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EMBARGOED TILL  
2:00 P.M. (PDT)  
Tuesday, September 5, 1978

EXCERPTS FROM REMARKS BY THE HON. RONALD REAGAN

Dave Kelly for Assembly Luncheon  
Riviera Hotel  
Palm Springs, California  
Tuesday, September 5, 1978

On an occasion like this, the speaker is expected to raise his party's standard, point with alarm at the other party's policies, embrace our party's principles and grasp the central meaning of the election -- all at the same time.

That's a little like the old-time ventriloquist who sang "Yankee Doodle Dandy" while drinking a glass of water at the same time.

I'm not going to present you with a long list of what is wrong with the current administration or the Democrat-controlled Congress. We'd be here all night. Let's just say that Jimmy Carter and Tip O'Neill are having troubles these days -- and not just with each other. If the President really wants to communicate with Democratic Congressmen, he should learn to speak Korean.

You can't say he hasn't made a lot of legislative proposals. He's made more proposals than Mickey Rooney. It's just that every time he comes up with a piece of legislation, we Republicans tell the truth about it. From the fifty dollar rebate -- remember that "Golden Oldie"? -- to the public financing of congressional elections -- known to its friends as "the Incumbents Protection Act".

And, what about the Carter fight against inflation? Today, inflation continues to hover at the double-digit level. But, the White House says everything is fine. That's a little like the prize fighter who was backpedaling around the ring trying to keep from getting killed. Every time he passed his corner his manager yelled, "Stay with him kid. He hasn't laid a glove on you". Finally as he came around again, the fighter said, "Well, keep your eye on the referee, because someone in here is beating my brains out."

But, we can't make the mistake of gloating over the mistakes the other fellows have made. Admittedly, the Carter Administration and Tip O'Neill's Democrats have acted like a kind of Pete Rose in reverse: They have set a record of consecutive political strikeouts. But, if you keep on swinging, you're bound to hit the ball, even if it's by luck.

So, while we should take every opportunity to remind the people of our opponents' record of failure, let's not wait for them to lose these forthcoming elections. We have to go out and win them.

I don't have to refer to statistics or polls or graphs or learned studies to convince you that 1978 is the year for Republicans. You can sense it. It's in the air.

No matter what the calendar or the thermometer might say on Election Day on November 7th, it will be the beginning of a Republican springtime if we do our job.

We are the acknowledged party of competence, something as rare in Jimmy Carter's Washington as kept promises.

We remain what we have always been, the party that can add and subtract correctly. We still know that the beginning of

political wisdom is that the money you earn belongs to you, not the government. A generation of Democrat leaders have never learned this.

But, we also have something else in our favor as we approach November. We are the party of hope.

Our principles and our programs are in harmony with the deep and passionate desire of the American people to get our nation back where it belongs, proud and strong and confident.

Only rarely is a political party fortunate enough to be able to say: "This historic moment is ours to grasp. What we have always believed, the people now demand."

A few years ago, we were told that Republicans should appeal to what were then called "The Social Issues" -- busing, drugs, violence in the schools -- those were issues we shared with many Americans who have not traditionally been Republicans.

But others said it was economic issues on which people ultimately made decisions.

And so it seemed there was no real way to join with those who might share our views but whose traditional loyalties kept them out of our party. They would vote on the pocketbook issues and we could not match the Democrats on those.

Well, it is no longer true -- if it ever was.

There is no distinction between pocketbook issues and social issues today. Indeed, pocketbook issues are the biggest social issues of our time.

High taxes are the number one topic of conversation and concern at the office water cooler and in the truck depot, in the wheat fields and on the assembly line, at the local diner and in the hardware store across the street.

In the words of a movie of a few years back: The American people are hopping mad and they aren't going to take it anymore.

And, if that isn't a social issue, I don't know what is.

Inflation is no longer an economic catchword. To all Americans it is something as violent as a mugger, as frightening as an armed robber and as deadly as a hit-man.

And, if that isn't a social issue, there aren't any.

This does not mean we forget about those older social issues like the welfare mess, busing, quotas and others. Indeed, everywhere we go we should do two things: Demand that the Democrat candidate explain his position on his party's devastating attacks against the people, and make certain the people know we are on their side on these issues.

Combining these older issues with dramatic issues of economic warfare being waged against American families by Democrats, we can make 1978 a year of victories for Republicans.

