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RNC RESEARCH DIVISION  
July 24, 1972

MCGOVERNOMICS

McGovernomics--Its Impact on the Nation

McGovern's Alternative Economic Program is a threat to the future welfare of this nation, and possibly the entire western world. The concern over a McGovern victory which has been expressed in Tel Aviv, and other western capitals, has not been equalled here at home. Why?

Despite what you've heard, the facts are these: McGovern talks clearly on the issues; he's murky on the details.

Newsday  
June 3, 1972

Sloppy figures, obscure programs, and unrealizable promises should, however, not be allowed to overshadow the disastrous consequences McGovern's proposals would have for the American consumer, worker, businessman and investor.

With McGovern's victory in California the Dow Jones industrial average dropped 26 points. As the Christian Science Monitor observed:

Senator George McGovern's sweeping primary victories gave the stock market a bad case of pre-election jitters last week.

June 12, 1972

SOAK THE RICH

The Arizona Republic reported:

McGovern has become an unsettling influence in the market because his nomination as the Democratic standard-bearer this November seems assured and he, frankly, scares investors to death. The feeling on Wall Street is that McGovern's economic platform...Would be a sort of financial plague of the Red Death. One research organization, added up everything from this the savings that he envisions...has made the estimate that--under the best of circumstances--he would end up with a non-stop budget deficit of about \$100 billion a year....

June 10, 1972

McGovern "thinks that his 'soak the rich' (rich being defined as anyone making more than \$10,000 to \$12,000 a year) plan is the cat's meow, and that alone is enough to give Wall Street the shakes."

June 10, 1972

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### VIOLENT INFLATION

Concern is also voiced by the politically independent and widely respected Dr. Pierre A. Rinfret, an economist who worked with Presidents Kennedy, Johnson, and Nixon. Dr. Rinfret also heads the international economic and financial consulting firm Rinfret-Boston Associated, Inc.

"If there is an even chance. . .McGovern will get elected President, sell 50% of your common stock and put the money in a reserve account. . .depending on the way events unfold we might tell them (clients) to get down to zero (common stocks)." McGovern's election would mean "economic stagnation" through a socialist program.

The impact for this nation would be ruinous: "You can't take \$92 billion from the private sector and give it to government and not have (excessive) inflation. You would lower the ability to produce and increase demand," states Rinfret.

McGovern's program, which Rinfret described as "violently inflationary" would further cause American capital to flee the country and European capital to stay out. Rinfret, who has not hesitated to criticize the President, also said the President's stabilization program is working "incredibly well." He listed some of the all time high achievements attained under the Nixon Administration, including 83 million jobs and forecasted that given the opportunity, the Administration would give this country "a major economic boom." A prerequisite he listed was that inflation be held to an annual rate of 3%; inflation was reduced, in fact, to an annual rate of 2.9%.

Boston Herald Traveler  
June 14, 1972

Another stock market expert said:

It's hard to get bullish when you see...McGovern's stock rising. The analyst went on to report he spent the day "doing a little selling."

Seattle Post Intelligencer  
June 10, 1972

### BOARDROOM VIEWS

The most damaging report came from a survey of eight nationally known businessmen and economists whom the Newark Star Ledger said "accurately reflect the views of the business community....The eight were carefully selected. They are widely respected and represent a spectrum of boardroom views from conservative Republican to moderate Democrat." These gentlemen fear McGovern will "damage the capitalist system and weaken the economy," and they used such terms as "naive," "unrealistic," "unsophisticated" and "simplistic" to describe the McGovern program. In short, the program reflects the input of a segment of academicians who have little touch with reality and the step from predictable figures and the blackboard to the world of human beings and reality is indeed a great one.



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Those interviewed were: William Buzick, board chairman, Consolidated Foods Corp.; Eldon Grimm, senior vice president, Walston and Co., a major Wall Street Securities firm; Ben Heineman, president, Northwest Industries; Charles Schultze, economist, Brookings Institution, Washington, and director of the Federal Budget Bureau under Johnson, 1965-68;

Beryl Sprinkel, senior vice president and economist, Harris Bank, Chicago; George Stigler, economics professor, University of Chicago and current president of the respected American Economics Association; Allen Stults, board chairman, American National Bank, Chicago, and current president of the American Banker's Association, and John Swearingen, board chairman, Standard Oil Company (Indiana).

