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RONALD REAGAN

SPEAKS OUT ON

THE ISSUES

RONALD REAGAN SPEAKS OUT ON THE ISSUES

The following Policy Statements are published to provide a brief statement of Ronald Reagan's position on critical current issues. They are organized into five general categories:

- A. Economy
- B. Energy, Environment & Resources
- C. Government
- D. Social Policy
- E. National Security & Foreign Policy

The Statements are pre-punched for enclosure in a loose-leaf notebook and an index is provided for easy reference. Additional issue papers and revisions will be published as necessary. The index will be up-dated periodically.

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America's agricultural exports provide an important balance of payments offset for our oil imports, and a critical source of income for our farmers. As President, I would become actively involved in helping our farmers seek new and expanded overseas markets. In my meetings with other heads of state I would be a strong advocate for the sale of our commodities in foreign countries, giving these trade questions the kind of direct personal presidential thrust they deserve.

I also would encourage commodity groups across the country to learn from the excellent example of Iowa's corn and soybean growers and establish a check-off system to support vigorous private market development programs overseas. These programs are a tribute to the competitive edge of our free economy and would receive my strong endorsement and cooperation.

Finally, I would demand that the U. S. be treated with the same fairness in international trade that we extend to other nations. We should not stand by idly while foreign governments heavily subsidize their farmers for the purpose of undercutting our products in the market place.

The American farmer has made our country the envy of every other nation in the world, and the provider--directly or indirectly--for nearly all the world's people. The productivity of American agriculture exceeds that of most other U.S. industries, and, despite double-digit inflation, Americans spend about one-fourth less of their budget on food now than they did three decades ago.

Yet this "modern miracle" is being threatened by short-sighted government policies which have caused net farm income to fall 14% in the past three years, and are expected to cause an additional 19% drop in net farm income in 1980.

To restore health to our agricultural economy, we must reduce inflation, which hits the farmer particularly hard; ensure adequate energy supplies; eliminate overly burdensome regulations; and vigorously support farm exports. As President, I would place in the Department of Agriculture people who recognize that local farmers know more about their own needs than does Washington, in order to help ensure that these goals are fulfilled.

#

Presently, there are three proposals before Congress which would prohibit mergers by companies having assets greater than a specified limit. The rationale behind these proposals is that government should not condone monopolistic or anti-competitive business behavior. I agree with that basic principle and, as President, I would vigorously enforce our sound and effective antitrust laws that are needed to preserve competition.

However, the proposals currently before Congress do not make economic sense and are potentially harmful. Since the asset limitations are purely arbitrary, they would prohibit some mergers which would have no anti-competitive effect. In so doing, they could reduce the ability of U.S. companies to compete with foreign firms, thereby endangering American workers' jobs. Often a merger is the only viable alternative for companies in financial difficulties, to provide the necessary capital base and to protect employees' jobs.

When government regulation, such as that typified by the current antitrust proposals, is arbitrary, unnecessary and economically unsound, it must be opposed. New laws in this field should be adopted only if they are proven to be necessary and serve the purpose of strengthening our economy.

I support a requirement that the federal government balance its budget except where temporary periods of war or national emergency require otherwise. My preference is that the balanced budget requirement be implemented legislatively, but if it is necessary, I would support a constitutional amendment to that effect.

Balancing the federal budget is essential. The growing federal deficit -- it will be \$3 billion greater in 1980 than in 1979 -- is one of the prime causes of inflation, because it encourages increases in the money supply beyond the economy's increase in productivity.

However, we must ensure that the federal government does not balance the budget on the backs of the taxpayers by increasing already excessively high tax rates. Taxpayers already are losing too much of their incomes to the federal government. Moreover, higher tax rates would further reduce productivity, only worsening inflation. Balancing the budget and controlling inflation must be achieved by placing strict limits on federal spending.

The federal Davis-Bacon Act requires that all construction projects involving any federal funds must pay workers what are called "prevailing wages," which almost invariably means the highest union wages in an area. An "area" may cover a large territory and extend from a high-wage central city far into lower-wage rural areas. Thus, in the lower-wage areas, local governments are forced to pay exorbitant personnel costs on construction jobs, such as schools and hospitals, which are financed in part from federal funds. This needless burden on local taxpayers amounts to as much as \$3 billion per year, according to the General Accounting office.

Moreover, the Davis-Bacon Act poses particular problems in large metropolitan areas when volunteer and neighborhood groups attempt to restore and upgrade substandard housing. These groups, which often want to provide jobs for minority workers, find themselves unable to pay the wages mandated by Washington.

For these reasons, I think the Davis-Bacon Act has outlived any usefulness it once may have had, and should be repealed.

Federal chartering of corporations has been proposed to give the federal government power to remedy abuses by some corporations, especially the few instances of bribery by American corporations overseas.

The chartering of corporations has historically been the responsibility of our state governments, which are capable of handling such problems as may require correction. The federal government should not be given the power to tell America's businesses how to organize, how and whom to choose for directors, what salaries they should pay, how much profit they should earn, what they should do with it, which social causes they should support and oppose, which countries they should be allowed to operate in, and which countries they should boycott. Virtually all of these controls are irrelevant to the problems that federal chartering is supposed to remedy, and are another example of controls more appropriately applied, if ever, by the states.