But nothing in politics is inevitable. We have to make our successes by our own effort. We cannot count on the ineptitude of the Administration or the record of the Democrats in Congress to speak for themselves. The voters will only be aware of the profound difference between our two parties -- if we point that difference out to them.

This isn't a case of the two parties seeking similar goals with different approaches. The other party has been proud to claim that it seeks bigger government programs in more and more areas of American life. The Democratic leaders have gloried in this philosophy. The Democratic intellectuals have written entire libraries of books telling how good big, centralized government

is for you. For the Democrat leaders to turn their backs on what they have always been most proud of is proof that we Republicans have broken their ranks and that we are in the process of driving them off the field of political battle.

But we have to be aware that the Democrats are regrouping. After the shock of Proposition 13, many of them have begun to do that well-known political dance, the Waffler's Waltz, over to our rhetoric if not our principles. They are engaged in the most deceitful and massive rewriting of history ever attempted in American politics by now telling the American people that high taxes, inflation, budget-busting and other forms of economic lunacy just happened and weren't caused by Democratic policies. The rhetoric of Democrat candidates sounds more and more as if it were taken from the 1976 Republican party platform.

Their turnabout should remind us of Napoleon's escape from exile on the island of Elba.

When he landed on the coast of France, the biggest newspaper in Paris carried the headline: The Monster Invades France!

Two days later when he was only a hundred miles from Paris, gathering troops all the time, the headline read: The Major Enemy of France Advances!

Another two days and he was twenty miles from Paris with thousands rallying to his cause, the headline was: Napoleon Nears Capitol!

On the day he entered Paris with a grand army, the headline read: Our Beloved Emperor Has Returned!

The Democrats in Washington and Sacramento must be directly descended from that headline writer.

When the Republican tax cut proposals were made, the Democrat leadership shouted: Irresponsible Economic Demagoguery!

When Americans showed interest in the Republican proposals, the cry from the Democrats was: The Republican Tax Scheme Must Be Stopped.

One day after the passage of Proposition 13, they said: Tax Cuts Are Needed.

Now their cry is "Democrats Favor Tax Cuts". And, they have the gall to say Republicans oppose responsible tax cuts.

I've heard of somebody stealing your clothes while you take a dip in the old swimming hole. But the Democrat leaders not only try to steal our clothes -- they want us arrested for indecent exposure!

And so, it isn't enough to know we are on the right side of the issues. We have to watch out that the Jimmy-come-latelies in the other party don't palm off fool's gold as they usually do. We have to make sure our message gets across to as many people as we can reach.

And, at the heart of that message should be five simple, familiar every-day words. No big economic theories. No sermons of political philosophy. Just five short words:

FAMILY

WORK

NEIGHBORHOOD

FREEDOM

PEACE

Republican candidates for every office should make these words the heart of their message. Anything we have to tell the voters should eventually come back to these five words.

Americans are concerned over inflation not because they have masters degrees in economics, but because inflation is hurting their families.

Americans are concerned over the future of the job market not because they are interested in investment theory, but because each of us has to work in order to eat and clothe ourselves and our family and to educate our kids.

Let the professors and the Washington bureaucrats talk in their jargon about costly urban "Marshall Plans". We should talk about how our programs and policies affect neighborhoods and their problems, because that's where the people we have to reach live and raise their families.

Americans want peace and freedom in the world not because they are interested in the deliberations of the Council on Foreign Relations. To them peace and freedom mean their kids are going to get the chance to enjoy the blessings they have and their fathers had before them. And their sons won't bleed their lives into the mud of a battlefield.

FAMILY. WORK. NEIGHBORHOOD. FREEDOM. PEACE.

We should repeat those words until they become second nature. We should meditate on their meaning and how our policies can be applied to them. They should be on our lips. But, they must also be in our hearts, just as they are in the hearts of Americans all across this country.

When we talk about inflation, let's drop the text-book language and get down to facts as Americans experience them. Let's say something like this to the people we talk to:



"Inflation is dangerous to your family's health. And, inflation-spreaders in Congress and their high-tax colleagues should be quarantined, just as we quarantine the carriers and spreaders of any contagion. The way to deal with these economic "Typhoid Marys" is to take them out of Congress and the legislature where they won't be harming your family."

When we talk about such ideas as lower capital gains tax, let's throw out all that economic mumbo-jumbo and repeat over and over:

Jobs Help People.

Investments make jobs.

And then ask: Where are the jobs coming from if there is no money to invest? Let the Democrat candidate answer that one.