Beryl Sprinkel

The Newark Star--Ledger reported:

Bank economist Sprinkel spoke for several when he said:  
"I'm not excited about...McGovern...The proposals, (McGovern's) if they became law would slow economic growth, reduce investments, reduce incentives to save, reduce incentive to produce (because you know they're going to take it away in taxes anyway so you may as well sit in the sun and take it a little easier) and ultimately reduce even more the effect of market place decisions on how we allocate resources.

"Ultimately, I think it would lead to more inflation because I would expect more spending at the federal level and we're always reluctant to raise taxes because we like the goodies but we don't like the cost.

"The methods he'd use (to accomplish his goals) threaten to kill the goose that lays the golden egg. The only way you can do these things (he proposes) is have a healthy, growing economy, which I don't think we would have under his system."

These proposals add up to a "dis-incentive system," says Sprinkel, and Buzick and Stults agreed with the description. Sprinkel also said: "This (McGovern's program) is just more evidence of low confidence in the market place; high confidence in government bureaucrats. I don't share that confidence."

Newark Star-Ledger  
June 25, 1972

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George Stigler and Ben Heineman

It is clear why Americans reject the McGovern program. They are tired of big government and the threat of even less freedom. As the University of Chicago's Stigler says, McGovern's plans are: "Paternalistic and collectivistic." Even Heineman, who describes himself a "devoted Democrat," says McGovern is "distrustful, skeptical and unfamiliar with big business activities." (Newark Star-Ledger, June 25, 1972)

WEAKENED ECONOMY

The Chicago Daily News, in its report with the, heretofore, mentioned economists and businessmen, presented an equally gloomy picture. William Buzick asserted that McGovern in the White House, and with a Congress friendly to him, would be "inclined to make laws contrary to the best interests" of the U.S. economy. He believes that "four years of a Democratic Administration imposed at this time would weaken the basic structure of our economy."

John Swearingen

An even more disturbing view came from Swearingen: "I think there's a possibility of a recession or a depression if he's elected President." Even if Congress were to exert moderation, he said business would "pull back on spending plans" out of fear, or uncertainty, over McGovern. The board chairman of Standard Oil(Ind.) went on to say: "I think he would have a great deleterious effect. A number of his proposals have far-reaching implications that, in my opinion, have not been thought through. To have a man of that kind sitting at the head of the government of the United States with the red button at his fingertips! I have no confidence in him. I don't think George McGovern is a straight thinker."

Allan Stults

The importance of these statements should not be underestimated. Business Outlook (June 24, 1972) stated e.g., that the difference between the McGovern program and the Nixon program was not that much. However, as Allan Stults, board chairman, American National Bank, pointed out:

"The difference in performance....If you were able to say what the gross national product would be after four years, what the budget deficit or surplus and all the indicies would be, I think they wouldn't be tremendously different. Maybe, hypothetically, 5%....But 5% is terribly important and it is a cumulative thing year after year.

"Compounding unsound fiscal policy and monetary policies, even though they are only relatively slightly bad, can have a terrible cumulative effect.

"...There is no question in my mind that McGovern's thought processes, in economics are not the ones that will lead us to the best life over the long range."



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Ben Heineman

Heineman, the "devoted Democrat" who is "friendly" with McGovern for years says: "I'm not at all convinced McGovern is the guy to provide it (new leadership)....As a businessman and as an individual I regard some of his proposals as a significant problem."

Chicago Daily News  
June 22, 1972

DEPRESSION?