Instead, if there is a problem requiring federal action, then we should enact a specific measure aimed directly at that problem. But using sporadic instances of abuse to justify wholesale federal control over corporations is both dishonest and dangerous.

Federal allocation of credit would increase uncertainty in economic affairs, reducing economic efficiency and thereby lowering productivity, destroying jobs, and raising prices. In fact, credit controls would undoubtedly function just as inefficiently as did the federal gasoline allocation controls which produced long gasoline lines last spring. Such controls would harm small businesses the most, because their size makes them most vulnerable to abrupt changes in economic policy.

Instead of allocating credit, the federal government should seek to increase the availability of private credit for business expansion. The best way for the government to do this, while avoiding increased inflationary pressures, is to limit federal spending and to balance its budget. Virtually every dollar the federal government borrows -- in the absence of money supply increases, which worsen inflation -- is one less dollar available for business expansion. Moreover, by maximizing private credit, the federal government would help boost productivity and spur economic growth, making even more non-inflationary private credit available for business expansion in the future.

We must be concerned about the present and potential problems of unemployment in our nation, but so-called "public service" jobs are not the answer. They are generally only temporary, and rarely increase a recipient's abilities or qualifications for permanent work. Moreover, federal jobs programs are widely abused, with money intended for the unemployed too often used instead to pad city budgets or repay political favors.

To the extent that such programs are continued, their resources should be shifted to on-the-job training. This would help end abuse of the programs; more important, job training would help prepare the unemployed for finding permanent, private sector jobs, thus making them more self-sufficient.

But the only real long-term solution to unemployment is to stimulate economic growth, thereby creating enough private jobs for all those seeking work. This increased economic growth can best be achieved by a comprehensive program of tax rate reductions and deregulation of American industry, to restore America's incentive to produce.

It is time that the growth of government -- expenditures, employees, and new programs -- be controlled. The ever-increasing size of the federal government has placed an intolerable burden upon Americans, as well as encroached ever further upon our personal freedom.

However, limiting spending and balancing the budget do not mean arbitrarily cutting necessary social or defense programs. For example, the Justice Department has estimated that fraud and abuse cost taxpayers up to one-tenth of all federal spending -- some \$50 billion. Waste, duplicative agencies, and counter-productive programs consume still more federal tax dollars. By cutting such unnecessary spending, we can balance the budget without depriving the poor or the needy. Indeed, we can provide a better government, rather than a bigger, more expensive government.

#

The only way we are going to curb inflation is to make a bold commitment to real economic growth, restrain the growth of federal spending, and bring the growth in the supply of money back into line with the economy's ability to increase its output of goods and services.

Inflation results when the economy's demand for goods and services exceeds the supply, forcing prices upward. Restraining federal spending and the growth of the money supply will end this artificial stimulation of demand, substantially reducing pressures on prices.

At the same time, across-the-board cuts in tax rates will restore the incentive to produce, increasing jobs and the supply of goods and services, which will further reduce inflationary pressures and increase the standard of living for all Americans. Curbing inflation will also pay dividends by reducing uncertainty, thus encouraging businesses to increase investment, expand production, and hire more workers.

High interest rates are a consequence of inflation. Normally, interest rates are just a few points above the inflation rate, to compensate lenders for their undertaking the risk of lending money; interest rates assumed their current high levels only after inflation reached its persistent, double-digit levels.

Thus, the most important action the federal government could take to reduce interest rates is to reduce inflation. This requires strict limits on federal spending, to eliminate inflationary budget deficits, and across-the-board reductions in tax rates, to stimulate productivity. Once we begin to restore the economic health of our nation, we will find interest rates returning to their normal levels.

The Tokyo Round of trade negotiations, recently concluded, made an important contribution toward maintaining and expanding free trade. This achievement will be of particular benefit to the U.S., since we export 16% of everything we produce. But to keep the world's trading system free, we must continue to resist rising protectionist pressures.

Of course, free trade should be reciprocal. We should not be expected to stand idly by while other countries impose barriers to our manufacturers' and farmers' exports. But it far better serves our own interests, and those of the world, to negotiate for a reduction in foreign nations' trade barriers than to erect more barriers of our own.

In cases where American industries are suffering from foreign competition, the U.S. government should help make the U.S. companies more competitive by reducing tax rates on capital and eliminating unnecessary regulations, thus allowing companies to modernize their plant and equipment. But at all times, we should maintain the broader vision of keeping international trade as free as possible.

Recent increases in the minimum wage have worsened, rather than improved, the economic well-being of the poor and disadvantaged. Many low-income and young people lack the training, skills, and education necessary to command wages at or above the minimum wage. So instead of hiring such unskilled workers at an artificially legislated wage, employers substitute fewer, more highly skilled workers and machines. The result, according to almost every objective study, is that the minimum wage destroys thousands of jobs for the poor and the young. Even Labor Secretary Ray Marshall admits this.

Therefore, I believe the minimum wage should be eliminated. At the very least, the minimum wage applicable to teenagers should be lowered, so that they will be more able to secure their first job and learn the skills necessary for their future advancement. For the long-run, I support across-the-board reductions in tax rates to stimulate economic growth, thereby expanding private sector job opportunities and increasing real wages.

#

The potential loss of railroad service in Iowa, due to the financial collapse of the Rock Island Railroad, could severely damage Iowa's economy. Iowa's farmers and small businessmen, who rely upon the railroad to transport their products, would be especially harmed. Their plight must be our primary concern.