Let's stop using charts and graphs when we talk about employment, and say, instead:

"Work is at the center of our lives. Governmental policies that harm the economy destroy jobs. We want to keep the American economy sound and strong for people, for families, for your kids."

This isn't a change in what we believe. We are simply putting our belief into understandable language.

It is the Democrat leadership that is desperately trying to learn what is to them a new and unfamiliar language, the language of economic responsibility. They think if they learn a few catch-phrases they can deceive the people and make them forget who is responsible for the economic mess that has so damaged American families.

No, I'm not asking for a quick change in rhetoric to disguise our true feelings and beliefs. Far from it. I'm saying we have to find the exact words to convey what we stand for. We have to learn to look at old problems from new vantage points.

I remember once reading about the great western journey made by the pioneers. It seems that a myth developed among the settlers that Indians had some inherent sense of direction, that they couldn't get lost in the wilderness because of some mystical power.

What had actually happened was quite simple. The wagon trains approached each landmark from the same direction time after time. So a settler losing the regular trail might not recognize an otherwise familiar landmark when he saw it from a different angle. The Indians, of course, lived in the area and got used to seeing familiar objects from different vantage points.

For too long we Republicans, like most Americans, have approached the political landscape from one direction and have seen things in the same way.

We got used to and felt comfortable with the old divisions: Labor and Industry. Liberal and Conservative. Rich and Poor. Urban and Rural. These are the landmarks of the American political landscape as we learned them. Unconsciously we have shaped our policies and our programs, our vision and our hopes by this way of looking at things.

But, the realities of 1978 demand that we get out of the beaten path and start learning new ways of looking at things.

Let's decide for ourselves just how the political map should be looked at.

The union member living in a city neighborhood, the executive with a home in the suburbs, the farmer fifty miles away, the pre-med college student at the state university, the bus driver with kids to raise, his mom and dad who still live in the old neighborhood on a small pension, the teen-age girl looking for her first job -- if you look at such a group as we have been taught to do, there is no community of interest.

But suppose we don't look at what the political experts say are the only things that matter, group interests.

Suppose, instead, we look for a set of principles that link these men and women into a community of values. Family, work, neighborhood, peace and freedom are values shared by each of them.

Instead of seeing them as we always have -- stereotyped members of special interest pressure groups -- let's look at them as they see themselves. They are unique individuals with family responsibilities, with a love of country and a set of traditional values they share with millions of others. Let's treat them that way.

A whole new exciting range of opportunity is open to us. Take what most experts say is the most difficult problem facing us; That we cannot appeal to blacks and to white ethnics because there are separate and conflicting interests involved. Our opponents have a different message for each of these groups, different and sometimes conflicting promises.

But I say that we can go to the black community and the white ethnic neighborhoods with exactly the same message and gain supporters from each community.

Suppose we go to them and say something like this:

"Look, you want your neighborhoods to survive. You want your kids to get a good education and to be able to look forward to a good job market. You want the money you earn to stay with you and not go to the politicians. If you are out of work, you want a job. If you have a job, you want a strong economy. You want to know that there is a good reason to believe the economy is going to be strong so you can make plans. If you do fall on hard times, you want to be treated by government as a temporary recipient of aid, not an eternal victim of bureaucratic charity. All right -- our policies speak to the same points. We can help you. We know that our programs are not going to appeal to every member of your community. There is no way in the world that we are going to suddenly start backing a bigger welfare state, an inflationary economy, more federal regulations. The other party has openly and even proudly backed such policies. If that is what you want, we can't help you. But if you are fed up, if you want to get your country back again and build your life with confidence in the future, we can help you. Black or white or red or yellow or any shade in between -- you have a family, you have responsibilities, you have hopes. We say

that the Democrat leaders and their intellectual friends have declared war on you and your values. We are on your side. And we can prove it to you."

Now, isn't that a more honest and more effective way of gaining support in those communities than these transparently dishonest and slick schemes you sometimes hear we should use? People aren't stupid, although some elitists think they are. Blacks and white ethnics know when a con-game is being played. Let's tell the truth. Believe me -- it works!

We are told there can be no similarity of interest between the commuter who lives in the suburbs and the union member who lives in the city. They are supposed to be historic economic enemies. What one wants he must get at the expense of the other. Therefore, you have to direct your message to either one or the other.

Don't you believe it.

The suburban commuter wants relief from brutal taxation. He wants his money to mean something. He wants schools to teach and his neighborhood to be safe. He wants the ordinary common sense rules of experience to be observed by public officials when they are conducting public business.