Michael K. Evans

Another challenge to the McGovern program came from one of the nation's leading mathematical economists, Michael K. Evans, president of Chase Econometrics, a subsidiary of the Chase Manhattan Bank. His analysis, he stated, was meant to be economic and not political. Thus Evans did a computer analysis of the McGovern program, simulating future business conditions and giving McGovern every benefit of the doubt. e.g., he considered the restraints Congress would be likely to impose; such things as a \$13 billion cut in defense, rather than McGovern's proposed \$32 billion. Evans' conclusions were that McGovern's programs would likely lead to a recession and an unemployment rate of 7%. (Washington Star, July 5, 1972)

DEMOCRATS

Concern about the McGovern program is also evident among Democratic leaders, some of whom are supporters of McGovern, but whose first responsibility must be to their constituents. Senator William Proxmire called McGovern's economic program "a serious liability, his Achilles heel." (Press Release, May 20, 1972) Proxmire, a McGovern supporter and clearly no friend to the Administration, also said: "I think this (McGovern's program) is going too far...I think our whole system of rewarding people for unusual effort and unusual work would be reduced with that kind of drastic modification."

Proxmire also contended that McGovern's proposals to raise the corporation income tax from 48% to 52% and eliminate investment tax credits would hinder expansion programs that would encourage efficiency and further automation of American industry. He continued:

"Because of my disagreement with him, it would be difficult to go out and campaign for him...I would have to say I think he is absolutely wrong. That could be tough on George."

Milwaukee Journal  
May 21, 1972

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### MIDDLE INCOME

The average American family would suffer greatly under a McGovern Administration. As Senator Humphrey has pointed out:

Those with incomes under \$8,000 would get some help (from McGovern's wealth re-distribution program), but when you start to raise the taxes of those getting \$8,000 to \$20,000 a year, I do not believe that's what you call tax reform...When you start socking it to them, that's middle income;" i.e., 67.6% of U.S. households would suffer.

Washington Post  
May 21, 1972

In Maine, fellow Democrat Peter Kyros said:

If George McGovern gets his way, the Boston and Philadelphia Navy Yards would be closed down almost immediately...there would be almost no new ship building...

Boston Herald Traveler  
April 19, 1972

### CONCLUSION

Considering the high unemployment which would result on the east, and the west coast, because of the McGovern proposals, and McGovern's poor voting record for working families, his at best ambiguous and dubious conversion program, it is not difficult to perceive of the depression which could result.

While no nation's prosperity should be based on a wartime economy, McGovern's rhetoric is overly simplistic and his programs are a threat to the future welfare of this nation. The Nixon Administration has given "deeds and not rhetoric", actions and not words. With the de-escalation of the Vietnam war, the cut-back in defense-related and technological developing industries, e.g., the SST, and the influx of Vietnam veterans into the economy, as well as the inflationary situation the Nixon Administration inherited from its Democratic predecessor, President Nixon was given the worst of every possible problem. His bold policies have, however, restored confidence to the economy. With 83 million jobs this country has more people at work than ever before. In less than one year, total civilian employment increased by 2.4 million. This kind of economic recovery, based on past experience, should have eliminated the unemployment problem. However, the changing patterns in the labor force e.g., through the baby boom, women's liberation, etc., indicate that it could take a generation before "full" employment, as it is defined today, will be attained. Although the question of unemployment is still a prime concern, in June the unemployment rate registered its largest monthly drop in more than seven years.

In the area of inflation, the Nixon Administration has cut the figure almost in half of what it was under the Democrats. During the first seven months of the wage-price control program, inflation fell to an annual rate of 2.9%. The Actual Cost of Living Index (grocery store food prices) shows that inflation has slowed to 3.5% for the last year.



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But the most important accomplishment of the Nixon Administration is one which benefits every American consumer even more acutely, i.e., real income (after inflation) has increased by 5%, as compared to a one percent average for the 1960's and no increase during 1966-68. The performance of the Nixon Administration clearly stands on its own merit, but given the Democrats' alternative and "pie in the sky" promises, the American consumer, worker, businessman, and investor can really make but one choice. As George McGovern has said, "the American people want economic policies that work more than once every four years." (AP, June 30, 1972)

The Nixon Administration's antitrust program has kept a free and open access to markets and it has ensured that competition will remain the cornerstone of our economic domestic policy. This competition will spur productivity, research, and development, and it will give equality of business and opportunity. Thus both American industry and its labor force have benefited, but perhaps more importantly, as consumers we shall all benefit from these policies.

