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1980 PRESIDENTIAL FORUM

Albert Thomas Convention Center, West Hall  
April 23, 1980  
8:00 p.m.

Moderator

Howard K. Smith

Candidates

George Bush  
Ronald Reagan

COPY

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1 MR. SMITH: Thank you, Mrs.  
2 Hinerfeld.

3 Good evening, ladies and gentlemen.  
4 We are very pleased tonight to have two candidates  
5 for the Republican nomination for the Presidency  
6 of the United States: former Ambassador George  
7 Bush of Texas, former Governor Ronald Reagan of  
8 California.

9 Gentlemen, before we begin, in  
10 response to the League of Women Voters'  
11 announcement today that it will sponsor the  
12 presidential debates after the conventions, as it  
13 did four years ago in 1976, let me ask if  
14 nominated by your party, would you agree to  
15 participate?

16 MR. BUSH: I'd love to debate in  
17 the Rose Garden. I think that would be  
18 extraordinarily--yes, sir, I would.

19 MR. SMITH: Thank you, Ambassador.

20 MR. REAGAN: I can't wait.

21 MR. SMITH: Thank you very much,  
22 gentlemen.

23 This evening's forum will last just  
24 60 minutes. As you both have agreed, there will  
25 be no specific time limits to what you have to say.





1 You will have an open discussion on the issues.  
2 You can address comments and questions to one  
3 another. I will reserve the chairman's privilege  
4 of occasionally asking a question if I want to  
5 change the subject and think it's wise to do so.  
6 And towards the end of the forum, we will accept  
7 questions from the audience; and after that, there  
8 will be brief closing statements by you.

9 The first question: Ambassador Bush,  
10 everyone, including your opponent, has  
11 congratulated you on your stunning victory in  
12 Pennsylvania yesterday. In the course of the  
13 program, Face the Nation, on Sunday, you said you  
14 hoped to win because you had adopted the strategy  
15 of hammering away at the differences between you  
16 and Mr. Reagan. And one difference you mentioned  
17 was, you said, in your words, was Mr. Reagan was  
18 overpromising the American people.

19 Could you explain that, and, if the  
20 spirit moves you, could you respond?

21 MR. BUSH: First, it was Meet the  
22 Press. I don't want to put in a plug for the  
23 wrong outfit; and, secondly, I also made the point  
24 that what we must do is defeat Jimmy Carter. I  
25 mean I got that into focus, and that I wanted to

1 get these differences out with the Governor so the  
2 voters could make a good determination. I hope  
3 that's what's happened in Pennsylvania.

4 A big difference, for example, that  
5 the Governor and I have regards this tax cut. He  
6 feels--I don't want to put words in his mouth, and  
7 he is here to defend or explain his position--  
8 that you can cut taxes by 70 billion the first  
9 year. The WALL STREET JOURNAL attributed the  
10 figure to that tax cut idea to 90 billion the  
11 first year, cut inheritance and gift taxes--  
12 we computed that at \$5.4 billion--and still  
13 balance the budget and still increase defense  
14 spending.

15 President Kennedy suggested this cut.  
16 It was implemented by Johnson. The cut was 11.4  
17 billion. It resulted in a \$4.4 billion revenue  
18 loss. Inflation then was 1.8 percent. Today it  
19 is 18. Investor confidence was out there; today  
20 there is none.

21 So, in my judgment, that economic  
22 program would exacerbate the deficit. It would  
23 result in less stimulation of the economy because  
24 of the conditions. And I believe that before we  
25 can have massive across-the-board tax cuts, we've



1 got to get the budget in balance.

2 So, I am proposing a \$20 billion, as  
3 opposed to 70 or 90, supply side tax cut to  
4 stimulate savings for home to stimulate business.  
5 That is a major difference. There are plenty of  
6 others, but I do want to give the Governor a  
7 chance to respond.

8 MR. SMITH: Governor?

9 MR. REAGAN: That is, indeed, a  
10 major difference; and I still believe firmly, and  
11 I think there are some differences of opinion  
12 about figures. Four times in this century we have  
13 had across-the-board tax cuts, all of which have  
14 resulted in such an increase in prosperity that  
15 the government even in the first year got  
16 increased revenues, not less. In the Kennedy year,  
17 the total revenues for government, and, of course,  
18 government was much smaller then, about \$109  
19 billion instead of the 600 that will be coming up  
20 in '81, but according to the figures then, but the  
21 federal government got some \$5 billion in  
22 additional revenue and got about \$1.1 billion  
23 additional revenue in the income tax.

24 But let me point something out.  
25 George mentioned the differences here. Under

1 Jimmy Carter, the tax burden, as a percentage of  
 2 the gross national product, has reached the  
 3 highest level in the history of our nation. It is  
 4 also the highest percentage of personal income  
 5 that it has ever been in our history. Now, under  
 6 the President's revised '81 budget, the total  
 7 Federal taxes are projected as \$628 billion. Of  
 8 that, 283.1 will be individual income tax. That's  
 9 115 percent increase in that tax since he took  
 10 office.

11 Now, over the next 10 years, if  
 12 things aren't changed, it is estimated that the  
 13 total tax increase on the people of American will  
 14 be one-and-a-half trillion dollars.

15 Now, rather than the Kemp-Roth Bill,  
 16 which I support, the idea of a 10-percent cut  
 17 across the board, the income tax, administered  
 18 over a three-year period to a total of 30 percent,  
 19 I believe will stimulate the economy, will create  
 20 jobs, but it will not reduce federal incomes. It  
 21 will only reduce the increase in taxes, because we  
 22 are going to be faced with an increase in taxes  
 23 that is far beyond our comprehension right now.  
 24 And if we figured that cut as a percentage of \$628  
 25 billion, you would be reducing the first year less



1 than five percent, perhaps about four percent, in  
 2 the total tax revenues that the government is  
 3 going to be getting. But I believe at the same  
 4 time history has proven in all those other tax  
 5 cuts, I believe that will stimulate the economy,  
 6 more people will be working and it will be  
 7 contrary to the Carter policy now of fighting  
 8 inflation by adding millions to the unemployment  
 9 roles.

10 And so I support and stand by the  
 11 idea of incentive taxes geared to the free  
 12 enterprise system that will provide incentive to  
 13 increase productivity so we can compete in the  
 14 international market which we can't do on even  
 15 terms today.

