Ku Klux Klan endorsed Republican Platform.

8. Appointments (Judicial)

Supports policy of appointing women and minority judges at all levels, including Supreme Court.

Supports policy of appointing judges who "respect sanctity of innocent human life."

9. Martin Luther King Holiday

Supports.

Silent.

C. GOVERNMENT OPERATION AND REFORM

1. Tax Reform

Supports

Silence.

Democrat

Republican

- |  |  |   |
|--|--|---|
| 1. Law Enforcement                             | Supports improved controls over handguns and Saturday night specials.              | Supports repeal of key provisions of Gun Control Act of 1968. |
| 2. Public Financing of Congressional Elections | Supports.  | Opposes.  |
| 3. Consumer Protection Agency                  | Supports.  | Opposes.  |
| 4. <u>ENERGY, ENVIRONMENT AND AGRICULTURE</u>  |  |   |
| 1. Synthetic Fuels                             | Supports development of synthetic fuel industry.                                   | Opposes synthetic fuel industry.                              |
| 2. Windfall Profits Tax                        | Strongly supports.   | Favors nearly wholesale repeal.                               |
| 3. 55 M.P.H. Speed                             | Supports (saves 2 billion gallons of gasoline a year and saves 5000 lives a year). | Seeks repeal.   |
| 4. Grain Embargo                               | Supports.  | Opposes.  |

MOST IMPORTANT DIFFERENCES WITH REAGAN

1. SALT II
2. Nuclear Arms Race as a Bargaining Card/Need for Nuclear Superiority
3. Threatening Use of Troops
4. Commitment to Camp David Process
5. Size of Defense Budget
6. Current Defense Capabilities
7. ERA
8. National Health Insurance
9. Kemp-Roth
10. Windfall Profits Tax
11. Department of Education
12. Minimum Wage
13. Need for Environmental Protection
14. Constitutional Amendment on Abortion
15. Welfare Reform
16. Labor Law Reform
17. Commitment to Solar Energy
18. Role of Oil Companies in Energy Solution
19. 55 M.P.H. Speed Limit
20. Consumer Protection Agency

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PRESIDENTIAL VETOES

<u>PRESIDENT</u>	<u>TOTAL VETOES</u>	<u>VETOES OVERRIDDEN</u>
Roosevelt, F.	635	9
Truman*	250	12
Kennedy	21	0
Johnson	30	0
Nixon	43	5
Ford**	66	12
Carter (to date)	25	2

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\* Before Carter, Truman was last Democratic President to be overridden (1952).

\*\* Ford was the most overridden President in terms of the percentage of vetoes overridden with the exception of Andrew Johnson.

CARTER RECORD AS GOVERNOR

1. Bureaucratic Growth - put employee growth rate by 60% below predecessor's; averaged 5% per year
2. Taxes - no income, sales or property tax increases
3. Budget - grew by 52% (revenues grew by 58%)

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THEMES REAGAN WILL USE IN DEBATE

1. Economy Ruined/Kemp-Roth Would Solve

Carter has ruined the economy - provided high unemployment, record inflation and interest rates, and a deep recession.

Reagan could manage the economy better; Kemp-Roth would be a major step toward solving our economic problems.

2. Defense Weakened/Reagan Would Strengthen

Carter has allowed our defense posture to weaken - he has let us become almost defenseless against Soviets, and has cut back on needed defense programs.

Reagan is for a strong defense - one that is not second to the Soviet Union, one that has substantially increased defense spending, one that provides the necessary weapons, training, and personnel incentives to strengthen our defense.

3. Inconsistent Foreign Policy/Reagan Would Re-establish Pre-eminence

Carter has provided an inconsistent, weak, passive foreign policy - we are no longer respected abroad and the U.S. role as a world leader has been severely diminished.

Reagan would re-establish the U.S.'s pre-eminent role in the Free World and would make certain the U.S. was respected by our allies and feared by our enemies.

4. Bloated, Interfering Government/Reagan Would Reduce Government Regulation

Carter has not kept his promises about making government more efficient, smaller, less bureaucratic - the government has grown, waste and abuse have not been reduced, and the government has become more deeply involved in the lives of Americans through constant, increasing and unnecessary regulation.

As Governor, Reagan was successful in restraining government size and spending, and he can do the same in the Federal government. He will also be successful in reducing government regulation and would get government off peoples' backs.

5. Weak Leadership/Reagan Would Provide Strong Leadership

Carter has not provided the Nation with the type of strong, Presidential leadership needed to solve the tough problems facing us.

Reagan is a stronger leader, who will not get bogged down in details but who will concentrate his attention on the major issues and will make decisions which are not repeatedly changed.

6. Wrong Values/Reagan Would Re-establish Needed Values in Government Policy

Carter's values have changed during his Administration, and he is not as committed now as he once was to the values of family, neighborhood, community, work and freedom.