AGRICULTURE

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

"We support the farm workers' movement and the use of boycotts as a non-violent and potent weapon for gaining collective bargaining recognition and contracts for agricultural workers."

"We also affirm the right of farm workers to organize free of repressive anti-labor legislation, both state and federal."

"We...call upon all friends and supporters of this (United Farm Workers) movement to refrain from buying or eating non-union lettuce."

1969 - H.R. 13270/Metcalf Amendment

A bill which would have limited offset of farm losses against non-farm income to \$15,000. McGovern was among the 39 who voted in favor of this defeated bill.

McGovern voted for the \$20,000 payment limitation which was approved 40-35. He voted against the increase in Farmers Home Real Estate Loan funds which too was approved 53-24.

Agriculture Act of 1970

McGovern voted for the Montoya Amendment to set producer payment on corn at 77 per cent of parity instead of \$1.35 in the House Bill.

Agriculture Appropriations for 1972

McGovern voted for the Taft Amendment which would have made it harder to avoid (not evade) the \$55,000 limitation. This act too was defeated.

On July 29, 1971, McGovern was absent on vote to increase Federal share of meat poultry inspection from 50 to 80 per cent of the cost.

Under the Nixon Administration:

Government has expanded the Farmers Home Administration to such an extent that at least 125,000 housing units will be financed during the current fiscal year, as a result of the record setting \$1.6 billion 1972 allocation for this purpose.

Revenue sharing for rural areas will much improve the individual farmers plight... \$1.1 billion for rural development is to be provided by the Special Revenue Sharing Plan.

When the Nixon Administration took office, agricultural exports were on their second straight year of decline, falling to \$5.7 billion. Last year an all-time record of \$7.8 billion was set, and farm exports are currently running 16% above 1970's levels, this year surpassing \$7.4 billion.

The Nixon Administration achieved a record total of barter exports of \$575 million in 1970 -- up about \$235 million from 1969.

The Agricultural Stabilization and Conservation Service is making more loans of lower rates to farmers so they can provide their own storage facilities. In February alone, ASCS made 184 loans representing about 1.2 billion bushels of storage capacity. A total of 96,022 loans were outstanding as of February 28th.



AGRICULTURE (Continued)

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

Commentary on the Family Farm Bill/  
H.R. 10365 -- Senator McGovern said:

"The Family Farm Income Act has a highly sounding but deceptive name. The Legislative Committee of the South Dakota Stock Growers are definitely in favor of family farms and ranches. But we want no socialistic regulatory venture to be foisted upon the farmers and ranchers of this country in the name of maintaining family sized farms or ranches."

South Dakota Stock Growers  
Assn. Newsletter  
5-4-60

McGovern has attended one Agriculture Committee session out of approximately 20 in 1972. At that session he voted for Smith-Melcher bill to increase feed grain loan rate 25 per cent and create a strategic grain reserve. The bill was defeated 4 to 10.

The Nixon Administration has helped farm income prospects reach a record high in 1972. The per capita disposable income of farm residents during the Johnson-Kennedy Administrations was only 68 per cent of the average of non-farm people; this will be raised to 75 per cent under the 4 years of the Nixon Administration.

Many tangible benefits have resulted from President Nixon's great diplomatic initiatives and his historic trip to Moscow this past spring. Among these benefits directly felt by U.S. farmers is the agreement for the massive sale over the next three years of at least \$750 million of grain; which provides strong underpinning for U.S. grain producers at a time when we have a large carry-over resulting from the bumper crops of 1971. These sales will cut into that carry-over substantially and supply a new element of stability for U.S. markets.

This agreement provides a major boost in our exports of these grains -- some 17 per cent over the coming three years as compared with the past three years.

POW'S

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

"We must insist that any resolution of the war include the return of all prisoners..."

"All U.S. military action in Southeast Asia will cease. After the end of U.S. direct combat participation, military aid to the Saigon government, and elsewhere in Indochina, will be terminated."

McGovern said that if elected he would "Stop the bombers from flying" and "withdraw every American soldier from Southeast Asia - lock, stock and barrel"

Philadelphia Inquirer  
4-16-72

"I would work out a formula for the release of our prisoners, for the withdrawal of our forces and for the end of all American military operations... all of those accomplishments within less than 90 days 'time.'"