16 MR. BUSH: I agree with that, but  
 17 the difference we have is that it is my  
 18 understanding the Kennedy tax cut implemented by  
 19 Lyndon Johnson, resulted in a \$4.4 billion  
 20 deficit; and inflation then was 1.8, not 18  
 21 percent. Investor confidence was high, not low;  
 22 and it is my perception that that tax cut applied  
 23 today in the same percentage, the same numbers,  
 24 would result in an inflation rate of about 30 to  
 25 32 percent. And so I would--I couldn't agree more

1 about the percent of our gross national product  
2 taken by taxes, but I believe the first thing we  
3 must do is get in balance. Incidentally, not the  
4 way Jimmy Carter proposes, by higher and higher  
5 taxes. Get in balance by the reduction of  
6 expenditures, get in balance by a \$20 billion  
7 supply side tax cut and then begin to reduce rates.

8 But if we risk with investor  
9 confidence where it is, a deficit that's going to  
10 be up already, I think, 37 billion, \$30 billion on  
11 top of that, I'm afraid we can't break inflation,  
12 and we've got to do that and do it fast.

13 MR. REAGAN: Well, George, we've got  
14 to do that. And, of course, it goes without  
15 saying, and I certainly believe in reducing the  
16 cost of government far more than the phony  
17 decrease that Mr. Carter has proposed. But when  
18 you suggested, as you have, about a \$20 billion  
19 dollar tax cut, that is less than the federal  
20 government is going to get in a single year,  
21 undeserved, from people that just received  
22 cost-of-living pay raises and were pushed up into  
23 higher tax brackets. That amounts to more than  
24 \$20 billion.

25 MR. BUSH: But if we get that in

1 balance and then do what I say, start reducing the  
2 rates, that is the key thing. Your plan in my  
3 judgment and the judgment of many economists would  
4 risk exacerbating that deficit. And today our  
5 creditors abroad, our economy is linked to foreign  
6 economies, and they take a look at us and see us  
7 living at deficit after deficit. You cite the  
8 Kennedy tax cut. There wasn't any surplus then.  
9 There was a deficit resulted from that scheme.  
10 Arthur Laffer, the economist that proposed it, he  
11 himself says, "I don't know whether it would work."

12 I don't believe we can take that  
13 kind of risk, Governor, and I would not propose it.

14 MR. REAGAN: George, how much more  
15 risk is there in just going along with what we've  
16 been doing?

17 MR. BUSH: That's not what I propose.  
18 I propose something very different than just going  
19 along.

20 MR. REAGAN: Let me just say one  
21 other thing: I have heard for a great many years  
22 that we can't possibly reduce taxes. This is  
23 Washington's cry.

24 MR. BUSH: I agree.

25 MR. REAGAN: We can't reduce taxes



1     until we reduce government spending. And I have  
2     to point out that government does not tax to get  
3     the money it needs; government always needs the  
4     money it gets. Now, your son can be extravagant  
5     with his allowance, and you can lecture him day  
6     after day about saving money and not being  
7     extravagant or you can solve the problem by  
8     cutting his allowance.

9             MR. BUSH: But the program I'm  
10     putting forward cuts the allowance, cuts on the  
11     spending side. It doesn't risk this "promise  
12     everybody everything," because you cut taxes \$210  
13     billion, and you favor increasing defense and you  
14     favor cutting out inheritance and gift taxes; and  
15     I believe that you're going to end up with a much  
16     bigger deficit. And that's where you and I differ.

17             Listen, you talk to me about gross  
18     national product and percent of taxes. My whole  
19     program is based on getting tax relief. But I am  
20     not going to do it in a way, popular though it may  
21     be, if it's going to, in my view, make that  
22     deficit--

23             MR. REAGAN: There is one last point  
24     I want to make. There is one last point we  
25     haven't touched on. We are talking as if those

1     dollars that are saved in taxes are not going to  
2     have any effect, no multiplier effect, when they  
3     are in the people's pockets and they're used out  
4     there in society. And it has been proven that  
5     there is a far greater multiplier effect and  
6     creation of prosperity in money spent by the  
7     people and invested by the people than there is  
8     when it is spent by government; and, therefore,  
9     we've got to recognize that that money isn't going  
10    to be buried in a tin can in the backyard. It's  
11    going to be used to buy things. And when we buy  
12    things, productivity is going increase; people are  
13    going to put it in the savings account; then we're  
14    going to have the capital to invest in new plant  
15    and equipment and research and development. We  
16    have the highest percentage today of outmoded  
17    industrial plant and equipment of any of the  
18    industrial nations in the world. We can't compete  
19    evenly with them, because we don't have the  
20    capital investment to put into business anymore.

21                   MR. BUSH: That's why my cut--

22                   MR. SMITH: You're getting close  
23    to--

24                   MR. BUSH: --is a supply side tax  
25    cut. That's what will stimulate production.

1 That's the cut I want.

2 MR. SMITH: You're getting close to  
3 something you agree on. I want to try and keep  
4 you from agreeing.

5 Government Reagan, there's a  
6 question I have to ask you, the front runner  
7 always gets shot at more than anybody else; he is  
8 the point man, and there is a volley  
9 I must ask you about and you should have a chance  
10 to answer.

11 Many observers have said that many  
12 of the facts that you use in your arguments are  
13 wrong. You've spoken of the Kennedy 30 percent  
14 tax cut, when it was really 18 percent.

15 MR. REAGAN: That was the first  
16 year. It was a two-year tax cut, Howard, and it  
17 was 27 percent. And I think that's close enough  
18 to round out to 30.

19 MR. SMITH: You have spoken of a  
20 Government Accounting Office study showing either  
21 11 billion or 50 billion dollars waste in  
22 government and the GAO says it doesn't have such a  
23 survey.

24 MR. REAGAN: No, it turned out it  
25 was the Justice Department gave that figure.



1           MR. SMITH: And you said that it  
2 costs the government \$3 to provide \$1 worth of  
3 benefits, and HEW says it costs .12¢ for a dollar  
4 of benefits.

5           MR. REAGAN: And I wouldn't believe  
6 HEW if they were here in the room saying it.

7           MR. SMITH: There were several other  
8 facts like that cited and you dispute those or--

9           MR. REAGAN: Well, I'd like to.  
10 Something just happened tonight. The UPI and a  
11 pretty good writer, Don Lambreaux, just has come  
12 out with a story that has to do with one set of  
13 figures I used about how many employees the Carter  
14 Administration had added back. And it seems that  
15 one of the networks, which shall be nameless, went  
16 on the air and they had gone to a fellow in  
17 government to ask him and he said, why, there were  
18 only 6,000 added in all these three years under  
19 the Carter administration. But Mr. Lambreaux goes  
20 on to say that, while my figures might not have  
21 been fully accurate at this time, I appear to be  
22 closer to the mark.

23           He says that in the last three years  
24 the total number of government workers has grown  
25 by at least 63,282 not 6,000. I had said 131,000.