I therefore support the Interstate Commerce Commission's recent extension to March 2, 1980, of the order for continued operation of the Rock Island lines. This will give other railroads time to make offers for different segments of the lines, and to operate them after March 2. In the present environment, this is the most appropriate step toward returning the Rock Island lines to financial health.

#

Small business is a vital element in our economy, producing about half of our nation's goods and services, and providing an important source of new jobs. Moreover, the opportunity to go into business for oneself is one of America's most important economic freedoms.

Unfortunately, federal tax and regulatory policies are slowly destroying America's small businesses. As recently as 1969, small companies provided 71% of all new jobs in this country; that share now has declined to 43%--not because big businesses are producing more jobs, but because small businesses are producing fewer.

To revive our small business sector, we need to enact an across-the-board cut in tax rates to restore the incentive to produce, and to eliminate unnecessary federal regulations--especially with regard to small businesses--which inhibit growth and production, and destroy jobs.

#

It is time the federal government stopped playing financial games on the world money market, and made the difficult decisions necessary to restore the U.S. dollar to health. At best, the President's "dollar rescue" in November 1978 bought us a little more time to reduce federal spending, the federal deficit, and inflation. Unfortunately, the administration has not used that time wisely -- federal spending, the deficit, and inflation all have increased. And the same temporary maneuvers will not work again, as foreign investors have even more reason now to doubt the U.S. government's resolve to fight inflation.

To reverse the dollar's decline, we must strengthen the U.S. economy, and initiate policies which will encourage confidence and stability in our economic system. It is therefore imperative that the U.S. make a genuine and forceful stand against inflation -- including immediate controls on federal spending and the elimination of fraud and waste which comprise as much as one-tenth or more of the federal budget. Only then can we restore the dollar to financial health.

The problems of the American steel industry stem mainly from low productivity, caused by outmoded plants and equipment, and the more than 5,000 frequently complex and burdensome federal regulations which govern the industry. Increased loan guarantees or protectionist trade barriers would not solve these problems; in fact, they could be economically harmful, forcing the U.S. to perpetuate expensive "bailouts", as is the case in many European countries.

Instead, we should implement policies which will make American steel more competitive in the world market. First, we should reduce income tax rates across-the-board to stimulate productivity. We also should reduce specific taxes on capital, to encourage the modernization of existing plants and the building of new, more efficient ones. Finally, we should revise or eliminate unnecessary or overly-strict federal regulations. Steel is far too vital to our economy to be produced inefficiently.

These changes in taxation and regulation would not only directly encourage the steel industry but would also benefit other industries that utilize steel in their production facilities, thus stimulating the market for steel.

I favor elimination of Federal estate (inheritance) and gift taxes, and repeal of the recently adopted carryover basis rule on estate valuation for income tax purposes.

The estate and gift taxes cannot be justified as necessary revenue-producing measures, since they account for only about 1% of all federal revenue. Their main effect is to force many persons to sell their inherited property -- often family farms and small family businesses -- in order to pay what amounts to exorbitant taxes. Inheritors of family farms are harmed most severely, since farm values -- and hence the estate taxes -- are determined largely by factors unrelated to the farm's income-producing capability, such as the scarcity of farmland. The carryover basis rule, by imposing a capital gains tax liability on top of the other inheritance taxes, greatly increases this burden.

Taxes should be reasonably imposed to raise revenue, not to arbitrarily confiscate property. The estate tax, the gift tax and the carryover rule have no place in the U.S. tax code. Their elimination should be a top priority.

Economic policy must be both consistent and dependable; the uncertainty produced by a history of abrupt policy changes only reduces economic efficiency, thereby lowering productivity, destroying jobs, and raising prices. Yet the most powerful cause of economic uncertainty is the capability of the federal government suddenly to impose wage and price controls.

There is almost unanimous agreement among economists that such controls are short-term political expedients which do far more damage than good. Recent history has proved this. Independent studies have found that wage and price controls actually increase the upward pressures on prices, thus worsening inflation, as well as creating bottlenecks and shortages.

For these reasons, I oppose wage and price controls, whether mandatory or "voluntary." Instead, I favor strict limits on federal spending and elimination of the federal deficit -- as well as an across-the-board tax rate reduction to stimulate productivity -- to attack the causes of inflation, more effectively bringing it under control.

The right of employees to join a labor union is a fundamental economic freedom of American workers, and must be vigorously defended. However, the right of a worker not to join a union is equally important, and the states should continue to have their traditional authority to protect such decisions freely made by workers.

For this reason, I support retention of section 14(b) of the Taft-Hartley Act. I believe that each state should be able to decide whether right-to-work laws are desirable for its workers.

#

The exotic, clean and abundant energy technologies -- such as solar power, fusion, and hydrogen -- offer the promise of a truly bright energy future. They would eliminate the energy crisis as we know it today, because their primary sources of fuel -- sunshine or seawater -- exist nearly everywhere.

However, these energy sources still face many technological barriers and are not yet ready for extensive use. But there is cause for hope. Texas Instruments Corporation has developed a solar process to convert sunlight directly into electricity around the clock, possibly allowing the production of hydrogen as well. And at Princeton, work is progressing on a device to ignite a self-sustaining fusion reaction.