UPI  
4-6-72

"....I am convinced that we will someday rue the phrase 'negotiate from strength' as one of the most damaging and costly cliches in the American vocabulary."

Congressional Record  
2-4-72

McGovern promised families of POW's that he'd "retain the military capability in the region (Thailand)...to signal and fulfill our firm determination on the issue (POW's)."

7-11-72

Later he qualified this saying he had made no change in policy. Thailand is not part of Indochina.

7/12/72

"Once prisoners of war are released, and once the internationally supervised ceasefire has begun, we will stop all acts of force throughout Indochina.

"At that time we will proceed with a complete withdrawal of all American forces from Vietnam within four months."

"To the people of South Vietnam: You shall continue to have our firm support in your resistance against aggression. It is your spirit that will determine the outcome of the battle. It is your will that will shape the future of your country."



AMNESTY

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

"To those who, for reasons of conscience, refused to serve in this war and were prosecuted or sought refuge abroad, we state our firm intention to declare amnesty, on an appropriate basis, when the fighting has ceased and our troops and prisoners of war have returned."

"There should be a general amnesty for conscientious objectors to the war and those who planned and executed the war."

Honolulu Star Bulletin  
9-21-71

McGovern has recently qualified the above statement --

"I favor granting general amnesty, but not until after the war is over and the prisoners are returned."

New York Daily News  
5-8-72

McGovern advocates, "Amnesty to be granted to those who, on the basis of conscience, have refused to participate in the Vietnam tragedy. Applicable to all men now serving jail sentence for refusing induction as well as thousands of young men who have crossed the borders of the United States to avoid fighting in what we know to be an immoral war. This principle, as it was applied by President Lincoln following the Civil War, should stand just as true today."

Campaign Brochure  
McGovern on the Issues

"As long as there are Americans who chose to serve their country rather than desert their country, and it was a hard choice, and they are there in Vietnam, there will be no amnesty for those who deserted their country. As long as there are any POW's held by the North Vietnamese, there will be no amnesty for those who deserted their country."

"I don't say this because I am hard-hearted. I say this because it is the only right thing to do. Two and a half million young Americans had to make the choice when they went to serve in Vietnam...I imagine most of those young Americans when they went out there did so with some reluctance, but they chose to serve. Of those that chose to serve, thousands of them died for their choice, and until this war is over, and until we get the POW's back, those who chose to desert their country, a few hundred, they can live with their choice. That is my attitude.....

Amnesty, of course, is always the prerogative of the Chief Executive. I, for one, would be very liberal with regard to amnesty, but not while there are Americans in Vietnam fighting to serve their country and defend their country and not when POW's are held by North Vietnam. After that we will consider it, but it would have to be on the basis of their paying the price, of course, that anyone should pay for violating the law."

Dan Rather interview of  
The President  
2-2-72

REDUCTION OF TROOP LEVELS IN EUROPE

DEMOCRATIC PLATFORM

"Reduce U.S. troop levels in Europe in close consultation with our allies is a part of a program to adjust NATO to changed conditions. What is essential in our relations with the other NATO nations is not a particular troop level, but our continued commitment to collective defense."

SENATOR MCGOVERN

"Bilateral treaties, such as ANZUS (the United States' treaty with Australia and New Zealand) are relics of an outdated cold-war thinking. As such they should be abandoned."

Christian Science  
Monitor  
6-12-72

"The country is diverting two out of three operating dollars in the U.S. Budget to military purpose -- to the works of death rather than the works of life."

"If President Nixon would, as I propose, end the war, cut our troops in Europe by at least half, reduce overall military spending by at least a third, he could then start investing that money in what the nation so desperately needs."

Speech, Dartmouth College  
UPI  
10-11-71

PRESIDENT NIXON

An increase of \$300 million for military assistance to our allies reflects the Administration's hope for an increased role to be played by America's allies.

NATO partners have increased their financial contributions to forces of the NATO alliance by \$2 billion in the last two years.