1 But, then, he went on to point out that there are  
2 about a 145,000 persons officially work for the  
3 Department of HEW; however, HEW is also paying the  
4 salaries of 1 million additional workers who labor  
5 for HEW in state and local governments,  
6 universities, consulting firms and other  
7 organizations. Moreover, federal revenue pays the  
8 salaries of 77,000 state workers in the U.S.  
9 employment and unemployment offices around the  
10 country. All of these workers, who collectively  
11 add millions to the rolls are excluded from the  
12 government's employee records. How much of their  
13 numbers increased over the last three years no one  
14 knows because no official count has ever been  
15 taken. When this is added to the nearly 5 million  
16 civilian and military employees on the  
17 government's official rolls, we see that as many  
18 as 14 million people are working for the  
19 government. And this means that at least one U.S.  
20 worker out of eight owes his job to Washington.  
21 And he concludes saying, "Thus, Reagan's 131,000  
22 increase is perfectly possible and may, in fact,  
23 actually understate the real rise in federal  
24 employment."

25 MR. SMITH: All right, sir. You

1 have covered that point. Now, how about the other  
2 points? Do you think that occasionally you do  
3 make a misstep?

4 MR. REAGAN: Certainly, anyone  
5 that's standing up without notes and ad-libbing  
6 answers to questions is going to slip up: one, on  
7 some oil figures, comparing Alaska and Saudi  
8 Arabia. The figures weren't wrong, but if all the  
9 things that I've read and I've studied and  
10 researched on that, I attributed them to the wrong  
11 report and gave U.S. Geological Survey the  
12 responsibility for having used those figures. And,  
13 so, again, they checked simply with U.S.  
14 Geological Survey who said "those figures weren't  
15 in our report." But I found that that's all I had  
16 done in that particular one.

17 What were some of those others you  
18 mentioned there, because I have been waiting for  
19 an opportunity to do this. I have confidence in  
20 the facts and figures that I've used.

21 MR. SMITH: I don't want to insist  
22 on them. You said it cost \$3 to deliver \$1 in  
23 benefits.

24 MR. REAGAN: Oh, well, I'll tell you.  
25 This one did appear in an account by an economist,



1 and I will admit, that not having any chance to  
2 check it with the economist, I took the figure  
3 that was used for redistribution of income outside  
4 of Social Security to people below the poverty  
5 level, and I took the figure of those below the  
6 poverty level and divided it into the total figure,  
7 and it came out that if the people below the  
8 poverty level were getting all the of the money in  
9 that budget, a family of four would be receiving  
10 \$27,000 a year, which is about four times as much  
11 as they are receiving. And I figured that made  
12 three to one over it.

13 MR. BUSH: Let me--

14 MR. SMITH: Do you want to talk  
15 about that?

16 MR. BUSH: In my view, what we ought  
17 to be doing something about the employee thing.  
18 You know, Jimmy Carter fought the Leach Amendment  
19 that would have set a ceiling on federal  
20 employment through attrition. Nobody would have  
21 been thrown out of a job; but as people left, some  
22 would not be replaced. He fought against that.  
23 He campaigned on less people employed.

24 I drove by the EOB the other day and  
25 across from it is a building I am told is staffed,

1 maybe some on temporary assignment, by people  
2 really working for the White House. White House  
3 staff is grown. They don't feel any of this  
4 recession. They don't feel any of these layoffs  
5 that the steel workers feel or felt or some of the  
6 people around here are beginning to feel. And so  
7 that's what I'd do on that one.

8           On energy, I don't believe, frankly,  
9 that there's enough oil in Alaska within the  
10 reasonable future to replace the 9 million barrels  
11 a day we get from overseas. I believe a decline  
12 curve has already set in on Alaskan oil. Some  
13 companies have already started pulling out of  
14 Alaska. And so my energy program is not just  
15 decontrol and figure we can get it all in Alaska,  
16 but it's use alternate sources of energy. Go with  
17 decontrol, of course, but use alternate sources of  
18 energy as well.

19           MR. SMITH: Let me ask you both  
20 about something that is just developing now and  
21 that is that famous recession we have been waiting  
22 for, but which is now at last beginning to happen.  
23 It may be there when either of you may become  
24 President. What is your tendency: to let a  
25 recession go its length in the hope that it will

1 reduce inflation, or try to halt recession by  
2 things like government expenditures or tax cuts  
3 that may stimulate inflation?

4 Governor Reagan?

5 MR. REAGAN: Well, I don't believe  
6 the alternative to inflation is recession. I  
7 think that's old-fashioned economics. I don't  
8 think that you have to trade unemployment--and,  
9 incidentally, President Carter as a candidate said  
10 that he would never fight inflation by using  
11 unemployment. President Carter in his present  
12 economic message has said that as a part of his  
13 fight against inflation, unemployment is going to  
14 be allowed to go up one to one-and-a-half or two  
15 percentage points.

16 Now, this is self-destructive,  
17 because for every single percentage point that you  
18 add to the unemployment rolls, you add 25 to 29  
19 billion dollars to the federal deficit, both in  
20 the loss of revenue from those no longer working  
21 and in the benefits that go out to them.

22 No, I would do the things that I  
23 have talked about in regard to cutting of  
24 government, and I can point to some experience in  
25 the same situation. When I became Governor of



1 California, it was just like the federal  
2 government, bankrupt, and with a deficit, and a  
3 mounting deficit. And I know that some of these  
4 things work. I would even go back to an example  
5 that happened since I was Governor in California,  
6 Prop 13. Everyone in the country heard the  
7 horrifying tales of what was going to happen if  
8 they cut the property tax as much as Proposition  
9 13 said they were going to. Well, it has been in  
10 effect about 18 months now. And the result is  
11 there are 100,000 fewer public workers. But the  
12 private sector in these 18 months has created  
13 532,000 new jobs, and the State of California  
14 wound up with a \$3 billion surplus.

15 MR. SMITH: Ambassador Bush?

16 MR. BUSH: I don't believe there is  
17 an economics total soft landing. I don't believe  
18 it. It is not in my concept of economics. I  
19 believe you are going to see some increase in  
20 unemployment, but I believe the way you fight that  
21 is to stimulate capital formation, risk-taking and  
22 production. And the way you do that is through  
23 this kind of approach to cutting taxes I talked  
24 about, as well as righting the inflationary side  
25 by getting government spending under control. And

1 I believe it would work. There are programs that  
2 will help for retraining. I like the idea of  
3 training people in the private sector for jobs  
4 that exist through tax credits rather than train  
5 them up in a SETA program that gets some kid's  
6 hopes up. He really wants to work, gets his hopes  
7 up, and then there is no government job for him,  
8 or any job for him. Train them for jobs that  
9 don't exist.