Tell me: How does the union member in the city differ from the suburbanite on these points? The answer, of course, is that he does not differ because, despite the fact that they make different salaries, may have different interests and styles and tastes -- despite the fact they live apart from each other and may not know each other -- they share the same basic values. We tend to forget that the suburbanite probably grew up in a union-

member family in the city. He hasn't lost the beliefs he grew up with.

The suburbanite's next-door neighbor may be like him in every way except the most important way: He may not share the same love of family, of responsibility to traditional values. But the union member does. So it isn't geographic proximity or even economic class that we look for. It's the way people look at themselves and the world. That is our key to political victory.

Once you begin to look at things this way, the outlines of this community of values become clear.

They live on farms, in city neighborhoods, in suburbs. They attend different houses of worship. They have different ancestors with different cultural attitudes and a different heritage.

But on certain basic fundamental things they agree. They are peaceful people, but when they see somebody out to hurt their family or their neighborhood or their traditional values, they get angry. They are angry now and for good reason. They are the victims of an undeclared war against the things they hold most sacred. And we are their allies in that war.

Let me give you one specific example of what I mean when I say that the Democratic leaders and their intellectual gurus have declared war on the hard-working, God-fearing Americans I am talking about.

We've all seen pictures of cities bombed during World War II. If you held one of those photos next to one of an American neighborhood after the federal bureaucrats have done their job, you wouldn't be able to tell the difference. Our opponents call it massive federal aid and urban renewal. The families who used to live in

some of those neighborhoods have another name for it.

This war is a fierce struggle between contending views of what Americans should be like. It is a war, if you like, between two cultures, two fundamentally different ideas of the important values of life.

Why don't we tell that to the American people?

Let's tell them that in this undeclared war against them and the institutions they love, we are on their side. We want a sound economy not just to balance the budget, but to balance the scales of economic justice for American families.

Let's tell them that the money they work for means less and less because the Congress dominated by one party for so long has funded economic and social programs that are the moral equivalent of breaking and entering.

And, let's tell them that if their Democrat representative or senator has voted for such programs, no amount of speedy constituent services can make up for it. So often we hear that Democrat Senator "X" or Democrat Representative "Y" votes for inflationary policies and social experimentation but is returned every election because he answers constituent mail quickly. That's like saying we like the fellow who poisons our well because he sends us quick little notes to tell us he's doing it!

I have deliberately concentrated on family, work and neighborhood because of their obvious importance in this election.

But that doesn't mean I have forgotten peace and freedom, the other great values of the American people.

The accepted wisdom tells us that no mid-term election is ever won on the issue of foreign policy. Perhaps so. But remember: We could win an election and lose a country if we fail to discuss the issues of peace and freedom.

Let me say that despite obvious temptations I am not going to use this time to conduct a long critique of the Carter foreign policy and defense policies -- even if these policies would stand still long enough for us to see what they are.

No, in fact, all I want to say about the Carter administration and these issues is that I hope that before we all go to bed each night we get down on our knees and pray that the right decisions are made.

As Republicans, we simply and forthrightly bring before the American people the essence of our defense policy: America cannot afford to be number two. No matter what the specific defense issue may be, it is in the interest of peace and freedom that we be second to none. It is essential that we keep the technological advantages that have saved us and other nations from the fate of millions in Europe and Asia. Even more essential is that we have the will to use them if necessary.

In February of 1977, less than a month after his inauguration, President Carter sent a warm letter of support to Soviet dissident Andrei Sakharov. That letter was a grand gesture, an easily understandable symbol of support and friendship for those who are bravely fighting the inhumanity of the Soviet regime. I applauded it then and I applaud it now.

But, it was the last such letter the President sent so far as we know. Maybe he has written other letters but has made the mistake of giving them to Andy Young to drop in the mail. Or, maybe the ever-rising cost of postage has made the President cut back on his correspondence.



It is the letters that President Carter has not sent that history will wonder about. It is the on-again, off-again and confused nature of the Carter approach to human rights that history will judge, not the noble rhetoric that accompanied this approach.

That should be our deepest concern about the Carter administration's defense and foreign policy. There is the lingering, nagging feeling that a central vision, a controlling understanding of foreign affairs does not exist in this Administration. Gestures are made, are well-publicized and then forgotten.