The fiscal 1968 budget of \$179 billion devoted 45 per cent to defense and 32 per cent to human resources. The priorities have now been reversed: 1973's priorities are 45 per cent for human resources and 32 per cent for defense. The allocation for the Department of Health, Education, and Welfare (\$79.0 billion) alone for the first time exceeds that for the Department of Defense (\$75.9 billion).

The President supports agreement with Warsaw Pact nations for a mutual and balanced reduction of military forces in Europe.



DRAFT

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

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"We urge the aboliton of the draft."

McGovern favors:

"Elimination of the draft, and the establishment of an all-volunteer army."

With consideration for:

"A back-up lottery, for use only in case of national emergency."

"We unanimously believe that the nation's interests will better be served by an all-volunteer force, supported by an effective stand-by draft, than by a mixed force of volunteers and conscripts;...We have satisfied ourselves that a volunteer force will not jeopardize national security, and we believe it will have a beneficial effect on the military as well as the rest of our society."

November, 1969

## MIDEAST

### DEMOCRATIC PLATFORM

"The United States must be unequivocally committed to support of Israel's right to exist within secure and defensible boundaries... Make and carry out a firm, long-term public commitment to provide Israel with aircraft and other military equipment in the quantity and sophistication she needs to preserve her deterrent strength in the face of Soviet arming of Arab threats of renewed war."

### SENATOR MCGOVERN

1957 McGovern was one of only 61 members of Congress to vote against a military/economic program to help counteract communism in the Mideast.

In 1970, McGovern said the U.S. should sell aircraft to Israel, but only after expressing "its (the U.S.'s) will that the aircraft sold to Israel should not be used for incursions" across the Suez. He said that would show the U.S. was seeking "some restraint on the part of Israel."

"...Israel must be prepared to yield much of the territory gained in that (1967) war."

Quotations from  
Congressional Record  
7-20170

### PRESIDENT NIXON

"...we will not allow the balance, the military balance, in the Mideast to be shifted."  
"...we have made a commitment in principle."

#### A Conversation with the President

In the four years of this Administration, Israel has received more total aid than in the previous 19 years (1949-1968), thereby fulfilling the President's commitment to the maintenance of the balance of power in the Mideast.

## INDIANS

"Allocation of federal surplus lands to American Indians on a first priority basis."

McGovern called the treatment of the Sioux Indians in South Dakota "one of the greatest sources of personal embarrassment to me."

Washington Post  
5-23-72

McGovern admitted being "embarrassed" about not doing more for American Indians.

Boston Globe  
3-3-72

"President Nixon...endorsed legislation which would restore 48,000 acres of sacred lands to the Taos Pueblo people...The President restored to the Yakima Tribe 21,000 acres of land unjustly withheld from them since 1907... President Nixon asked Congress to approve a settlement of Alaska land claims which would confirm native title to 40,000,000 acres of land. This legislation would also compensate the Indians for the 320,000,000 acres in claims which they had previously given up with \$42,500,000 in cash and a \$500,000,000 share in future revenues."



TAX REFORM

DEMOCRATIC PLATFORM

"Tax reform directed toward equitable distribution of income wealth and fair sharing of the cost of government."

"The next Democratic administration must end the present welfare system and replace it with an income security program which places cash assistance... adding up to an earned income approach to ensure each family an income substantially more than the poverty level....

H.R.I....should be defeated. It perpetuates the coercion of forced labor requirements."

SENATOR MCGOVERN

"McGovern's basic idea is to replace the present inefficient bureaucratic welfare programs with direct federal "grants" for everyone, from billionaires to newborn ghetto babies..."

Actually, millions of people would never see the money; the grants would be only phantom figures on their tax statements - at first, the Senator set the grants at \$1,000 per person per year, but only the very poor would get that much. The grants would be taxed, and taxpayers would lose their present \$750 personal exemptions, with the result that most people would have at least part of their \$1,000 grant eaten-up by higher taxes. After this complex tax juggling, McGovern's initial estimates were that a family of four with an income of \$8,000 would collect \$2,000....a family with a \$12,000 income would collect nothing. Families earning more than \$12,000 would suffer progressively more severe tax increases."