10 So, I'm afraid you're going to see  
11 unemployment creep up. I would fight that by  
12 production, supply side tax cuts, stimulating the  
13 private sector, and I believe that would work if  
14 you hold government under control. But you can't  
15 go and risk making the deficit bigger at the same  
16 time, otherwise you still have that inflationary  
17 problem. My problem with Jimmy Carter, when he  
18 came in he addressed himself to one thing:  
19 stimulation of the employment sector and lowering  
20 unemployment. And he did that to some degree for  
21 awhile, but inflation went right off the charts  
22 because of these wreckless deficits.

23 MR. REAGAN: Well, but he did other  
24 things to create the wreckless deficits. He said  
25 that he was going to streamline government, and he



1 streamlined it. He created the energy industry  
2 that's got a budget as big as the total profits of  
3 the major oil companies. He has now created the  
4 cabinet level, National Department of Education,  
5 with more millions of dollars. He's got the  
6 biggest staff, as you pointed out, in the White  
7 House, I think, of any president that we know of.  
8 I think that he who was going to trim things has--I  
9 laughed when he called Teddy Kennedy the biggest  
10 spender in the Senate. Well, he's the biggest  
11 spender that has ever been in the White House. I  
12 feel when you said, again, stimulate, provide  
13 incentive for increased productivity. The  
14 American worker today is saving the lowest  
15 percentage of his earnings at any time in the last  
16 30 odd years. And a Japanese worker can save five  
17 times the percentage of his earnings than an  
18 American can; a West German worker, three times.  
19 It's that money that is not going  
20 into savings accounts, not going to insurance  
21 premiums, that is not there as capital to invest  
22 in the private sector. And the only capital  
23 investment they've been able to make has been  
24 mandated on them by this government to meet  
25 certain federal requirements, either in safety or



1 environment or whatever. It's added to production  
2 costs. It's reduced productivity, and I want to  
3 see an increase in productivity, too. And all I  
4 can say is I think the system you are talking  
5 about we've been trying for a lot of years, really,  
6 off and on. And I think it is time for something  
7 new and I think what is new is let's believe in  
8 the people once again, that they can spend their  
9 money smarter than the government can.

10 MR. SMITH: Let me ask you a  
11 question that is almost philosophical.

12 Ladies and gentlemen, please  
13 suppress your enthusiasm until we're finished,  
14 because people will think someone is taking sides  
15 and we don't want them to think you are.

16 Mr. Reagan and Ambassador Bush, you  
17 blame the government for many of our ills, but in  
18 many ways is not government absolutely essential  
19 and hasn't it many achievements to its credit?  
20 The most productive industry we have is  
21 agriculture, and its productivity is due, mainly,  
22 to government activity and the research stations.  
23 The World War II, the government created an  
24 aluminum industry, when private industry wouldn't  
25 touch it, and sold it then to private industry.

1 And our most spectacular achievement lately, the  
2 putting a man on the moon, was a government  
3 project, a government plan, which private  
4 enterprise carried out.

5 Aren't you underrating the  
6 effectiveness of government?

7 MR. BUSH: No. I don't think  
8 government adds to production. You can cite an  
9 example of the aluminum industry, now much better  
10 done in the private sector. And when you have a  
11 war-time economy, of course you're going to have  
12 government intervention in certain things:

13 stimulation of ship building, for example. But  
14 tell you what is happening: government has moved  
15 in on the private sector with so much regulation.

16 I built a business right here in  
17 Texas. Started it from scratch. And when we  
18 started out there into the Gulf to drill a well,  
19 we needed I think it was two permits. Today I am  
20 told it is 12 permits. Every time you turn around,  
21 there is too much regulation. Yes, government  
22 does some things, and they can help people, and  
23 they do help people. And I'm not an  
24 anti-government people, person. They provide for  
25 the defense, and there are certain functions that

1 government has that are compassionate, and I think  
2 good.

3           And I have a difference with the  
4 Governor as to whether you turn everything back to  
5 the states or not: welfare, for example. I think  
6 there is room for a partnership there. But what  
7 government does is not productive; and we ought to  
8 be cutting it back, because it isn't adding to  
9 this productivity that I think is essential if  
10 we're going to beat inflation and give the bypass  
11 citizen, the person in the Fifth Ward of Houston,  
12 that has been bypassed, give them an opportunity  
13 to have a running start as they get into the work  
14 force.

15           MR. SMITH: Mr. Reagan.

16           MR. REAGAN: Yes, Howard, I brought  
17 some figures along here because I thought they  
18 might come in handy someplace, and here it is.

19           If Americans, since 1950, in the  
20 last 30 years, had been able to save and invest,  
21 if our economy had only grown one and a half  
22 percent more a year, our incomes would be 50  
23 percent higher; jobs would be plentiful; we'd have  
24 a balanced budget; lower payroll taxes, instead of  
25 higher; stable prices; a solvent Social Security



1 program; and our industrial economy would be three  
2 times as great as that of the Soviet Union; and we  
3 would have unquestioned military superiority.

4 Now, you mentioned--I agree, too,  
5 there are legitimate functions government must  
6 perform. And the basic three that are outlined in  
7 the very basis of our government and our  
8 constitution is that the federal government exists  
9 to protect us from outside aggression; our  
10 national security to protect us from disorder  
11 within; and to guaranty the stability of our money.  
12 And in all three of those at the moment we could  
13 say this administration has failed. They have not  
14 protected our national security. They have let it  
15 decline to where we are in the most dangerous  
16 point we've been in that I can recall. They have--  
17 we know about disorder in the streets and crime  
18 and so forth. And the third one, also, the  
19 stability of our money, the dollar is worth less  
20 in relation to other currency than it's ever been  
21 in our history.

22 MR. SMITH: Gentlemen, you both  
23 stated your viewpoints. Now, to move things on to  
24 another subject. There was supposed to be a third  
25 man here tonight, Congressman John Anderson of

1 Illinois. We received word he would not take part,  
2 and it is expected that tomorrow or perhaps the  
3 next day he will announce that he is forming a  
4 third party and he will be the candidate.

5 What do you think the effect of that  
6 will be on the election that you hope to take part  
7 in?

8 Ambassador Bush.

9 MR. BUSH: Well, I don't really  
10 believe after the initial flurry that it's going  
11 to make that much difference. I believe that  
12 they'll be more apt to pull from Jimmy Carter  
13 because his backing and those shoving him forward  
14 and helping him on this are those that I think  
15 would be for Teddy Kennedy if they thought he was  
16 going to be in there and have a shot; and, so, I  
17 don't think it will be third party. I think he  
18 will run as an independent, and I think he'll have  
19 have the same success that others have had that  
20 have run as independents.