We should encourage these developments in the industrial and educational communities by eliminating unnecessary federal roadblocks, while, at the same time, avoiding costly and unproductive federal development schemes that would sap limited financial and human resources.

#

COAL

Policy Statement B.2
January 31, 1980

I favor increased use of coal. The United States possesses, by one estimate, about 27% of the earth's coal reserves; according to Professor Mel Horwitch of the Harvard Energy Project, the U. S. has enough coal "at any reasonably expected level of production for at least the next hundred years."

The biggest problem with coal, however, is that it is environmentally "dirty." We should not minimize this problem, but neither should we allow it to prevent the creative use of coal from helping to close the energy gap. In fact, several techniques exist for cleaning coal, the most important of which are "scrubbers." One promising area for additional research is fluidized bed combustion, which possibly could clean coal even more effectively and economically than scrubbers.

Moreover, we must ensure that coal can be mined. One of the greatest barriers to coal production is federal unwillingness to lease land; at least 60% of all Western coal lies on federal lands, development on which is frequently prohibited. Though such prohibitions may be appropriate on some of these lands, in many cases coal production can be permitted using newly developed and effective techniques to restore the lands to their original state.

Hence, the most serious problems with producing and using coal are solvable; there is thus no reason to allow unnecessarily restrictive federal rules to deprive the American people of this valuable energy source.

I favor elimination of the Department of Energy and of federal energy allocation rules. The reorganization plan that aggregated so much power over the energy field into a single department and its bureaucrats has proved to be unsuccessful. Those necessary department functions which are properly the province of the federal government should be carefully evaluated and transferred to other existing federal departments.

The Department of Energy's allocation rules have not helped soften the impact of the energy crisis. Rather, as the department's own Office of Competition admits, "in almost every case...regulation has compounded any problem arising from imperfect market structures."

In fact, by the Department of Energy's own admission, DOE allocation formulas were chiefly responsible for last spring's gasoline lines. James Schlesinger, then-Secretary of Energy, conceded that "there would be no lines if there were no price and allocation controls."

Thus, eliminating the DOE and its allocation rules would be an important first step toward solving the energy crisis.

As a nation, we are committed to protecting existing plant and animal life from harm by man. At the federal level, the Endangered Species Act identifies endangered species and prevents any act by man which might reduce their numbers. I agree with this general policy.

At the same time, however, we should recognize that blind enforcement of this policy can -- and often has -- unnecessarily impeded economic growth and energy production. Too often bureaucrats, abandoning common sense, have applied these laws without regard for a balance between competing concerns. The endangered specie often can be transplanted. Even when it cannot, the loss of the specie may be less damaging than the loss of the project being constructed.

We should do our utmost to protect the various species of plant and animal life in our country. But in doing so we must evaluate not only the costs of losing a particular specie, but also the cost of not completing the particular project. In exploring all the alternatives in each instance, we must seek to strike a delicate balance in preserving a specie and permitting necessary construction.

The greatest hope for our energy future over the next several years lies in increased domestic production. Conservation can help in the short-term, but it cannot permanently solve the problem of diminishing domestic oil and gas supplies.

To boost these supplies, we must eliminate energy price controls, allocation formulas, and other unnecessary restrictions, which do little either to hold down prices or alleviate shortages. Instead, these controls only impede domestic production -- especially that of the independent oil producers, who drill 90% of new U. S. exploratory wells -- thereby encouraging foreign imports. Elimination of these controls would increase domestic supplies by several hundred thousand barrels of oil per day.

In addition, we must avoid arbitrarily closing down existing nuclear plants and halting the construction of new ones. Doing so could disrupt the lives and jobs of millions of Americans in areas, such as New England, which are heavily dependent upon nuclear power for their electricity. However, it is imperative that nuclear plants be operated safely, and that their wastes be disposed of safely as well.

At the same time, we should explore the many promising new energy technologies, such as synthetic fuels and solar energy. However, we cannot afford to place total reliance on unproven methods; though they may make a significant contribution to our energy supplies in the future, each source faces critical technical difficulties at present.

I support energy conservation. It is particularly important now, in the midst of the energy crisis, that we not waste fuel. In fact, U. S. energy consumers are responding to this need; by October 1979 they had reduced their oil consumption by 5%, and their gasoline use by 8%, over the previous year.

However, those who insist that still further cutbacks, through mandatory rationing, are the answer to our energy problem should realize that Americans do not "guzzle" fuel out of a malevolent desire to inflict energy shortages on our country; they use the fuel because it is necessary for their jobs and standard of living. Arbitrary reductions in their energy use would slow economic growth, thereby destroying jobs and reducing real incomes.

Instead, we should promote conservation through tax credits and other tax policies which encourage energy-efficient investment, such as more efficient plants and home insulation, and through elimination of barriers to conservation, such as unnecessary environmental rules and complex laws which discourage cogeneration of electricity.

I favor immediate elimination of all federal price controls on oil and natural gas, because their primary effect has been to hold down domestic energy production. For example, price controls on oil, first imposed in 1971, have caused oil output in the U. S. to decline every year since. Natural gas price controls, which began to reduce real new contract prices for natural gas in 1967, caused gas discoveries to peak that year and fall thereafter. In fact, extension of natural gas price controls in 1978 produced a 12% decline in drilling rigs within six months.