Reagan is deeply committed to these values and will work to re-establish them in government policy and throughout the Nation.

## REAGAN CURRENT POSITIONS

(DOMESTIC)

### A. ECONOMY

#### 1. Tax Cuts

- o Supports full 3 year, 30% Kemp-Roth tax cut; believes government will get more money in the end because of the increase in prosperity -- multiplier effect is enormous; has dropped support (without explanation) for 10-5-3 depreciation cuts.

#### 2. Inflation

- o Believes inflation's real cause is government -- spending and regulation (cutting regulations on business would instantly cut inflation in half).
- o Believes Kemp-Roth will promote non-inflationary growth.

#### 3. Minimum Wage

- o Has stated that high unemployment is in large part due to the minimum wage -- "caused more misery and unemployment than anything since the Great Depression;" but now appears to support minimum wage, with a sub-minimum for youth.

#### 4. Unemployment

- o Believes a principle cause is the minimum wage. (With this belief of the problem, how can he propose sound solutions?)
- o Currently appears to favor unemployment compensation -- previously called such compensation "prepaid vacations."

#### 5. Government Spending

- o Has favored Constitutional Amendment to balance the budget; more recently has backed away from Amendment -- says Congress could always circumvent by raising taxes to reach balance.
- o Now appears to favor a legislative limit on the annual federal share of GNP the government can take in through taxes.
- o Supports 2% annual cut in Federal spending through elimination of waste and abuse.
- o Believes the GAO is right in saying there is at least \$50 billion in waste in government that could be saved; if waste cannot be eliminated from a program, whole program must go.



6. Controls

- o Opposes wage and price controls.

7. Auto and Steel Industries

- o Believes Carter enforces strict environmental regulations with little regard for their economic impact; this has hurt auto and steel industries.
- o Has not ruled out trade quotas for autos.
- o Supports Chrysler assistance now, though initially opposed.
- o Believes steel industry's problems are due to over-regulation by government, particularly by EPA.

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## 5. ENERGY

### 1. Energy Production

- o Favors turning energy industry "loose" to produce more oil and gas.
- o Opposes any oil import quotas -- increase domestic production instead.
- o Believes SPRO has been severely mismanaged -- but feels key to our security is increasing domestic production.
- o Has said there is more oil in Alaska than in Saudi Arabia (means more "potential oil reserves" in Alaska than proven to exist in Saudi Arabia).
- o Believes windfall profits tax will encourage domestic producers to shift their resources abroad, will cost us 840,000 barrels of oil per day (CBO), and will actually increase our reliance on foreign oil. (Republican Platform -- favors weakening of Windfall Profits Tax; favors addition of plowback provision).
- o Believes can and should increase coal production -- turn coal companies free and they will produce necessary amount.

### 2. Energy Regulation

- o Favors relaxation of Clean Air Act of burn more coal.
- o Favors immediate decontrol of oil and natural gas pricing.
- o Has favored elimination of Department of Energy in the past; position now is vaguer.

### 3. Energy Conservation

- o Believes energy conservation means we only will run out of energy a little more slowly (believes more production can solve need for conservation).
- o Believes Carter has made conservation the linchpin of our energy program -- but that has been proven inadequate to solve the problem.
- o Favors repeal of 55 mph (assuming he supports Republican Platform).

### 4. Synthetics

- o Does not favor large synthetics industry; supports only limited demonstration projects (Republican Platform).

5. Solar

- o Believes solar power still faces technological barriers and is not ready for extensive use; sees it as a next generation of energy sources.

6. Nuclear

- o Supports continued operation and construction of nuclear plants.
- o Believes nuclear offers our greatest energy hope for next two-three decades.
- o Believes Three-Mile Island offers proof of the safety of nuclear power; it showed how well system worked despite human errors.
- o Believes the amount of space needed to store nuclear wastes is small (a year's worth can be stored under a desk).
- o Supports Clinch River Breeder Reactor.
- o Believes surplus of government is responsible for the delay in licensing of nuclear power plants.
- o Has stated in the past that anti-nuclear forces are being manipulated by forces sympathetic to Soviet Union.
- o Believes nuclear power is cheaper and, when operated properly, is among the safest means of energy production.

C. ENVIRONMENT

1. EPA

- o Believes primary responsibility for protecting environment should be returned to the States.
- o Believes power of EPA should be weakened.
- o Believes steel industry's decline is due in part to EPA-imposed regulations.

2. Air Pollution

- o Believes it is substantially under control.
- o Believes 93% of pollution is caused by trees.

3. Federal Land Ownership

- o Believes that large scale ownership by Federal government of public lands is unconstitutional.

4. RARE II

- o Opposes RARE II as an effort to lock-up scenic lands for privileged few; believes in multiple-use designations for these lands.

5. Alaska Lands

- o Opposes Alaska Lands legislation because of disruptions which will be caused to oil and timber industries.