21 We are a two-party system. Part of  
22 our stability comes from the two-party system. I  
23 asked him in the debate in Illinois whether he was  
24 willing to support the nominee of the party. He  
25 made very clear then that he was not prepared so

1 to state. And I think you are probably right,  
2 that he will do this. But I don't believe it's  
3 going to amount to much. After the initial blush  
4 and a couple of good trips around the country, I  
5 don't see--he's caught. He's caught because he  
6 doesn't have really the true credentials of a  
7 Kennedy, and yet he seems to want to move away  
8 from the credentials that got him elected to the  
9 House. And that dichotomy, that contradiction, is  
10 going to hurt him some; but let him do what he  
11 wants. I mean, that's the way I look at it.

12 MR. SMITH: Do what he wants.

13 Governor Reagan, the polls the other  
14 day said he could get 28 percent of the votes. I  
15 don't know if the poll is accurate or not, but if  
16 he did, he could throw the election you hope to be  
17 in into the House of Representatives where the  
18 Democrats have a majority. Wouldn't that be a  
19 threat to you?

20 MR. REAGAN: That would be a  
21 disaster. I agree with George, though. I think  
22 whatever he is going to get, he is probably going  
23 to take away from the Carter side more than from  
24 our side. And I know that I speak for George when  
25 I say we sure do miss him tonight. Don't we?



1                   MR. SMITH: Gentlemen, let's turn to  
2 foreign affairs.

3                   Both of you have been unsatisfied  
4 with how the president has been handling the  
5 Iranian crises lately, and now he is apparently  
6 having some thoughts of using force which I think  
7 you've indicated in a general way you approve of.  
8 Let me run some forcible options past you and see  
9 whether you approve or disapprove.

10                   The most often quoted one is mining  
11 the oil ports of Persia, blockading the oil ports  
12 of Persia. Is there not a danger if that were  
13 adopted that the Russians would send mine sweepers  
14 in to sweep the mines or run the blockade and we  
15 would have to either shoot or shut up?

16                   Do you find that, Governor Reagan, a  
17 danger?

18                   MR. REAGAN: Well, it's difficult to  
19 talk about what is a viable option now, as we are  
20 late in the 6th month of their captivity, because  
21 first of all is the fear of something that might  
22 endanger them further; but second is also, if you  
23 do have a good idea, something that should be done,  
24 I don't think we should say it out loud and let  
25 the Iranians hear about it. My criticism--

1 I don't mind criticizing what has been done and,  
2 frankly, I don't think the president has done  
3 anything that he couldn't have done five months  
4 ago or longer, and then was the time to--when all  
5 the means of diplomacy failed--then was the time  
6 to look at the options, which only the president  
7 knows that he has, as to what he thought might,  
8 with the least chance of any violence, that might  
9 exert the greatest pressure on them, and then give  
10 them a date certain and say either the hostages  
11 are released on that date or this goes into effect.

12 And he has used the term military  
13 force now as a possibility, but that could include  
14 what you've said, mining. It could include  
15 blockade. If we mined, and I am sure if we did it,  
16 those would be the kind of mines that are  
17 activated by radio and can be deactivated, but we  
18 would have to also prevent Russian mine sweepers  
19 from going in there and trying to take them out if  
20 they wanted to try that. I wonder whether they  
21 are prepared for a possible escalation of conflict  
22 with us at this time. They are aggressive against  
23 an Afghanistan and in Africa, and so forth; and,  
24 even though they have a lead on us in virtually  
25 everything, I don't think that maybe they are



1 prepared at this time to dare the possible--well,  
2 they don't want the confrontation directly with  
3 the United States.

4 MR. SMITH: Wouldn't it be quite a  
5 risk to find out whether they were willing or not,  
6 Ambassador Bush, when they are operating just on  
7 the other side of the border from their supply  
8 depots and we will be operating 8,000 miles away  
9 from ours?

10 MR. BUSH: No. It would not be that  
11 big a risk in my judgment. I have been to that  
12 part of the Gulf. I did business in that part of  
13 the world. In my judgment, the situation in Iraq,  
14 where you see Iraq pulling away from the Soviet  
15 Union, has a bearing on this and, in my judgment,  
16 the situation in Pakistan; where you have both  
17 China concerned and us concerned about Afghanistan  
18 for very different reasons, the Chinese with their  
19 special relationship with Pakistan, where you have  
20 Islam concerned, almost united in their concern  
21 about the Soviets; where you have a Soviet Union  
22 that it is overcommitted in Afghanistan as it is,  
23 I don't believe your hypothesis is correct, Mr.  
24 Smith. I don't believe the Soviets would escalate,  
25 and I believe that is an option that the President



1 should give very serious consideration to. And  
2 you're not talking, when you get into a situation  
3 of mining, of having to cede it away. Once you  
4 mine, with no matter how many mines you put in,  
5 insurance rates skyrocket. And for all intents  
6 and purposes, commerce screeches to a halt. And I  
7 think it should be considered. I think it's for  
8 the President to make the determination.

9 One thing I learned from my  
10 experience in foreign affairs is that there is a  
11 highly classified body of information that only a  
12 handful of people, properly, in my judgment, have  
13 access to, and that is the president and the  
14 handful of his top people. And so if that  
15 decision is made by them, it would have my support;  
16 and I don't believe that the risk you cite is the  
17 risk to be concerned about. I think the risk  
18 would rather be internally in Iran when you are  
19 dealing with outrageous, wreckless people who have  
20 no respect for international law. They've already  
21 made a hostile act under any interpretation of  
22 international law, seizing our embassy. And, so,  
23 I wouldn't worry about the Soviets in this context  
24 for the reasons I have given you.

25 MR. SMITH: What about the option of

1 doing nothing at all? Clearly, the most important  
2 fact about Iran today is it is a country that  
3 hasn't completed its revolution. There are  
4 probably more pro-U.S. people in Iran than we  
5 realize from watching television and seeing only  
6 anti-U.S. militants. And if a showdown inside  
7 Iran, which may have begun already with the  
8 students fighting one another, might see our side,  
9 the side that wants to get along with us when; but  
10 if we use force, we may force Iran into Russian  
11 arms and endanger the hostages. Wouldn't it be  
12 worthwhile being patient awhile longer since the  
13 hostages are apparently physically in good  
14 condition?

15 MR. REAGAN: I don't think they have  
16 seen it as patience. I think they have seen it as  
17 weakness. And they have no respect for us. They  
18 have humiliated us. One of their officials that  
19 we sent back just the other day, one of the  
20 diplomats, his speech when he arrived was boasting  
21 of how they rubbed our face in the dirt all this  
22 time.