The American people know that peace and freedom can only be obtained through vigilance and strength. This amounts to no more than common sense. But when you say this, you often hear the cries of those who are embarrassed or even outraged by the idea that the United States should seek to be the strongest nation on earth. This kind of thing just isn't done, they say. We must apologize for what strength we have, confess our sins to other nations, and admit we have committed every kind of international crime. We should spend all our time trying to figure out ways to demean our own nation, disarm as quickly as we can and make the rulers of the Third World happy.

Try telling that to the fellow next door and he'll tell you the facts of life.

This country isn't perfect. But, it is the best one in the world. And, as the saying goes, "that ain't boast -- just fact". We have little to be ashamed of and everything to be proud of. If some psychotic African dictator or Latin American bully-boy or Communist thug doesn't like us, who cares? Don't push anybody around, but don't let them push you around. The best way to avoid a fight is to show you're willing to fight if necessary.

That is the wisdom of the street-corner and the country store, the local barbershop and the town meeting.

Such wisdom may not get you a job in the State department. Some intellectuals may deride it as a psychological manifestation of inferiority feelings. And there are some congressmen who would faint dead away if you ever said such things to them. But that kind of wisdom has kept this country free for over two hundred years. It's the wisdom at the heart of the American people's desire for peace and freedom. It is the wisdom that must inform Republicans' policy on issues of defense and foreign affairs.

Whether we are talking about domestic or foreign policy, these are facts that are clear about this election year:

It is in the interest of the intellectual and political leaders of the other party to keep the status quo. They want Americans to keep on thinking about politics in the same way.

It is the job of Republicans to shake things up, to get things moving, to throw over the false idols the Democrat leaders have set for all to worship.

It is the job of Republicans to refuse to accept the old way of looking at things and to take a new look, to see opportunities Democrat leaders and their friends have told us no longer exist.

It is our job to first stop government from hurting the American family and then to make certain future government policies do not harm it. Government policies must help build real jobs. Government policies must be examined so that the neighborhoods of our cities, our suburbs and the homes of the farmers are considered in every piece of legislation we bring up. Peace and freedom through a self-confident and a strong America must be foremost in our minds.

As my own personal contribution to this new way of looking at things, let me close by quoting from a great American the Democratic party has claimed as its own. I challenge that claim and every Republican should challenge it because Thomas Jefferson belongs to all Americans and not to one party. Indeed, if that Virginia gentleman were to come back today, it would not be the big-government, regulatory, paternal, meddling philosophy of the present Democrat party he would call his own.

If you've ever visited his home, Monticello, near Charlottesville in the beautiful Virginia countryside, you are suddenly aware of a fact that the history books rarely dwell on.

The country around Monticello is still beautiful today, much as it must have been when Jefferson built his superb home there. You stand on the hill on which Monticello is built, look around and wonder to yourself:

What would ever make a man risk all this?

Think of it. Although the building was not completed when Jefferson wrote the Declaration of Independence, the dream must have been there. And he was willing to risk that dream, the same dream we all share, a dream for his family, for his work, for the surrounding Virginia countryside which was his neighborhood. He was willing to say farewell to peace, to risk his freedom for what he believed in.

Tell that to the historians who say there was an economic cause of our revolution. Tell that to the cynics who say men and women are always motivated by their base instincts.

If you are at Monticello at twilight, the air is hushed and still. For a moment you are in a kind of timeless state. It could be 1978. Or 1878. Or even March 4, 1801. It was on that day that Jefferson delivered his first inaugural address. He spoke of the need for (and I quote):

"...a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities."

That was the kind of government for which Jefferson and his friends were willing to risk their lives, their fortunes and their sacred honor. Not for what they could get out of it, but for what they believed. They formed the first community of values in this country.

My friends, tell me:

Can we do any less than try to restore "the sum of good government" for ourselves and our children?

Let us do all we can for family, work, neighborhood, peace and freedom. Let history record that almost two hundred years after Jefferson's words, there was still a majority of Americans who tried their best to close the "circle of our felicities".

# # # # #

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LN  
EMBARGOED TILL  
10:20 (CDT)  
Tuesday, September 12, 1978

EXCERPTS FROM REMARKS BY THE HON. RONALD REAGAN

Bill Clements for Governor  
Hyatt Regency  
Dallas, Texas  
Tuesday, September 12, 1978

Mr. President, I want to remind you of two remarks. One was made about you. The other was made by you.

At the beginning of his Inaugural Address, President Carter said: "For myself and for our nation, I want to thank my predecessor for all he has done to heal our land."