Moreover, price controls have not held down consumer prices. For example, gasoline prices have nearly tripled since 1973, and climbed 55% in the first six months of last year, despite the controls. In fact, the Harvard Energy Project warns that controls, by forcing the U. S. to import more oil, "could be one of the main causes of much higher oil prices in the years ahead".

Elimination of controls could increase oil production by up to 2 to 4 million barrels per day, and could double natural gas production. In addition, by reducing our dependence on OPEC oil, decontrol would help stabilize ever-rising energy prices.

The keys to a sound environmental policy are "balance" and "common sense." Heightened concern for the environment is probably one of the most positive outgrowths of the 1960s. During that decade, we were shocked into the realization that we were harming the environment, in many cases irreparably. As Governor of California during the last half of that decade and the first half of the 1970s, I am proud to have helped increase public awareness of environmental problems and to have initiated many environmental protection measures which resulted in cleaner air, purer water, and the preservation of natural resources.

However, the federal government has lost its sense of balance in this area. While we should not blindly seek growth at a terrible cost to the environment, neither should we so excessively pursue "environmentalism" that we endanger the economic growth and expanded job opportunities which are essential to the future of our people.

To achieve a sound environmental policy, we should re-examine every regulatory requirement with a commitment to simplify and streamline the process. Moreover, we should return to the states the primary responsibility for environmental regulation in order to increase responsiveness to local conditions. In these ways, we can most effectively strike the delicate balance between protecting the environment and promoting economic growth.

FUEL COST AID

Policy Statement B.8.5
January 31, 1980

Rising fuel bills are a burden on all Americans, especially the poor and the elderly. In order to help these people meet their payments to accommodate higher energy costs. This can best be accomplished by raising the cost of living adjustments in current programs to reflect the significance of energy in recipients' overall cost of living.

For the long-run, we must work to increase domestic supplies of oil and gas, so that we can reduce our oil imports, thus helping to stabilize domestic energy prices for all Americans.

#

I favor the widespread use of gasohol. Already being sold at more than 800 service stations in the U.S., it is on the verge of making a significant contribution to our gasoline supplies. And since the ethyl alcohol used to produce gasohol can be distilled from grain crops grown in the U.S., its use reduces our need to import foreign oil.

At present, gasohol is exempt from the 4¢ per gallon federal gasoline tax. I would maintain this exemption. However, I cannot support massive federal subsidies for gasohol, which, in fact, are unnecessary since the fuel is nearly price competitive right now and will become even more so as OPEC oil prices increase.

Instead, I favor elimination or revision of any unnecessary federal rules which arbitrarily impede the production or use of gasohol. In this way we can best ensure gasohol's role in our energy future.

#

Fuel shortages are one of the most devastating results of the energy crisis. Yet the stated purpose of gasoline rationing is to drastically restrict individual use of gasoline through mandatory allocation formulas, imposing artificial shortages on those who supposedly "use too much." It makes no sense for the government to mandate severe shortages now to avoid theoretical shortages in the future.

Of course, people should conserve--by last October, gasoline consumption was down 8% from a year earlier. But many people already have cut back their consumption as much as they can; further, arbitrary reductions could substantially disrupt their lives. In fact, gasoline rationing would hit hardest those people least able to bear shortages and the higher prices in a rationing "white market"--those who live in cities without adequate mass transit systems, farmers and ranchers, and the poor.

Finally, gasoline rationing would do nothing to increase domestic production, and thus would not help solve our long term energy crisis. It would only institutionalize shortages, and provide the government with unjustifiable control over people's use of energy, and thus their lives. It should be rejected.

Rapidly rising prices are one of the most devastating results of the energy crisis. Yet the stated purpose of the 50-cent per gallon gasoline tax is to greatly raise the price of gasoline to force consumers to substantially curtail their gasoline use. It makes no sense for the government to mandate high prices now to avoid theoretical high prices in the future.

Of course, people should conserve--by last October, gasoline consumption was down 8% from a year earlier. But many people already have cut back their consumption as much as they can; further, arbitrary reductions could substantially disrupt their lives. In fact, the gasoline tax would hit hardest those people least able to afford higher prices--those who live in cities without adequate mass transit systems, farmers, ranchers, and the poor.

Finally, the gas tax would do nothing to increase domestic production, and thus would not help solve our long-term energy crisis. It would only institutionalize high gasoline prices, and provide the government with an unearned \$50 billion per year windfall. It should be rejected.

#

Discussions of nuclear power must take place in the context of the broader questions of our energy needs, our environmental concerns, and even national security considerations.

Nationally, about 13% of our electrical energy is provided by nuclear power. But some areas of the country, such as New England, rely even more heavily on it. Thus to arbitrarily close down all nuclear plants and halt the construction of new ones could threaten widespread industrial disruption and adversely affect the lives of millions of Americans.

Nuclear power plants do cost more to build, but once built, they operate more economically than oil-, gas-, and coal-fired plants. Most important, however, is the question of safety. Properly operated, nuclear plants are among the safest means of energy production. We must ensure that nuclear power plants possess the utmost in protective measures, and operate within strict safety standards. But since such protective measures are available, this is no reason to deny ourselves this clean and economical source of electric power.

We have no choice but to continue to operate and construct nuclear power plants if we are to meet the energy and job needs of Americans.