6. Energy Exploration

- o Believes government should make it easier for oil companies to drill on public lands or in coastal waters.

7. Clean Air Act

- o Supports revision of Clean Air Act regulations.

8. Auto Emission Standards

- o Believes Federal standards have nearly killed auto industry.
- o Has called for immediate moratorium on all new Federal auto regulations.

D. LABOR1. Minimum Wage

- o Has stated that high unemployment is due in large part to the minimum wage (which he feels has caused more misery and unemployment than anything since the Great Depression); now appears to support minimum wage for youth.
- o Supports elimination of the minimum wage or instituting a sub-minimum wage.

2. Government Aid to the Unemployed

- o Now appears to support unemployment compensation programs.
- o Has previously indicated such programs are "prepaid vacations".

3. Humphrey-Hawkins

- o Sees Humphrey-Hawkins as an attempt by the Federal government to regulate the economy.
- o Once called Humphrey-Hawkins a design for fascism.

4. Labor Law Reform

- o Opposes labor law reform as unfair to business; believes it hurts working men and women and puts government in cooperation with hierarchy of organized labor.

5. Common Situs Picketing

- o Objects to Common Situs Picketing; believes it forces compulsory unionism.

6. Davis-Bacon

- o Has opposed Davis-Bacon protections as inflationary and as gift to privileged workers; now appears to favor some tightening, but not repeal.

7. 14-B

- o Supports 14-B; believes its elimination would force compulsory unionism.

8. OSHA

- o Believes OSHA over-regulates; supports using OSHA as laboratory where business could voluntarily study how to improve hazardous conditions.

D. LABOR (con't)9. Unions

- o Has supported covering labor unions by antitrust laws (now rejects earlier position).

10. Food Stamps to Strikers

- o Opposes providing Food Stamps to strikers.

## E. SOCIAL ISSUES

### 1. Abortion

- o Strongly opposes abortion (states that his decision to sign an abortion law was premised on an understanding that the law would be interpreted in a conservative way; in fact, the law has been interpreted liberally, making California's abortion law about the most liberal in the country; also states that various groups of medical professionals are violating the law in unethical ways).
- o Supports passage of Constitutional Amendment to ban abortion.
- o Opposes using Federal money to pay for abortions unless the life of the mother is endangered.

### 2. Affirmative Action

- o Opposes quotas or Federal guidelines to be used in helping to provide equal opportunity.
- o Believes that the quota system reduces reverse discrimination, which is a distortion of the principle of equal rights (but appears to support the Bakke decision as a way of reconciling the reverse discrimination problem).
- o Has defended his limited number of women appointments as the result of making appointments based on qualifications only (only 12 of his 600 judicial appointments were women).

### 3. Busing

- o Opposes busing and believes it should be ended by legislation if possible, by Constitutional Amendment if necessary.

### 4. Family

- o Believes government is single greatest cause of erosion of the family.
- o Believes Federal government encourages teenagers' abortions, welfare fathers to leave home, unmarried couples to live together.

### 5. Constitutional Amendments

- o Supports balanced budget, school prayer, abortion, busing amendments.
- o Opposes ERA and D.V. Voting Rights.

F. HEALTH

- o Opposes National Health Insurance as idea whose time is past; as a program taxpayers neither need or want; and as inflationary.
- o Believes health care problems are caused by government intervention.
- o Believes any health care plan is opening wedge for more government.
- o Believes Hospital Cost Containment reduces services, not cost.
- o Favors private fee for practice as providing the best care.



6. EDUCATION1. Government Role

- o Believes government is responsible for decline in educational quality.
- o Has said Department of Education should be abolished (though now wavers on this); believes educational funding programs should be transferred back to States and local school districts, along with needed tax resources.

2. Religion

- o Believes prayer should be returned to public schools.
- o Supports tuition tax credits.

3. Bilingual

- o Has opposed bilingual education in the past, but now appears to favor.

H. WELFARE

- o Supports transferring welfare programs from the Federal government to State and local governments, along with the tax resources needed to pay for the programs.
- o Has said the Food Stamp program is nothing but a welfare program which does not work.

I. HOUSING

1. Fair Housing

- o Opposed Fair Housing legislation in California — said unnecessary because discrimination in housing did not exist.
- o Has taken no position on Federal Fair Housing legislation.

2. Public Housing

- o Believes Federal public housing program has been a failure.
- o Sees public housing programs as type of welfare.

3. Urban Homesteading

- o Supports using urban homesteading program — selling abandoned homes for \$1 if the new owner will refurbish and occupy — as a means of making housing available to low- and middle-income Americans (apparently does not realize this program is already in effect).

J. URBAN POLICY

1. Urban Aid -- has opposed urban aid programs; has said it would be more efficient for local governments to raise the money they plan to spend; now appears to support having Federal government collect taxes but provide to urban areas in block grant form -- no-strings-attached.
2. New York City -- opposed special New York City assistance; now favors.
3. Enterprise Zones -- supports creation of urban enterprise zones (taxes and regulations to be reduced).