At the end of your own acceptance speech in Kansas City two years ago -- and a splendidly moving speech it was -- you said about your vision of this country:

"...I like what I see. I have no fear for the future of this country."

When the history of our time is written those words will stand out like a beacon amidst the encircling gloom. History will record that Gerald Ford by his actions healed our land and by his example reminded us that this nation deserves our love and demands our courage.

If I may say so, that is quite a legacy.

I know I speak for everyone here tonight and for millions of others when I say that I am certain history will look at Gerald Ford and say, with all of us, "I like what I see."

On an occasion like this, the speaker is expected to raise his party's standard, point with alarm at the other party's policies, embrace our party's principles and grasp the central meaning of the election -- all at the same time.

That's a little like the old-time ventriloquist who sang "Yankee Doodle Dandy" while drinking a glass of water at the same time.

I'm not going to present you with a long list of what is wrong with the current administration or the Democrat-controlled Congress. We'd be here all night. Let's just say that Jimmy Carter and Tip O'Neill are having troubles these days -- and not just with each other. If the President really wants to communicate with Democratic Congressmen, he should learn to speak Korean.

You can't say he hasn't made a lot of legislative proposals. He's made more proposals than Mickey Rooney. It's just that every time he comes up with a piece of legislation, we Republicans tell the truth about it. From the fifty dollar rebate -- remember that "Golden Oldie"? -- to the public financing of congressional elections -- known to its friends as "the Incumbents Protection Act".

And, what about the Carter fight against inflation? Today, inflation continues to hover at the double-digit level. But, the White House says everything is fine. That's a little like the prize fighter who was backpedaling around the ring trying to keep from getting killed. Every time he passed his corner his manager yelled, "Stay with him kid. He hasn't laid a glove on you". Finally as he came around again, the fighter said, "Well, keep your eye on the referee, because someone in here is beating my brains out."

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We remain what we have always been, the party that can add and subtract correctly. We still know that the beginning of

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There is no distinction between pocketbook issues and social issues today. Indeed, pocketbook issues are the biggest social issues of our time.

High taxes are the number one topic of conversation and concern at the office water cooler and in the truck depot, in the wheat fields and on the assembly line, at the local diner and in the hardware store across the street.



In the words of a movie of a few years back: The American people are hopping mad and they aren't going to take it anymore.

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Combining these older issues with dramatic issues of economic warfare being waged against American families by Democrats, we can make 1978 a year of victories for Republicans.

But nothing in politics is inevitable. We have to make our successes by our own effort. We cannot count on the ineptitude of the Administration or the record of the Democrats in Congress to speak for themselves. The voters will only be aware of the profound difference between our two parties -- if we point that difference out to them.

This isn't a case of the two parties seeking similar goals with different approaches. The other party has been proud to claim that it seeks bigger government programs in more and more areas of American life. The Democratic leaders have gloried in this philosophy. The Democratic intellectuals have written entire libraries of books telling how good big, centralized government

is for you. For the Democrat leaders to turn their backs on what they have always been most proud of is proof that we Republicans have broken their ranks and that we are in the process of driving them off the field of political battle.

But we have to be aware that the Democrats are regrouping. After the shock of Proposition 13, many of them have begun to do that well-known political dance, the Waffler's Waltz, over to our rhetoric if not our principles. They are engaged in the most deceitful and massive rewriting of history ever attempted in American politics by now telling the American people that high taxes, inflation, budget-busting and other forms of economic lunacy just happened and weren't caused by Democratic policies. The rhetoric of Democrat candidates sounds more and more as if it were taken from the 1976 Republican party platform.

Their turnabout should remind us of Napoleon's escape from exile on the island of Elba.

When he landed on the coast of France, the biggest newspaper in Paris carried the headline: The Monster Invades France!

Two days later when he was only a hundred miles from Paris, gathering troops all the time, the headline read: The Major Enemy of France Advances!

Another two days and he was twenty miles from Paris with thousands rallying to his cause, the headline was: Napoleon Nears Capitol!

On the day he entered Paris with a grand army, the headline read: Our Beloved Emperor Has Returned!

The Democrats in Washington and Sacramento must be directly descended from that headline writer.

When the Republican tax cut proposals were made, the Democrat leadership shouted: Irresponsible Economic Demagoguery!

When Americans showed interest in the Republican proposals, the cry from the Democrats was: The Republican Tax Scheme Must Be Stopped.

One day after the passage of Proposition 13, they said: Tax Cuts Are Needed.

Now their cry is "Democrats Favor Tax Cuts". And, they have the gall to say Republicans oppose responsible tax cuts.