The oil import quota is just another form of negative government control which decreases the supply of energy. It will impose on us the same kind of shortages, such as that caused by lower Iranian oil production last Spring, that we should try to avoid. It makes no sense to condemn U.S. energy consumers to a permanent shortage in order to avert potential temporary shortages.

Further, the quota, by artificially restricting the supply of oil, would raise consumer prices. According to a Library of Congress study, consumers could be forced to pay more than \$100 billion more for oil by 1985, up to 75% of which would go to the government through the "windfall profits" tax. Thus, the quota would be a direct--and punitive--tax on the consumer.

For these reasons, I oppose the oil import quota. Instead, we should attempt to reduce the U.S. need for imports by increasing oil and gas production in the United States.

#

Increased investment is essential to our ending the energy crisis. According to economist Murray Wiedenbaum, U.S. energy producers need as much as \$25 billion in capital in just the next three or four years to finance needed growth of domestic energy sources.

Capital expansion is also necessary for conservation. Only by replacing old, fuel-guzzling plants with new, more efficient ones can many industries make significant progress in reducing energy use. As Daniel Yergin of the Harvard Energy Project has noted, "While low economic growth reduces absolute energy consumption in the short term, it most certainly will slow energy conservation over the longer term by retarding investment in more efficient plants."

To encourage such investment, we must reduce the tax on capital. We already have witnessed the success of such tax reductions. For instance, within just a few months after imminent approval of the capital gains tax reduction of 1978, venture capital increased tenfold. Such capital growth will help speed both energy production and conservation.

I favor the establishment of a strategic petroleum reserve, which could serve as a deterrent to foreign oil supply interruptions, and a domestic buffer for those which do occur.

However, the Department of Energy's current reserve program suffers from severe mismanagement. By October 1979 the reserve program was months behind its original schedule, with only about one-third of the intended oil in storage. In fact, oil purchases for the reserve had to be halted because they were only driving up world prices; moreover, the Department of Energy had forgotten to install pumps to get the oil out. Even emergency pumps will not be in place for several months.

The status of the current oil reserve program is a disgrace. As President, I would provide careful supervision of the program to ensure that it is put back on track. Most important, we must remember that unless we increase domestic oil production, storing extra oil will only raise prices and cause shortages now, to avoid them in the future. Thus, our prime objective must be increased domestic production.

The biggest energy problem we face in the United States is one of supply -- we simply are not producing enough oil and gas here in the U.S. Yet the so-called "windfall profits" tax, which actually has nothing to do with profits but instead is a per-barrel tax on domestic production, would greatly reduce U.S. energy supplies.

The tax would encourage the major oil companies, which already drill for most of their oil abroad, to avoid the tax by shifting even more of their oil-producing investment overseas. And the high tax rates would deprive the smaller oil producers, who drill more than 90% of new U.S. exploratory wells, of much of the private investment necessary for increasing their domestic oil production. Consequently, the windfall profits tax could cost the U.S. up to 840,000 barrels of oil per day, according to the Congressional Budget Office.

By so drastically reducing U.S. oil output, the windfall profits tax would increase our reliance on foreign oil, further raising prices to the consumer. Thus, the consumer would end up paying the tax every time he goes to the gas pump.

Legislation is now in effect requiring automakers to install airbags in large and medium sized cars by 1982. I favor eliminating this requirement, and permitting car buyers to choose between air bags and automatic seatbelts.

The airbags are expensive--\$600 versus \$100 for the seatbelts. Moreover, the airbags must be replaced following each inflation, at a cost to consumers of \$300 to \$400. Thus, it has been estimated that an airbag could cost a car owner as much as \$2000 over the life of the car.

Most important, airbags offer less protection in a crash than do seatbelts. Not only are they less reliable, but by design they provide protection only in a head-on collision even when they do work correctly.

Thus, the airbag requirement is both expensive and harmful, and should be eliminated.

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One of the most important steps required to bring federal spending under control is to limit the number of federal employees. The most effective and humane way to do this is by attrition -- simply put a freeze on hiring replacements for workers who retire or leave government service. We made this approach work in California and there were no layoffs. In fact, after eight years, with state population 12% higher and state services significantly expanded, the number of state employees remained virtually unchanged.

In addition, we must end the federal government's deceptive practice of not counting consultants (many of whom effectively are federal employees) in the federal employment figures, and of dropping some employees from the payroll the last two weeks of each year so they do not appear in the final count. These numbers games may improve the government's public image, but they do nothing to reduce the burden on the taxpayer.

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Federal regulation has grown inexorably over the past decade, leading to a massive federal bureaucracy that is subject to neither the Congress nor the voters. Such regulation now costs consumers about \$120 billion per year, according to regulation expert Murray Wiedenbaum.

Fortunately, a deregulation trend is building. We should continue pursuing such deregulation in a vigorous, systematic, and orderly manner. We must improve the quality of regulation where it is warranted, but reduce and eliminate it in the countless areas where it is not. It is the government's duty to protect us from each other, not from ourselves or from our own inability to use common sense in dealing with others.

A successful deregulation program must be one of action, not just words. We should, on a broad scale, re-evaluate regulations, identify unnecessary ones, and eliminate them. Moreover, we should establish a "sunset" procedure for regulations with substantial impact, and give Congress veto power over all federal regulations.

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Fraud in government programs costs taxpayers as much as \$50 billion per year, according to the Justice Department, and the amount of waste, though nearly impossible to calculate, may be even greater. This misspending of one-tenth or more of the federal budget is intolerable and must be eliminated wherever possible.