23 But what if the United States had,  
24 in those first hours, had used all the diplomatic  
25 things that we have done--not that commission from



1 the U.N., because that isn't even in the U.N.  
2 Charter, and I think it was a terrible precedent  
3 for us to set that the U.N. could do such a thing  
4 outside the Charter--but all the diplomatic  
5 efforts we could make peacefully to get them back;  
6 and then had used one of these and, let us say,  
7 hypothetically, the mining of the harbor, the  
8 blockade. First of all, at that time they were  
9 greatly dependent on outside commerce and  
10 dependent for about 30 percent of their food. Now  
11 they have adjusted, and for us to put sanctions on  
12 them, our trade has shrunk down to the place that  
13 is hardly going to affect them at all. But, then,  
14 if we had done that forcefully, and in those first  
15 few days, and gotten our hostages back, then we  
16 could have said to them, "Now, look. We don't  
17 want any trouble with you. We would like to be  
18 friends with you. We'd like to work with you, and  
19 we could be helpful to you. And you've got a  
20 neighbor up north I am sure you don't want in here."  
21 And I think they would have listened to us. But  
22 now why would they listen to us when they look to  
23 themselves as stronger than we are because of the  
24 way we've gone on month after month letting this  
25 humiliation occur.



1                   MR. SMITH: How about Afghanistan?  
2                   Congressman Sam Stratten of New York, who has been  
3                   to the Pakistan border of Afghanistan, says the  
4                   Afghan rebels are using ancient weapons, rifles of  
5                   World War I vintage, and he feels that we should  
6                   send them very considerable aid since the Russians  
7                   are accusing us of it anyhow. Do you believe we  
8                   should?

9                   MR. BUSH: Absolutely. And I said  
10                  it from the very beginning. And, look, if you  
11                  have a brutal aggression and you are not willing  
12                  to help, and I think the way to do it was through  
13                  Pakistan, if you are not willing to help, what  
14                  possible hope do countries have that want to be  
15                  free of this kind of aggression? You've got to  
16                  start in foreign policy with your definition of  
17                  what the Soviet Union intends.

18                  Now, I believe the evidence is  
19                  overwhelming that they seek superiority, not  
20                  parity; and I believe when they see us weak, say  
21                  Cubans are in Africa as a stabilizing influence,  
22                  they are going to go in there and use that  
23                  stabilization to spread hegemony, as the Chinese  
24                  would say. And so my view is that they are, the  
25                  Soviets, are aggressive; they have overstated in

1 Afghanistan; they have bitten off more than, in my  
2 judgment, they should be allowed to digest; and I  
3 think that the best answer to it is for them to  
4 know that the United States is going to keep its  
5 commitments. Our allies, everybody gripes about  
6 our allies; and, yes, they ought to be out  
7 supporting us for what we've done. But they don't  
8 know that they can believe Jimmy Carter. They  
9 think that he's going to change his mind on  
10 whatever he does in the Mideast just as he did on  
11 the enhance radiation weapon in Germany.

12 MR. REAGAN: It took him three years  
13 to find out that the Soviets couldn't be trusted.

14 I agree completely, where people  
15 want to be free from Soviet or Cuban domination  
16 where the proxy troops are used to the Cubans, the  
17 United States should be willing to provide weapons  
18 to any men that want to fight for their freedom  
19 against those hostile forces.

20 MR. SMITH: Do you believe, Governor  
21 Reagan, still that there should be a blockade of  
22 Cuba, a complete blockade?

23 MR. REAGAN: Well, I suggested that  
24 as a hypothetical; again, and it was based on this  
25 thing that we both have said here, and that is



1 that only the President and a few people have  
2 knowledge of all the options, but I said with  
3 regard to Afghanistan. The President, I think,  
4 lowered the credibility of the United States when  
5 he made, in diplomatic language, what was an  
6 extremely serious warning to the Soviets not to  
7 invade Afghanistan, indeed, he even used the term  
8 that serious consequences would follow. Now, he  
9 knew we had no way to back that up there. There  
10 wasn't anything we could do. We weren't going to  
11 put in troops and try to chase them out. So they  
12 invaded, and the world saw us once again still  
13 standing here, just as we are still standing after  
14 he made the speech that he wouldn't accept the  
15 Soviet brigade in Cuba. But we accepted it.

16 And so my feeling is that--what I  
17 said at the time was that we ought to have a plan.  
18 We ought to have a strategy of our own. We ought  
19 to have contingency plans where we can look ahead  
20 and say: Well, if they should do this or do that,  
21 this is what we can do. And I propose that there  
22 might be pressures we could exert on the Soviet  
23 Union where the logistics are not 10,000 miles  
24 against us, but not in their backyard. And I said  
25 let me give one hypothetical idea, and I said



1     there may be others and better options than this--  
2     but here we have a Soviet satellite 90 miles off  
3     our shore. And instead of threatening sanctions  
4     or threatening the olympics or anything else, why  
5     couldn't we blockade Cuba and then say to them,  
6     "When your troops get out of Afghanistan, we will  
7     drop the blockade around Cuba." And I think this  
8     could exert great pressure.

9             MR. BUSH: Here we have a  
10    fundamental difference, because it wasn't Cubans  
11    that invaded Afghanistan; it was Russians. And we  
12    have a hemispheric problem today, it seems to me,  
13    and I believe that if you will go back and, look,  
14    blockade connotes in naval parlance, war,  
15    interdiction of shipping, interdiction of aircraft.

16             Kennedy didn't use the word "blockade."  
17    He used the word "quarantine." To quarantine Cuba,  
18    it would require today because of the decline in  
19    the United States Navy, according to a former  
20    chief of naval operations, the entire Atlantic  
21    fleet. Now, I don't believe I have a difference  
22    with Governor Reagan. As much as I detest what  
23    Castro is doing, if Afghanistan were invaded or  
24    someplace in the Middle East were threatened when  
25    I was president, I would not respond against Cuba.

1 I believe that would be bad in terms of the  
2 hemisphere. We got problems with Cuba? One on  
3 one with those problems. Don't link them in in  
4 order to solve something halfway around the world.  
5 That's my view of foreign policy.

6 MR. REAGAN: There is a  
7 disagreement in naval circles, then, too, because  
8 I have had some naval advice about the  
9 practicality of the blockade, also. But don't we  
10 have to realistically face up to the fact that our  
11 troubles in this hemisphere and Central America  
12 and on down in South America are being generated  
13 by Castro's Cuba as well as in the Caribbean where  
14 they are also threatening now to choke off our  
15 lifelines, and it is a problem that has to be  
16 faced one day. But I think that Russia has enough  
17 of a presence there. It has fighter bombers there;  
18 it has submarines there; it has a brigade we know  
19 about that holds combat maneuvers there. Russia  
20 provides, and I guess, about a tanker a week with  
21 oil for Cuba. I don't think they could stand a  
22 blockade very long, and I think a little call on  
23 the hot line with this kind of a threat might get  
24 the withdrawal of the troops from Afghanistan,  
25 because it would be a pressure on them.