I've heard of somebody stealing your clothes while you take a dip in the old swimming hole. But the Democrat leaders not only try to steal our clothes -- they want us arrested for indecent exposure!

And so, it isn't enough to know we are on the right side of the issues. We have to watch out that the Jimmy-come-latelies in the other party don't palm off fool's gold as they usually do. We have to make sure our message gets across to as many people as we can reach.

And, at the heart of that message should be five simple, familiar every-day words. No big economic theories. No sermons of political philosophy. Just five short words:

FAMILY

WORK

NEIGHBORHOOD

FREEDOM

PEACE

Republican candidates for every office should make these words the heart of their message. Anything we have to tell the voters should eventually come back to these five words.

Americans are concerned over inflation not because they have masters degrees in economics, but because inflation is hurting their families.

Americans are concerned over the future of the job market not because they are interested in investment theory, but because each of us has to work in order to eat and clothe ourselves and our family and to educate our kids.

Let the professors and the Washington bureaucrats talk in their jargon about costly urban "Marshall Plans". We should talk about how our programs and policies affect neighborhoods and their problems, because that's where the people we have to reach live and raise their families.

Americans want peace and freedom in the world not because they are interested in the deliberations of the Council on Foreign Relations. To them peace and freedom mean their kids are going to get the chance to enjoy the blessings they have and their fathers had before them. And their sons won't bleed their lives into the mud of a battlefield.

FAMILY. WORK. NEIGHBORHOOD. FREEDOM. PEACE.

We should repeat those words until they become second nature. We should meditate on their meaning and how our policies can be applied to them. They should be on our lips. But, they must also be in our hearts, just as they are in the hearts of Americans all across this country.

When we talk about inflation, let's drop the text-book language and get down to facts as Americans experience them. Let's say something like this to the people we talk to:

"Inflation is dangerous to your family's health. And, inflation-spreaders in Congress and their high-tax colleagues should be quarantined, just as we quarantine the carriers and spreaders of any contagion. The way to deal with these economic "Typhoid Marys" is to take them out of Congress and the legislature where they won't be harming your family."

When we talk about such ideas as lower capital gains tax, let's throw out all that economic mumbo-jumbo and repeat over and over:

Jobs Help People.

Investments make jobs.

And then ask: Where are the jobs coming from if there is no money to invest? Let the Democrat candidate answer that one.

Let's stop using charts and graphs when we talk about employment, and say, instead:

"Work is at the center of our lives. Governmental policies that harm the economy destroy jobs. We want to keep the American economy sound and strong for people, for families, for your kids."

This isn't a change in what we believe. We are simply putting our belief into understandable language.

It is the Democrat leadership that is desperately trying to learn what is to them a new and unfamiliar language, the language of economic responsibility. They think if they learn a few catch-phrases they can deceive the people and make them forget who is responsible for the economic mess that has so damaged American families.

No, I'm not asking for a quick change in rhetoric to disguise our true feelings and beliefs. Far from it. I'm saying we have to find the exact words to convey what we stand for. We have to learn to look at old problems from new vantage points.

I remember once reading about the great western journey made by the pioneers. It seems that a myth developed among the settlers that Indians had some inherent sense of direction, that they couldn't get lost in the wilderness because of some mystical power.

What had actually happened was quite simple. The wagon trains approached each landmark from the same direction time after time. So a settler losing the regular trail might not recognize an otherwise familiar landmark when he saw it from a different angle. The Indians, of course, lived in the area and got used to seeing familiar objects from different vantage points.

For too long we Republicans, like most Americans, have approached the political landscape from one direction and have seen things in the same way.

We got used to and felt comfortable with the old divisions: Labor and Industry. Liberal and Conservative. Rich and Poor. Urban and Rural. These are the landmarks of the American political landscape as we learned them. Unconsciously we have shaped our policies and our programs, our vision and our hopes by this way of looking at things.

But, the realities of 1978 demand that we get out of the beaten path and start learning new ways of looking at things.

Let's decide for ourselves just how the political map should be looked at.

The union member living in a city neighborhood, the executive with a home in the suburbs, the farmer fifty miles away, the pre-med college student at the state university, the bus driver with kids to raise, his mom and dad who still live in the old neighborhood on a small pension, the teen-age girl looking for her first job -- if you look at such a group as we have been taught to do, there is no community of interest.

But suppose we don't look at what the political experts say are the only things that matter, group interests.