K. LAW ENFORCEMENT AND JUSTICE

1. Gun Control

- o Opposes all proposed restrictions on gun ownership; believes gun control does not deter criminals.
- o Supports Republican Platform position calling for repeal of Gun Control Act of '68.

2. Marijuana

- o Opposes decriminalization.

3. Death Penalty

- o Believes is justified as fair retribution and as deterrent.

4. Judiciary

- o Committed to appoint Supreme Court Justices who respect and reflect values and morals of American majority; committed to appoint a woman.
- o No longer supports Republican Platform provision calling for judges supporting traditional family values and sanctity of unborn; says he will have no litmus test.

5. Civil Rights

- o Has called the '64 Civil Rights Act a "bad piece of legislation"; has now stated that he was opposed to certain features of the law which he felt infringed on Constitutionally-guaranteed rights of citizens. He has recently said it should be strengthened.
- o Opposed Open Housing legislation in California.
- o Opposes any type of codification or legislation protecting homosexual rights (though he did oppose the anti-gay Briggs initiative in California in 1978).
- o Believes First Amendment was written not to protect people and their laws from religious values but to protect those values from government tyranny.
- o Opposes a Constitutional Amendment on D.C. Voting Rights.
- o Opposes the Equal Rights Amendment; supports eliminating discrimination against women through State-by-State statute changes; now states that he supports the concept of equal rights for men and women.

L. GOVERNMENT ETHICS1. Watergate

- o Supports Ford's pardon of Nixon.

2. Election Reform

- o Supports repeal of contribution limits.

- o Sees no legal problems with the independent campaign organizations helping his candidacy.

M. AGRICULTURE

1. Price Supports -- supports ending of government price supports, returning farming to free market. Now has changed - says he supports the program.
2. Parity -- supports 100% parity -- but imposed not through government but through marketplace.
3. Milk Support -- opposes dairy industry subsidies; they just subsidize those who cannot compete in marketplace at expense of those who could bring prices down.
4. Tobacco -- supports assistance programs -- believes they raise prices and thereby discourage smoking.
5. Grain Embargo -- opposes current grain embargo as hurting our farmers more than Soviets (however, on previous occasions, like discovery of Russian brigade in Cuba, he did advocate using the grain weapon).

N. SPECIAL CONSTITUENCIES

1. Blacks

- o Believes Democratic Party philosophy has been to offer handouts (i.e. spending programs) to Blacks in return for their vote.
- o Believes Blacks must be made more economically independent -- economic growth will be best assured this way.
- o Has rejected endorsement of Ku Klux Klan.
- o Believes in "states' rights" -- restoring to states power that properly belongs to them.

2. Elderly

A. Social Security

- o Has previously supported making Social Security voluntary; now denies having done so.
- o Has supported investing Social Security funds in the private sector, much like any other pension program.
- o Supports elimination of earnings test for recipients who work.
- o Committed to appoint a task force of experts to examine the long-range financing problems of the system.

B. Medicare

- o Opposed Medicare as a step toward socialized medicine; now supports.

3. Hispanics

A. Farm Workers

- o has opposed the organizing efforts of farm workers.
- o has opposed applying principles of National Labor Relations Act to farm workers.
- o was supportive of the Braceros program while Governor.

B. Bilingual Education

- o has opposed bilingual education; now favors.



N. SPECIAL CONSTITUENCIES (con't)C. Immigration

- o believes aliens coming from Mexico are a needed safety valve for that country.
- o believes we should make it possible for aliens to come here legally with a work permit and to leave when they want.

D. Cuban Refugees

- o supported massive airlift for Cubans seeking political asylum from Castro.
- o supports bringing Cuban refugees into country, but favors careful screening to eliminate Castro agents.

4. Youth

- o Believes high youth unemployment would be relieved through youth-sub-minimum wage.
- o Opposes decriminalization of marijuana use.
- o Opposed extending voting and majority rights to 13-year-olds.

REAGAN CHARGES AGAINST CARTER

(Domestic)

Attached are brief descriptions of the basic domestic charges Governor Reagan has made against you during the primary.

His basic attacks can be characterized as follows:

1. There has been no strong leadership, no central vision, positions are frequently changing and campaign promises are ignored.
2. Economy has been ruined through high inflation, high unemployment, and a deep recession. Your economic policies have been a disaster, he contends.
3. Government has been allowed to grow, over-regulate, over spend, over-tax, interfere increasingly in people's lives.
4. Energy policies have hindered domestic energy production and not really helped reduce dependence on foreign oil.

In foreign policy he is likely to attack you for:

1. Weakening our defense posture, cancelling the B-1, having a majority of fighting units not ready to fight.
2. Having a vacillating, confusing, weak foreign policy with multiple voices.

