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## A DEBATE:

The second in a series of exchanges on Presidential campaign issues between William L. Safire, Special Assistant to the President (left), and Frank Mankiewicz, National Coordinator for the McGovern campaign (right). Today, they discuss economics—including tax policy, wage and price controls and unemployment.



### Mr. Mankiewicz:

## Mr. Nixon's Concern for the Wealthy and Powerful...

If the American economy were a football team, and Mr. Nixon were the coach, no president would ever call *him* in the locker room. And if he were the quarterback (another of his favorite metaphors) he couldn't make the taxi squad.

As Senator McGovern pointed out Friday night, the Nixon years have given us the highest unemployment in a decade, the highest inflation rates in two decades, the highest budget deficits in three decades, the first dollar devaluation in four decades, and the first deficit in the century.

With an unemployment rate of nearly 6% (over 6%, if 1960 methods of computation are used), more than two million jobholders are out of work who were working when Mr. Nixon was sworn in, promising five million new jobs.

Inflation is under control, but only at the Bureau of Labor Statistics, which is also under control. At the supermarket, prices continue to climb, and the rate is headed up again. Your 1969 dollar is now worth 82 cents, and falling.

The ad men who run the White House had some bumper stickers printed last year which read: "Support the New Prosperity," on the theory, apparently, that when a recession is on, nothing helps so much as a good laugh. Now Dr. Stein and his colleagues talk every month about the booming economy and the great recovery. But no credit can be due an administration for a halting recovery from trouble of its own making.

This is an administration which always comes down on the side of the wealthy and the powerful whenever economic options are presented (and sometimes, if the campaign contribution is large enough, when they are not). Thus, as Republican doctrine always has it, unemployment had to be created in order to check inflation, while the cause of the inflation—excessive war and defense spending—remained unchecked.

If Mr. Nixon can give us unemployment, inflation, trade deficits and devaluation—in wartime, think what he can do if peace should break out.

Senator McGovern has told the people what he would do. He is committed to a full employment economy. Not full employment at 5% unemployment, not full employment at 4½% unemployment, but full employment at a level where there is a productive job for every man and woman who is able to work. Mr. Nixon talks a lot about the "work ethic" and the "welfare ethic," but he has added 6 million people to the welfare rolls in three years. Those are welfare cases in the ordi-

nary sense of the word; if you add Lockheed and ITT and others existing on "government handouts," then the number is much higher.

There is work to be done. We are short 20 million housing units. There is hardly a city in America which does not need a new transit system. Unless Mr. Nixon, in one of his publicized fits of pique at congressional spending (it cut his budget this year) refuses to spend the money, there is now more than \$20 billion available over the next seven years to assist local governments in building sewage treatment plants and clean water systems.

As long as the Nixon economy continues, dominated as it is by tax favoritism to big business and special favors to campaign contributors, and assigning two tax dollars out of three to war and defense, we will continue on an unemployment-inflation-deficit-trade imbalance-devaluation cycle. There is more labor—more workers—in one billion dollars spent for mass transit than there is in the same money spent for missiles.

"Reordering our priorities" is a real issue, and cannot be accomplished by fake book-keeping, as the Nixon people have tried. But if it is accomplished—if we move, as Senator McGovern has urged, from the works of death to the works of life, and if we reform our tax system so that wage and salary earners pay no more than investors and those

who bet on the price of grain (with a fixed game, as it turned out), then we can have prosperity, and fair taxes, and stable prices and a sound dollar. All those old-fashioned Republican virtues.

A word about taxes. Mr. Nixon has not told us his plans. But he has told others. And if Joe Alsop is to be right about *anything* this year, Mr. Nixon's re-election will see the imposition of a Value Added Tax, pronounced VAT—and what it is, is a national sales tax. That—the most regressive tax of all—is the Nixon idea of reform. "Money earned by money," says Senator McGovern, "should be taxed at the same rate as money earned by men." To which Mr. Nixon seems to answer, "If money earned by men can be taxed enough, in enough new ways, money earned by money may not have to be taxed at all."

There are some specific Nixon tax proposals which have surfaced. Down at the Connally ranch, there was some heady talk about raising the oil depletion allowance, and some fancy Treasury studies have leaked suggesting that capital gains will get better treatment in the next four years, if Mr. Nixon is re-elected. With the Pentagon budget rising, Mr. Connally nearby, and some contributors to the \$10 million secret fund still unsatisfied, that should be quite a quadrennium.

### Mr. Safire Replies:

Frank Mankiewicz, Larry O'Brien and other respected political professionals are being held captive, bound and gagged at the bottom of a mine shaft, as a sluggish computer programs McGovern's campaign.

In the printout above, purporting to come from Mankiewicz, the computer takes a swipe at the Bureau of Labor Statistics as being "under control," their figures presumably favoring the Nixon campaign.

Only last Friday, the consumer price index for September was released by a nail nibbling but hardy band of statisticians at BLS showing prices going up too much—probably just one month's aberration, but bad news for our side and an exploitable, pre-election break for McGovern. Certainly proof that the BLS figures are honest.

Did McGovern, with television time for an economic speech purchased for that very night, toss his two-day-old video tape in the ash can and come before live cameras with

what he could have claimed to be "proof" of his economic case?

Fat chance of that. His computer is not programmed to react to this week's news, or to permit the candidate to appear without editing or re-takes. By taking no chances, maybe the computer thinks it is protecting a McGovern lead.

On rolls the tape; programmed to declare that the BLS could not be trusted, the computer will pour cold water on BLS figures that could be McGovern campaign ammunition. If he were to win the election, the computer would inexorably crank out his preplanned concession.

McGovern's computer proves: (1) If you cannot find the dial in a campaign, you could not fine tune an economy (2) It is not necessary to be muscular to be muscle bound.

Frank? Larry? Are you OK down there? Only two weeks to go—we'll get a life-line to you.