1                   MR. SMITH: Ambassador Bush, what do  
2 we do about Cuba which is, as everyone says, 90  
3 miles off our border, is virtually a Soviet  
4 outpost, has an imitator now in the island of  
5 Granada, has 500 advisors in Jamaica and some in  
6 Guyana, and influence is spreading all the time.  
7 And what makes it seem ridiculous is it is a  
8 basket case of a nation, about to collapse if  
9 Russia doesn't hold it up.

10                   MR. BUSH: That is right, but when  
11 Jimmy Carter came in, he gave a great big abrasso,  
12 stop the SR-71 flights and treated Cuba with  
13 civility while knocking the hell out of some of  
14 our allies in the further part of Latin America.  
15 And people look at us and they say, "What is going  
16 on there?"

17                   This man has made a conscious  
18 decision, in my judgment, Castro, to export  
19 revolution, not support it. Communists make this  
20 very interesting dialectic, this distinction  
21 between the support of revolution and the export.  
22 They've made this decision, and, yes, Granada is  
23 now having their alliance with Castro. Guyana has  
24 been in trouble before--Granada first. Guyana has  
25 had their trouble before. Jamaica, their police



1 and security force is being trained by Cuba, but  
2 that is just the tip of the iceberg. The rest of  
3 it is down in Central America today where I am  
4 absolutely convinced that Castro is not only  
5 fomenting but supplying the military equipment to  
6 stimulate revolution.

7 So what do you do about it? You  
8 change your naive foreign policy that considers  
9 this guy as some kind of person that is really  
10 going to live comfortably withinside that island.  
11 And then, you certainly you would adhere to human  
12 rights. The United States always must adhere to  
13 that. But Jimmy Carter didn't invent morality in  
14 foreign policy.

15 And so what I would do is I would  
16 keep our strategic interests in mind as I pushed  
17 for equity and change.

18 MR. SMITH: Well, the next debate, I  
19 am going to ask you what you would do about Cuba.

20 MR. BUSH: I just told you.

21 MR. SMITH: But now we are going to  
22 have some questions from the audience.

23 MR. GROSSBERG: My name is David  
24 Grossberg, and I would like to know: Do you think  
25 the children of illegal aliens should be allowed

1 to attend the Texas public schools free, or do you  
2 think that their parents should pay for their  
3 education?

4 MR. BUSH: Who are you addressing  
5 that to?

6 MR. SMITH: I think you are first in  
7 this.

8 MR. REAGAN: He was looking right at  
9 you.

10 MR. BUSH: I was afraid he was.

11 Look, I would like to see something  
12 done about the illegal alien problem that would be  
13 so sensitive and so understanding about labor  
14 needs and human needs that that problem wouldn't  
15 come up; but today if those people are here, I  
16 would reluctantly say I think they would get  
17 whatever it is that they are, you know, what the  
18 society is giving to their neighbors. But the  
19 problem has to be solved. The problem has to be  
20 solved, because as we have kind of made illegal  
21 some kinds of labor that I'd like to see legal, we  
22 are doing two things: we are creating a whole  
23 society of really honorable, decent family-loving  
24 people that are in violation of the law; and,  
25 secondly, we are exacerbating relations with



1 Mexico.

2           The answer to your question is much  
3 more fundamental than whether they attend Houston  
4 schools it seems to me. I don't want to see a  
5 whole--if they are living here, I don't want to  
6 see a whole--think of six and eight years old kids,  
7 being made, you know, one, totally uneducated and  
8 made to feel that they are living withoutside the  
9 law.

10           Let's address ourselves to the  
11 fundamentals. These are good people, strong  
12 people. Part of my family is a Mexican.

13           MR. REAGAN: I think the time has  
14 come that the United States and our neighbors,  
15 particularly our neighbor to the South, should  
16 have a better understanding and a better  
17 relationship than we have ever had. And I think  
18 that we haven't been sensitive enough to our size  
19 and our power. They have a problem with 40 to 50  
20 percent unemployment. Now, this cannot continue  
21 without the possibility arising with regard to  
22 that other country that we talked about, of Cuba  
23 and what it is stirring up, of the possibility of  
24 trouble below the border, and we could have a very  
25 hostile and strange neighbor on our border.



1 Rather than making them--we are talking about  
2 putting up a fence. Why don't we work out some  
3 recognition of our mutual problems, make it  
4 possible for them to come here legally with a work  
5 permit, and then, while they're working and  
6 earning here, they pay taxes here. And when they  
7 would want to go back, they can go back. And they  
8 can cross, and open the border both ways by  
9 understanding their problems.

10 This is the only safety valve right  
11 now they have with that unemployment that probably  
12 keeps the lid from blowing off down there. And I  
13 think we could have a fine relationship, and it  
14 would solve the problem you mentioned, also.

15 MR. SMITH: Yes, sir?

16 MR. APPEL: I'm Michael Appel. I  
17 hope both of you gentlemen will address yourselves  
18 to this one: Local filling stations are said to  
19 be cutting the gasoline prices so as to exhaust  
20 their currently abundant supplies on the advice of  
21 their parent companies in order that their next  
22 allocations will not be decreased.

23 How do you feel about this practice?

24 MR. BUSH: Is that one for me, too?  
25 I will be glad to respond, unless you want a crack

1 at it first. Go ahead.

2 MR. REAGAN: Well, here again, this  
3 is part of what I think the great energy crisis,  
4 like inflation, is caused by government. And part  
5 of it is from that energy agency and the  
6 allocation system. Once upon time the allocation  
7 of that product, like any other product, was made  
8 by the marketplace, supply and demand. Today you  
9 have a government agency that is dictating where  
10 the gasoline, where the heating oil, where the  
11 diesel oil, where it will go and trying to guess  
12 how much should go where. For example, recently,  
13 while you are talking about too much here, down in  
14 Southern Florida, in fact, during the primary  
15 there, they were running into a shortage because  
16 the agency had decided in the winter time people  
17 drive less than they do in the summertime, and  
18 they didn't stop to think that it is summertime in  
19 South Florida all winter. And people were driving  
20 just as much and probably even more people coming  
21 down there as tourists.

22 California, when we lined up at the  
23 gas stations, they started allocations on the 1972  
24 figures. We've got 4 million more automobiles in  
25 California than we had in 1972. Let us turn the



1 energy industry back and let the marketplace  
2 dictate things like that, and we won't have these  
3 problems.