REAGAN CHARGES AGAINST CARTER  
(DOMESTIC)

GENERAL

1. Talks as if someone else had been in charge for past 3½ years.
2. Told we must accept a national "malaise".
3. Used excuse that Federal government has grown so big and powerful that it is beyond control of any President.
4. His real failure has been failure of ideas, an inability to break away from failed policies, to move boldly in new directions--rooted in out-of-date philosophy.
5. Have consistently made more proposals for more Federal government.
6. Violated nearly every campaign promise he every made.
7. Has not had a central vision to his policies.
8. Has changed directions without pause or explanation.
9. Has shifted from '76 positions and gone completely with liberal line.
10. Was not a good Governor--did not streamline government.
11. Broken sharply with the views and policies of Truman, Kennedy, and many contemporary leaders of the Democratic Party; dominated by McGovernite wing of the Party.
12. Crisis facing us is not one of failure of American spirit--failure of leaders to establish rational goals.

ECONOMY

1. Allowed this economic situation to occur:
  - o 8 million out of work
  - o inflation at 7.8% for first quarter.
  - o black unemployment at about 14%--highest ever
  - o four straight major deficits
  - o highest interest rates since Civil War--at times reaching 20%
  - o through inflation has raised taxes by 30%--real income increased by only 20%
  - o imposed largest single tax increase in history

2. Had 5 economic programs in 3½ years.
3. Has discovered American workers after 3 years of neglect, misery, unemployment, inflation, high taxes, dwindling earning power, inability to save.
4. Called for increase in unemployment in '80 to fight recession.
5. Said in '76 would bring unemployment and inflation to 3%--unemployment now around 8%, inflation is at 12½%. Broke '76 promise to lower inflation rate and unemployment rate to 4%.
6. Allowed tax burden to reach highest percentage of personal income in our history--115% increase.
7. Has highest percentage today of outmoded industrial plant and equipment of any industrial nation in the world.
8. Allowed savings to fall to lowest level in last 30 years--Japanese worker can save 5 times his earnings as American worker can.
9. Proposed to balance budget by increasing taxes.
10. Fought inflation with recession (also referred to as "Depression").
11. Have been at war with business community.
12. Imposed deliberative policy of squeezing Nation into recession, at expense of workers.
13. Used OPEC as alibi for our economic woes.
14. Economic renewal program is "crazy quilt" of obvious election year promises.
15. Economic policies are "an American tragedy".
16. Changed groundrules indetermining PPI index figures.
17. Cited "family suffering index" which combines "average annual rate of mortgage interest, the rate of price increases in food and gasoline and the unemployment rate"; was 24.2% 4 years ago and is now "an incredible, reconscionable 77%."
18. "Made shambles of economy--tripled inflation rate, doubled interest rate, increased government taxes and spending more than any other President, and produced enormous budget deficits."

GOVERNMENT

1. Has allowed total number of government workers to grow by 63,000.
2. Has been biggest spender there has ever been in the White House.
3. Has not cut Federal spending.
4. Favors further expansion of Federal government.
5. Run a government where \$50 billion is wasted every year.
6. Launched vendetta (by IRS) against independent schools.
7. Has biggest White House staff in history.
8. Done nothing about eliminating waste and fraud in Federal government (which GAO says could be between \$5-\$50 billion).

ENERGY

1. Presided over worst energy shortage in our country's history.
2. Developed energy policies geared toward decreasing demand, regulating markets, lower growth.
3. Proposed energy program which will lead to nationalization of energy industry.
4. Created an Energy Department with a budget as big as total profits of major oil companies.
5. Pursued policies which discourage discovery and production of energy in this country.
6. Broke '76 promise to deregulate natural gas.
7. Claimed figures have been made up to mask decline in energy production (were it not for Alaskan production, domestic oil production would continue to show a steady decline).

AGRICULTURE

1. Increased farm aid but decreased farm income.
2. Pursued agricultural policies which are "unprecedented disasters".
3. Imposed a grain embargo which hurt American farmers more than Soviets; embargo was a grandstand play for votes at farmer's expense.

AUTO INDUSTRY

1. Offered industry only more trade adjustment and more unemployment compensation.
2. Pursued economic and regulatory policies which are to blame for the auto industry's problems.

STEEL INDUSTRY

1. Did not enforce laws that would benefit steel industry; economic renewal program has only "half-hearted measures" to revive industry.
2. Waited until just recently to talk about steel industry's plight and to take actions to help steel industry (many of which Reagan had earlier proposed).

EDUCATION

Reneged on '76 promise to support tuition tax credits.

ENVIRONMENT

1. Pursued regulatory policies which are responsible for steel plant shut-downs in Ohio; "biggest regulator in history."
2. Allowed EPA to overregulate.