To combat this problem, Congress in 1978 created Inspectors General in 12 major agencies. The most serious defect of this approach is that the Inspectors are employees of the agency they are charged to investigate, thus giving them an incentive to "go slow" on uncovering fraud and waste. Moreover, should the Inspectors discover misspending, they have no power to compel the agencies to institute necessary reforms.

Instead, fraud and waste must be fought both vigorously and systematically. First, we should place the investigative responsibility outside the agencies. Second, we should give the President and Congress authority to rescind funds misspent by agencies. Such effective control on fraud and waste would provide an invaluable opportunity for limiting federal spending, while maintaining necessary programs.

Many of our leaders seem resigned to a stagnant future, convinced that we can only learn to "live with less" -- fewer jobs, less energy, a lower standard of living, and declining respect in the world. I reject this despairing notion, and propose instead a bold commitment to economic growth and renewed strength.

My goals for the future of our country are simply stated: more jobs, lower inflation, more domestic energy, a better standard of living, and peace in the world. By providing America with a strong and growing economy, we can help ensure that the special needs of our citizens -- adequate health care, quality education, and equal opportunities -- will be met. And by providing America with a strong defense and a consistent and moral foreign policy, we can help restore our respect in the world, and more effectively work toward maintaining world peace.

This is not to say our task will be easy. The government must make the difficult decisions to strictly limit spending, eliminate waste, reduce excessively high tax rates, curtail unnecessary regulation, and provide a superior defense. But it can be done, and as President I will be committed to these goals, to help ensure that our future is one which all of us can look forward to.

The President has authority to veto any congressional bill, subject to override by a two-thirds vote of each house of Congress. This veto power has been an important check on wasteful spending, but Congress can escape the veto's strictures by placing in an essential spending bill extravagances or unrelated "riders" which the President would like to veto but cannot because he then would have to veto the essential items as well.

The answer to this problem is one which has been adopted by most of the states, and has served them well: the item veto. Most state constitutions empower the governor to veto any specific spending item while approving the remainder of the bill, thus providing an additional restraint on wasteful spending.

I support the adoption of a Presidential line-item veto at the federal level. As constitutional scholar Lewis Koenig has noted, "The item veto would spare the President the curse of riders, it would regulate the pork barrel abuse, and it would promote the Executive's fiscal responsibility." At a time when we desperately need to control federal spending, the item veto would be an invaluable tool.

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ABORTION

Policy Statement D.1
January 31, 1980

I personally believe that interrupting a pregnancy is the taking of a human life and can be justified only in self-defense -- that is, if the mother's own life is in danger.

The January 22, 1973 Supreme Court decision which overruled the historic role of the states in legislating in the areas concerning abortion took away virtually every protection previously accorded the unborn. Later decisions have intruded into the family structure through their denial of the parents' obligations and right to guide their minor children. I support enactment of a constitutional amendment to restore protection of the unborn child's right to life.

In the meantime, I am opposed to using federal tax money to pay for abortions in cases where the life of the mother is in no danger.

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I believe in equal opportunity. No American should be discriminated against because of race, ethnic background, sex, or religion in hiring, education, or in any other way. In fact, while I was Governor of California, we adopted a non-discriminatory appointments system, with a careful eye for qualified minority aspirants. As a result, we appointed more minority members to state posts than did any other governor in the nation, and more than had any previous California governor.

Such programs, whether government or private, which make an extra effort to find qualified minority applicants are beneficial. They ensure that minority members will not be overlooked, and help provide them with equal opportunity for further advancement.

However, we must not allow this noble concept of equal opportunity to be distorted into federal guidelines or quotas which require race, ethnicity, or sex -- rather than ability and qualifications -- to be the principle factor in hiring or education. Increasing discrimination against some people in order to reduce it against others does not end discrimination. Instead, we should make a bold commitment to economic growth, to increase job and education opportunities for all Americans.

I favor equal rights and opportunities for all Americans, regardless of their race, creed, or ethnic origin. In fact, while I was Governor of California, we vigorously promoted the rights of, and opportunities for, Black Americans. Among our achievements was the adoption of a non-discriminatory appointments system, with a careful eye for qualified minority aspirants. As a result, we appointed more minority members to state posts than did any other governor in the nation, and more than had any previous California governor.

As President, I would continue to promote the rights and opportunities of Black Americans. In particular, I would work to ensure that Black Americans have the same opportunity as other Americans to improve their social and economic status. The surest guarantor of such opportunity, once legal rights are ensured, is a growing economy.

Among other efforts, we must institute a phased in across-the-board cut in tax rates, to restore America's incentive to produce, and we must increase domestic energy production to ensure that there is enough energy available to support new economic growth.

A policy of ensuring equal rights and of opening up new and expanded job opportunities through economic growth is the best way to improve the conditions of all Americans, especially those of Black Americans.

BUSING

Policy Statement D.4
January 31, 1980

It is time we removed control of our schools from the courts and the federal government, and returned it to local school boards where it belongs. I therefore join the great majority of Americans in opposing court-ordered compulsory busing. While no public school can be permitted to discriminate on the basis of race, ethnic origin, sex or creed, I believe every student should have the right to attend school in his or her own neighborhood.