4 MR. BUSH: The only thing I would  
5 add is that that example makes a good case against  
6 wage and price controls. You have given a good  
7 example in the energy business, the energy  
8 department saying put the gasoline where the  
9 people aren't, back when we had a gasoline problem.  
10 And I oppose wage and price controls, and this is  
11 a good example of a price control that has  
12 distorted supply rather than helped, in my  
13 judgment.

14 MR. SMITH: Yes, ma'am?

15 MISS MANLEY: Mr. Bush, Mr. Reagan,  
16 my name is Carla Manley, and I'd like to ask:  
17 With college costs up to \$6,000 per year, even at  
18 state universities, would you okay tax cuts for  
19 families with college students?

20 This is particularly important to  
21 students who are in middle-income families who are  
22 above financial-need scholarships, but still feel  
23 the strain of college education.

24 MR. BUSH: I have supported, as a  
25 Member of the United States Congress, tuition tax



1 credits. How big they can be has to, in my  
2 judgment, be considered along with the entire  
3 economy. Because I don't want to stand here and  
4 say we are going to maximize, fund that to the  
5 fullest, when I am talking cutting back on some  
6 kinds of expenditures. But I favor tuition tax  
7 credits; I favor the student loan program. I  
8 don't favor abuses in the student loan program  
9 that permit people with a \$100,000 income to get--  
10 families that way--to get loans at subsidized  
11 rates.

12 MR. REAGAN: We are in agreement on  
13 that. I have supported the idea of tuition tax  
14 credits, also, and the loan program. In  
15 California we had a state scholarship program that  
16 was only \$4 million when I became Governor. It  
17 was 43 when I left. See, I had to wash dishes in  
18 the girls' dormitory to go to school. That was  
19 one of the better jobs I've had.

20 But I agree with that. But isn't it  
21 basically again, aren't we getting back to the  
22 first problem, that the answer is that again is a  
23 casualty of inflation. And until we get back down  
24 to common sense, reasonable prices, we are going  
25 to have these kind of problems.

1 MR. SMITH: Yes, ma'am?

2 MRS. GORE: Mr. Bush, Mr. Reagan, I  
3 am Ravina Gore.

4 Would you please tell us who some of  
5 the people are that you are considering as your  
6 vice presidential running mate when you are  
7 nominated?

8 MR. SMITH: I think this is Mr.  
9 Reagan's turn to start.

10 MR. REAGAN: I thought I answered  
11 the other one first.

12 Well, ma'am, I don't know what the  
13 answer is going to be from the other end of the  
14 stage, but I can tell you this one, whether it is  
15 fear of jinxing myself or whatever it is, I have  
16 refused to allow myself to even consider that. I  
17 think there is a wealth of talent in our party and  
18 I have refused to let myself even turn my mind to  
19 that, unless and until I am much closer to seeing  
20 the required number of delegates for the  
21 nomination.

22 MR. SMITH: Mr. Bush.

23 MR. BUSH: Even with my new found  
24 optimism out of Pennsylvania, I have not gotten  
25 far enough along to think about the name of the

1 person.

2 Two criteria: he or she must be  
3 able to take over, must be able to take over the  
4 minute the president was incapacitated; and  
5 secondly, a certain degree of loyalty to the  
6 President's views. Not ideological conformity,  
7 not total agreement on every single one of these  
8 troubling issues that face this country, but a  
9 willingness to support the President. I will be  
10 honest with you, and I don't agree with him on  
11 hardly any issue, Vice President Mondale has been  
12 a good vice president in this second regard for  
13 Jimmy Carter. Those are the two major criteria  
14 that I would look for.

15 MR. REAGAN: I must say, also, it  
16 goes without saying, that I would think that  
17 anyone that you would recommend to the convention  
18 you would have to feel would carry out the  
19 programs that you had promised the people you were  
20 going to implement. Therefore, whoever I pick  
21 would have to agree with the Kemp-Roth Tax Bill.

22 MR. SMITH: Thank you, gentlemen.  
23 Now, we have about one minute for closing  
24 statements.

25 MR. BUSH: Was that Mr. Roth that



1 just came out for a 30 million tax cut?

2 MR. SMITH: That's three seconds off  
3 your closing statement. A minute for your closing  
4 statement.

5 MR. BUSH: Well, I am very pleased  
6 to be back in Texas. I am looking forward to the  
7 campaign in this my home state where I have lived  
8 for 30 years. I believe that this kind of  
9 function, and I thank the League of Women Voters,  
10 is an extraordinarily good thing. Spell out the  
11 differences. Spell them out so the voter can best  
12 determine who can beat Jimmy Carter.

13 My view is this: If we have a  
14 sensible economic policy that does not over-  
15 promise, and we couple that with a foreign policy  
16 based on experience, where the United States will  
17 keep its word, strengthen its intelligence  
18 capability and adhere to the values that have made  
19 us strong and earned this respect, we can help  
20 people at home and we can restore the respect  
21 we've lost abroad.

22 Thank you very much.

23 MR. REAGAN: In the 18th century we  
24 created here in this land, the freest, most unique  
25 society that has ever been known to man.

1                   In the 19th century, we built the  
2 greatest industrial power that the world has ever  
3 seen.

4                   And we spent most of the 20th  
5 century apologizing. And I don't know what we are  
6 apologizing for. I think that living Americans  
7 today have fought harder, done more for the  
8 dignity of man than any people who have ever lived  
9 on this earth.

10                  And I also share the view that Jimmy  
11 Carter must be removed from office. If I thought  
12 someone else had a better chance to beat him than  
13 I did, I wouldn't be a candidate, I would be  
14 supporting that someone else.

15                  But in these last 20 years of this  
16 century, we must make sure that the young people  
17 and the people who are going to follow us will  
18 have the same opportunity, the same glittering  
19 opportunity that has been ours through 200 years  
20 of our history. It is all here. It is all  
21 possible to the American people, and I want to see  
22 the American people have that chance without  
23 government crowding them down and becoming the all-  
24 powerful instrument in their lives controlling  
25 their destinies.

1 Thank you.

2 MR. SMITH: Ladies and gentlemen,  
3 that concludes our forum for tonight.

4 I want, on behalf of the League of  
5 Women Voters to thank Ambassador Bush and Governor  
6 Reagan for being with us. They did agree on some  
7 very important things. I hope you kept notes of  
8 that. But they didn't disagree as much as I  
9 wanted them to, which is very bad for show biz,  
10 but probably very good for the Republican Party.

11 The League of Women Voters believes  
12 that this forum series and its upcoming  
13 Presidential Debate Series is vital to the  
14 interests of our nation, especially at this time.

15 Thank you all and good night.  
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