REGULATORY REFORM

1. Deregulation occurred only because of Congressional demands.
2. Deregulation accomplishments are only "highly publicized examples of showcase deregulation."

ELDERLY

1. Indifferent to problems of the elderly.
2. Economic policies are a threat to Social Security System.
3. Misrepresented Reagan's views on Social Security.

VETERANS

1. Run most anti-veteran Administration in history.
2. Steadily cut VA budget (and cut health personnel).

REAGAN FLIP-FLOPS

1. ERA - once supported, now opposes.
2. Chrysler assistance - once opposed, now supports.
3. New York City assistance - once opposed, now supports.
4. Olympic boycott - initially opposed, later favored.
5. China-Taiwan - once supported governmental relations with Taiwan, now supports status quo.
6. Social Security - favored making -- or considering making Social Security voluntary, but now apparently does not.
7. Auto Imports - once opposed any type of trade protectionism, but now appears to favor some type of restraints on Japanese imports.
8. Bilingual Education - once opposed bilingual education, now favors.
9. 10-5-3 Depreciation Tax Cut - once supported, now has modified.
10. Gold Standard - has supported return to gold standard in the past, now has dropped it.
11. Department of Education - once called for its abolition, but now appears to have dropped that call.
12. Davis-Bacon - once sought its repeal, now just needs some tightening.
13. Antitrust and Unions - once favored applying antitrust laws to unions, now does not.
14. OSHA - once supported its abolition, now favors only "reform" for OSHA.
15. Clean Air Act - within one day said he favored amending Clean Air Act to weaken it and then later opposed doing that.

REAGAN RECORD AS GOVERNOR

CLAIM vs. REALITY

Reagan has frequently been caught grossly misstating or exaggerating his record as Governor. Several months ago, he was caught by the press, and became somewhat more careful. But he still uses misleading statements about his record, and ignores completely any unfavorable statistics about his 8-year term.

In the debate, he can be expected to repeat his favorite claims about his record. If left rebuttaled, those claims will seem very impressive. While no one recommends that you engage Reagan in an extensive debate over his gubernatorial record, you should not let pass some of the most superficially impressive of his claims before going on to make your positive points.

The following pages compare the most popular of his claims with the actual record, or in some cases the more relevant facts and figures.

The most important points to make are that, despite his claims and promises in California, taxes rose by the largest amount in the State's history (\$20 billion, a nearly 300% increase); the number of State employees grew by 30%; and State spending grew by 126% (highest real growth rate in State's history).



REAGAN'S CALIFORNIA RECORD

CLAIMS

FACTS

1. TAXES

Gave back \$5.7 billion in tax rebates and credits to people in California.

- o Reagan presided over the heaviest tax increases in California's history; tax rates increased for income, sales, inheritance, estate, capital gains, liquor, cigarette and corporate income.
- o Only two rebates occurred, amounting to about \$1 billion; there was other tax relief -- like assistance with local property taxes and assistance to local governments -- but not other rebates or fiscal devices to give money back to taxpayers.
- o Rebates were possible because Reagan raised taxes 3 times (1967, \$1 billion; 1971, \$500 million; 1972, \$1 billion); the first hike was the largest single tax hike in California's history.
- o By end of Reagan's term, State income tax collections had nearly tripled (to \$20 billion).
- o Taxes increased much more rapidly during Reagan's terms than during Pat Brown's terms; per capita tax burden doubled.

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2. SIZE OF GOVERNMENT

Had grown 75% during 8 years prior to his Administration; he presided over virtually no growth in the government, even though California's population was increasing faster than any other State.

- o Reagan's figures ignore half of state employees -- those in higher education and mental health.
- o When they are included, there was a more than 30% increase (158,000 to 203,000); moreover, this growth rate was on a per capita basis greater than it was under Pat Brown, though Brown's annual average was 7,500 new employees to Reagan's 4,200.

- o There was one state employee for every 120 residents when took office and one for every 103 when he left.
- o All of this occurred despite Reagan's initial action of imposing a hiring freeze.

### 3. GOVERNMENT SPENDING

Held down government spending -- faced a budget deficit of \$194 million when he took office and left a budget surplus of \$554 million.

- o Reagan had highest real growth rate in government spending in California's history.
- o State budget went from \$4.6 billion to \$10.4 billion -- 126% increase.
- o State Operation budget -- that part of the budget over which Governor has real control -- grew faster under Reagan than under Pat Brown (41% vs. 32%).
- o projected deficit in '67 was averted by \$1 billion tax increase
- o surplus left in '74 was due to higher income and sales tax rates.

### 4. GOVERNMENT BUREAUCRACY

Growth of bureaucracy was stopped.

- o In addition to the growth in employees, the State government grew by its number of agencies.
- o Reagan's own description of his California accomplishments shows that he created over 30 new state offices, Boards or Councils.
- o That description does not include one Reagan creation -- the California Energy Commission (no doubt because it was criticized for some failings as DOE later was, particularly by Reagan).
- o LA Times said of Reagan's terms: "No significant State program was eliminated".