Too often, compulsory busing disrupts family and neighborhood life and heightens racial tensions without improving the quality of education for children of any race or ethnic background. Forced busing also wastes money, which could be better spend to improve education, and wastes gasoline, which is becoming increasingly valuable in the midst of an energy crisis.

Instead, we should explore alternatives compatible with local control, such as voluntary "magnet" schools and voucher systems. Most important, we should work to improve the quality of education for all of our children.

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The seemingly never-ending increase in crime in America is a serious indictment of our criminal justice system. This system has failed in large part because of lenient judges, inadequate punishment, and unnecessarily slow and cumbersome court proceedings.

However, the answer to the crime problem does not lie in more federal dollars, which will total almost \$4.5 billion in 1980. Rather, the Congress first must work to reform the U. S. Federal Criminal Code, which currently is outdated and extraordinarily complex. The federal courts should be restrained from intervening in state criminal matters. Congress also should streamline federal court procedures and rules, to help eliminate unnecessary delays in determining a defendant's guilt or innocence. Further, judges must be appointed who will more heavily weigh society's interest in the punishment of criminals.

Finally, the federal government should, whenever possible, work with state and local governments to help develop crime prevention techniques, improve trial proceedings, and stiffen the punishment of serious offenders.

Since 1962, when federal aid to education began, per-student costs have increased and test scores have fallen virtually in proportion to the rise in federal spending for and control over education. Yet the present administration's answer is more of the same: a \$15-billion Department of Education.

I disagree. I firmly believe that the best way to ensure quality education is to maximize control by parents, teachers, and local school boards. To accomplish this, we should transfer general federal educational funding programs back to the states and local school districts, along with the tax resources to pay for them. In addition, we should abolish the Department of Education, and end unnecessary federal controls over education. Finally, we should investigate ways to improve parents' ability to send their children to the school of their choice.

It is because of local control that American education achieved its eminence and strength. It is time we put education back on the right track.

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I support equal rights for women. In fact, while I was Governor of California, we promoted equal rights long before it had become fashionable to do so. We enacted laws to prohibit discrimination on account of sex in employment, real property transactions, and the issuance of insurance; to permit a married woman to obtain credit in her own name; to give the wife equal rights with regard to community property; and to equalize the wife's rights in administering the estate of a deceased spouse.

There are, of course, areas of state and federal laws which still require correction. I will support such changes. However, I do not believe that the "Equal Rights" Amendment to the Federal Constitution is the answer to the problem. The amendment would not itself redress inequalities in rights, and, by increasing the courts' "legislative" power, could do more harm than good.

Instead, I will ask the existing National Commission on the Status of Women to submit annually a list of federal laws which subvert women's equal rights. I will then work with Congress to revise or repeal those statutes, or to enact new equal rights legislation as required.

Families must continue to be the foundation of our nation.

Families -- not government programs -- are the best way to make our cultural and spiritual heritages perpetuated, and our values preserved.

Of course, when there is no family, or when the family is unable to provide for itself, some government assistance may be needed to protect individual and family welfare. But such governmental assistance must not intrude into nor be designed to control family life or otherwise undermine the family.

The most significant action the government can take to help the American family is to make a bold commitment to economic growth in our nation, thereby improving the standard of living for all Americans, and helping as many families as possible to provide for themselves.

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I yield to no one in my concern about crime. During my eight years as Governor of California, we approved legislation to make it more difficult for persons with records of crime or instability to purchase firearms, and imposed mandatory sentences for persons convicted of using firearms in the commission of serious crimes. However, I do not believe handgun controls or other restrictions of the right of law-abiding citizens to possess firearms are solutions to the crime problem, and for this reason I oppose them.

Most important, gun controls do not prevent crime. A study at the University of Wisconsin -- the most exhaustive such study ever performed -- concluded that "gun control laws have no individual or collective effect in reducing the rate of violent crime." Moreover, gun control laws primarily affect the law-abiding citizen, since criminals would not comply with anti-gun laws, and would be able to obtain firearms anyway. Finally, imposition of handgun controls could lead to further firearms controls, such as bans on long guns, which are an essential part of the livelihood and recreation of sportsmen and hunters.

Thus, while no one can deny that we are facing a serious crime problem, gun control is an unrealistic and dangerous proposal. Instead, we should place the burden for reducing crime on the criminal -- through swifter law enforcement and stiffer and certain punishment for crimes, especially those committed with a gun.

I favor equal rights and opportunities for all Americans, regardless of their race, creed, or ethnic origin. In fact, while I was Governor of California, we vigorously promoted the rights of, and opportunities for, Hispanic Americans. Among our achievements was the adoption of a non-discriminatory appointments system, with a careful eye for qualified minority aspirants. As a result, we appointed more minority members to state posts than did any other governor in the nation, and more than had any previous California governor.

As President, I would continue to promote the rights and opportunities of Hispanic Americans. In particular, I would work to ensure that Hispanic Americans have the same opportunity as other Americans to improve their social and economic status; the surest guarantor of such opportunity, once legal equal rights are ensured, is a growing economy.

Thus, we must institute a phased in across-the-board cut in tax rates, to restore America's incentive to produce, and we must increase domestic energy production, to ensure that there is enough energy available to support new economic growth.

A policy of ensuring equal rights and of opening up new and expanded job opportunities through economic growth is the best way to improve the conditions of all Americans, especially those of Hispanic Americans.