Time  
6-26-72

PRESIDENT NIXON

"Reform of our Federal income tax system is long overdue. Special preferences in the law permit far too many Americans to pay less than their fair share of taxes. Too many other Americans bear too much of the tax burden....we must redirect our tax policy to make it more conducive to stable economic growth and responsive to urgent social needs."

Message to Congress  
4-21-69

"So let us place a floor under the income of every family with children in America - and without those demeaning, soul-stifling affronts to human dignity that so blight the lives of welfare children today. But let us also establish an effective work incentive and effective work requirement."

Message to Congress  
1-25-71

TAX REFORM

DEMOCRATIC PLATFORM

"We endorse as a minimum step the Mills-Mansfield Tax Policy Review of 1972, which would repeal virtually all tax preferences in the existing law over the period 1974 - 1976, as a means of compelling a systematic review of their value....the most unjustified of the tax loopholes should be closed immediately."

SENATOR MCGOVERN

"...he (McGovern) was reported to have told a group of Democratic governors that he would be willing to take...the tax reform package being promoted...by Wilbur Mills."

"Under the Mills plan, some fifty-four of the better known tax 'loopholes' would be repealed. This would include such items as deductions for mortgage interest, local property taxes, charity, state and local taxes and depletion allowances, as well as the tax and local government bonds.

Sunday Star  
6-11-72

PRESIDENT NIXON

"Much concern has been expressed, because some citizens with incomes of more than \$200,000 pay no Federal income taxes. These people are neither tax dodgers nor tax cheaters. Many of them pay no taxes because they make large donations which every taxpayer is authorized by existing laws to deduct from his income in figuring his tax bill.

But where we can prevent it by law, we must not permit our wealthiest citizens to be 100% successful at tax avoidance."



## ELECTORAL REFORM

### DEMOCRATIC PLATFORM

"We favor a constitutional change to abolish the electoral college and to give every voter a direct and equal voice in presidential elections. The amendment should provide for a runoff election, if no candidate received more than 40 per cent of the vote."

### SENATOR MCGOVERN

(We have no recorded comments by the Senator on electoral reform.)

### PRESIDENT NIXON

"I have, in the past, supported the proportional plans of electoral reform...But I am not wedded to the details of this plan or any other specific plan. I will support any plan that moves forward the following objectives: first, the abolition of individual electors; second, allocation to presidential candidates of the electoral vote...in a manner that may more closely approximate the popular vote...; third, making a 40 percent electoral plurality sufficient to choose a President.

2-20-69

## HEALTH

"Establish a system of universal national health insurance which covers all Americans with a comprehensive set of benefits... The program should be federally financed and federally administered."

"There would also be a comprehensive plan of medical insurance financed separately by an increase in payroll taxes...."

Time  
6-26-72

President Nixon's National Health Strategy is designed to provide adequate medical care for all of America's citizens...during the first two years of the Nixon Administration, the federal share of total public and private health care expenditures was doubled over the amount allocated during the previous Administration.

The National Health Insurance Partnership Plan proposed by the President would make adequate insurance protection available to all Americans at a cost they can afford while permitting them to choose the kind of care they prefer.

This plan would not throw out the present system entirely, but would build on the present system's considerable strengths.

The platform states that "We oppose national compulsory health insurance. Such a plan would as much as triple the amount the average citizen pays for health in federal taxes and deny families the right to choose the kind of care they prefer. Its overall effect would be to lessen the overall quality of health care.

BUSING

DEMOCRATIC PLATFORM

SENATOR MCGOVERN

PRESIDENT NIXON

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"Transportation of students is another tool to accomplish desegregation."

"Busing is a diversionary issue."

AP 3-16-72

"Without busing as a tool, desegregation will probably stop dead in its tracks."

Time 5-8-72

"I sympathize with the inconvenience it causes to both the student and the parent if they happen to be one of that very small percentage that is involved with changing schools."

Philadelphia Inquirer  
4-16-72

"All too often the result has been a classic case of the remedy for one evil creating another evil."

In this case, a remedy for the historic evil of racial discrimination has often created a new evil of disrupting communities and imposing hardships on children -- who are themselves innocent of the wrongs that the plan seeks to set right."

Busing Moratorium Act