5. WELFARE REFORM

Reformed welfare program -- caseload went from 40,000 per month increase to 8,000 per month decrease -- saved taxpayers \$2 billion -- increased grants to truly needy by 43%.

- o Reduction in caseload was due not to reforms but to improving economy, smaller welfare families, and 215,000 Medicaid-funded abortions permitted under Reagan's abortion law.
- o Welfare costs actually increased -- tripled during his terms.
- o \$2 billion "savings" is calculated on absurdly high caseload assumptions (by 1984 every resident in State would have been on welfare if assumptions were met); actual savings -- about \$10 million a year.
- o Grants to "truly needy" did increase -- though by about half of Reagan's claim -- because Reagan lost his court suit against Congressionally-mandated cost-of-living increases (he fought the increase for 4 years).

6. AIR POLLUTION

State had toughest anti-smog laws in country when he left office.

- o Tougher laws were passed during his terms, but over his objections; moreover, he did not enforce the laws.
- o League of Conservation Voters: "Reagan was responsible for undermining what could have been the most far reaching air pollution program in the country... Reagan's program was so weak that EPA rejected it on five counts, the main objection being lack of enforcement."

7. ELDERLY

Senior Citizen's Property Tax Assistance Program was enacted to refund portion of local property taxes for the elderly.

- o Reagan opposed the bill, vetoing it once.
- o He finally signed it because it was tied to another tax bill he wanted and because he was able to limit its application.

6. CONSUMERS

Created a Department of Consumer Affairs.

- o Initially gave Department only one staff person for consumer work.
- o Became widely known as Department of Business Affairs.
- o Reagan's own consumer advisor admitted the Department helped business more than consumers.

9. APPOINTMENTS

Appointed great number of public members to sit on regulatory boards and commissions; appointed more minorities than any previous Governor to major positions.

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- o Reagan tended to appoint one token public member to key boards, ensuring they were always out-voted.
  - o Of 3,709 appointments to new state jobs, only 9 went to Blacks.
  - o Of 600 judicial appointments, only 12 were women.

TURNING BACK THE CLOCK - KEY DEMOCRATIC INITIATIVES  
REAGAN CURRENTLY WANTS TO REPEAL OR WEAKEN OR WITHDRAW

1. SALT II (withdraw)
2. Windfall Profits Tax (weaken)
3. Department of Education (repeal - apparently)
4. Department of Energy (repeal - apparently)
5. OSHA (weaken and change its mission)
6. Clean Air Act (weaken)
7. Minimum wage (weaken, through sub-minimum)
8. China Normalization (weaken, in the view of People's Republic of China)
9. ERA (oppose ratification)
10. Humphrey-Hawkins (apparently would not follow it)
11. Welfare and Education programs (weaken by returning them completely to States)

MAJOR REAGAN - BUSH DIFFERENCES

1. ERA - Reagan opposes; Bush supports.
2. Constitutional amendment on abortion - Reagan supports; Bush opposes.
3. Kemp-Roth - Reagan supports; Bush opposes (called it "voodoo economics" which would lead to 30% inflation).
4. Blockade Cuba in response to Soviet invasion of Afghanistan - Reagan supported; Bush opposed.
5. Turning energy companies loose as the solution to our energy problem - Reagan supported; Bush disagreed.

## KEY REAGAN QUOTES

1. Nuclear Arms Race - "The one card that's been missing in these SALT negotiations has been the possibility of an arms race." AP Interview, Oct 1, '80.
2. Nuclear Non-Proliferation - "I just don't think it's (non-proliferation) any of our business." Washington Post, Jan 31, '80.
3. Response to Afghanistan - "One option might well be that we surround the island of Cuba and stop all traffic in and out." NY Times, Jan 29, '80.
4. Sending Troops - While you need not read the quotes directly, you can repeatedly list the countries or areas to which Reagan has said he would send American troops -- Cuba ('80), Cyprus ('76), Ecuador ('75), Lebanon ('76), Middle East ('80), North Korea ('68), Pakistan ('80) and Rhodesia ('76).
5. After disclosure of Russian brigade in Cuba - "If the Russians want to buy wheat from us, I wouldn't sell it to them." LA Times, Sep 30, '79.
6. China - "Yes I will advocate restoring official government status to the Taipei office." LA Times, May 19, '80.
7. Vietnam War - "Was a noble cause." Aug 18, '80.  
  
War and Nuclear Threats - "No one would cheerfully want to use atomic weapons ... But ... the last person in the world who should know we wouldn't use them is the enemy. He should go to bed every night afraid that we might." LA Times, July 3, '67.
8. Minimum wage - "The minimum wage has caused more misery and unemployment than anything since the Great Depression." Wall Street Journal, January 30, '80. (Also see #28).
9. Unemployment Insurance - "Legitimate working men and women are being sacrificed to provide prepaid vacations for a segment of our society which has made this a way of life." April 26, '66.
10. Humphrey-Hawkins - "Carter's approach to unemployment: he's for the Humphrey-Hawkins bill. If ever there was design for fascism that's it. Fascism was really the basis for the New Deal." Time Interview, May 17, '76.
11. Labor Law Reform - "Labor law reform would result in ... a largely unorganized management pitted against an efficient and effective union effort." Las Vegas Sun Interview, June 4, '78.
12. Davis-Bacon - "Davis-Bacon ... a needless burden on local tax-payers, a gift of tax funds to the privileged workers." Jefferson City, Missouri Post Interview, Oct 18, '79.

13. Unions - "I believe that labor union leaders themselves have accumulated power that we should look very closely at whether they should not be bound as business is by the antitrust laws." New York Times, April 23, '80.
14. Evolution - "I have a great many questions about evolution ... And I think the recent discoveries over the years have pointed out great flaws in it." Dallas Times Herald, Aug 23, '80.
15. Religion and Schools - "let's get government out of the classroom and maybe we can get God back in." Rocky Mountain News, June 7, '78.
16. Constitutional Amendments - While you need not repeat the quotes, you can point out that Reagan has indicated support for Constitutional amendments to prohibit abortion, permit school prayer, prohibit busing, and require a balanced budget.
17. '64 Civil Rights Act - "a bad piece of legislation."  
Quoted in The Rise of Ronald Reagan, '68.
18. States' Rights - "I believe in states' rights. Philadelphia, Mississippi, Aug 4, '80.
19. New York City - "As a matter of fact, I have included in my morning and evening prayers every day the prayer the federal government will not bail out New York City." Interview, Oct 8, '75.
20. Urban Aid - "Urban aid programs are one of the biggest phonies that we have in the system and have had for a number of years." Interview, Feb 1, '80.
21. Chrysler Loan - "What's wrong with bankruptcy?" Newsweek, Oct 1, '79.
22. Energy - "What needs to be done is for the government to repeal the energy legislation and then turn the industry loose." LA Times, May 16, '76.
23. Anti-Nuclear Advocates - "I've already spoken about the anti-nuclear power people and the fact that behind the scenes they are being manipulated by forces sympathetic to the Soviet Union." Radio Broadcast, July, '79.
24. National Health Insurance - "I'm opposed to National Health Insurance. There is no health care crisis in America." U.S. News & World Report Interview, March '76.
25. The Unemployed and Welfare Recipients - "... Freeloaders wanting a prepaid vacation plan." San Francisco Chronicle, April 22, '66.
26. Income Tax System - "The entire  $\int$  graduated income tax  $\int$  structure was created by Karl Marx. It has no justification in getting government needed revenue." Interview, Jan 7, '63.
27. Air Pollution - "Has been substantially controlled." October '80.
28. Minimum Wage - "High unemployment is in large part due to the minimum wage" N.Y. Times, January 2, 1980



SUBJECTS OF QUESTIONS IN '76 PRESIDENTIAL DEBATES  
(not including rebuttals)

D E B A T E O N E

(DOMESTIC POLICY)

Carter

Economy  
Economy  
Economy  
Economy  
Reorganization  
Reorganization  
Nuclear Energy  
Energy Conservation  
Tax Reductions  
Tax Reform/Reductions  
Economy - Personnel

Ford

Economy  
Economy  
Vietnam Amnesty  
Vietnam Amnesty  
Economy  
Economy  
Economy  
Economy  
Government Ethics  
Congressional Relations  
Intelligence Charters

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D E B A T E T W O

(FOREIGN POLICY)

Carter

General Review  
General - Personnel  
Decision-Making Process  
Human Rights  
Arab Boycott  
Defense Spending  
Defense Spending  
World Respect of U.S.  
Panama Canal  
Arab Boycott

Ford

Communism Containment  
Soviet Union  
Eastern Europe  
China  
China  
SALT  
SALT  
Human Rights  
Mayaguez  
Vietnam MIA's

D E B A T E     T H R E E

(ALL SUBJECTS)

Carter

Nature of Campaign  
Yugoslavia after Tito  
Staffing of Administration  
Urban Policy  
Constitutional Amendments  
Supreme Court  
Supreme Court Appointments  
Public Opinion Polls

Ford

Prospective on Future  
Economy  
Watergate Connection  
Justice Investigation of Ford  
General Brown of JCS  
Environment  
Blacks  
Gun Control  
Economy  
Economy

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R E A G A N   -   A N D E R S O N   D E B A T E

Reagan

Economy  
Energy  
Military Manpower  
Urban Policy  
Economy  
Church and State

Anderson

Economy  
Energy  
Military Manpower  
Urban Policy  
Economy  
Church and State