Suppose, instead, we look for a set of principles that link these men and women into a community of values. Family, work, neighborhood, peace and freedom are values shared by each of them.

Instead of seeing them as we always have -- stereotyped members of special interest pressure groups -- let's look at them as they see themselves. They are unique individuals with family responsibilities, with a love of country and a set of traditional values they share with millions of others. Let's treat them that way.

A whole new exciting range of opportunity is open to us. Take what most experts say is the most difficult problem facing us; That we cannot appeal to blacks and to white ethnics because there are separate and conflicting interests involved. Our opponents have a different message for each of these groups, different and sometimes conflicting promises.

But I say that we can go to the black community and the white ethnic neighborhoods with exactly the same message and gain supporters from each community.

Suppose we go to them and say something like this:

"Look, you want your neighborhoods to survive. You want your kids to get a good education and to be able to look forward to a good job market. You want the money you earn to stay with you and not go to the politicians. If you are out of work, you want a job. If you have a job, you want a strong economy. You want to know that there is a good reason to believe the economy is going to be strong so you can make plans. If you do fall on hard times, you want to be treated by government as a temporary recipient of aid, not an eternal victim of bureaucratic charity. All right -- our policies speak to the same points. We can help you. We know that our programs are not going to appeal to every member of your community. There is no way in the world that we are going to suddenly start backing a bigger welfare state, an inflationary economy, more federal regulations. The other party has openly and even proudly backed such policies. If that is what you want, we can't help you. But if you are fed up, if you want to get your country back again and build your life with confidence in the future, we can help you. Black or white or red or yellow or any shade in between -- you have a family, you have responsibilities, you have hopes. We say



that the Democrat leaders and their intellectual friends have declared war on you and your values.

We are on your side. And we can prove it to you."

Now, isn't that a more honest and more effective way of gaining support in those communities than these transparently dishonest and slick schemes you sometimes hear we should use? People aren't stupid, although some elitists think they are. Blacks and white ethnics know when a con-game is being played. Let's tell the truth. Believe me -- it works!

We are told there can be no similarity of interest between the commuter who lives in the suburbs and the union member who lives in the city. They are supposed to be historic economic enemies. What one wants he must get at the expense of the other. Therefore, you have to direct your message to either one or the other.

Don't you believe it.

The suburban commuter wants relief from brutal taxation. He wants his money to mean something. He wants schools to teach and his neighborhood to be safe. He wants the ordinary common sense rules of experience to be observed by public officials when they are conducting public business.

Tell me: How does the union member in the city differ from the suburbanite on these points? The answer, of course, is that he does not differ because, despite the fact that they make different salaries, may have different interests and styles and tastes -- despite the fact they live apart from each other and may not know each other -- they share the same basic values. We tend to forget that the suburbanite probably grew up in a union-

member family in the city. He hasn't lost the beliefs he grew up with.

The suburbanite's next-door neighbor may be like him in every way except the most important way: He may not share the same love of family, of responsibility to traditional values. But the union member does. So it isn't geographic proximity or even economic class that we look for. It's the way people look at themselves and the world. That is our key to political victory.

Once you begin to look at things this way, the outlines of this community of values become clear.

They live on farms, in city neighborhoods, in suburbs. They attend different houses of worship. They have different ancestors with different cultural attitudes and a different heritage.

But on certain basic fundamental things they agree. They are peaceful people, but when they see somebody out to hurt their family or their neighborhood or their traditional values, they get angry. They are angry now and for good reason. They are the victims of an undeclared war against the things they hold most sacred. And we are their allies in that war.

Let me give you one specific example of what I mean when I say that the Democratic leaders and their intellectual gurus have declared war on the hard-working, God-fearing Americans I am talking about.

We've all seen pictures of cities bombed during World War II. If you held one of those photos next to one of an American neighborhood after the federal bureaucrats have done their job, you wouldn't be able to tell the difference. Our opponents call it massive federal aid and urban renewal. The families who used to live in

some of those neighborhoods have another name for it.

This war is a fierce struggle between contending views of what Americans should be like. It is a war, if you like, between two cultures, two fundamentally different ideas of the important values of life.

Why don't we tell that to the American people?

Let's tell them that in this undeclared war against them and the institutions they love, we are on their side. We want a sound economy not just to balance the budget, but to balance the scales of economic justice for American families.

Let's tell them that the money they work for means less and less because the Congress dominated by one party for so long has funded economic and social programs that are the moral equivalent of breaking and entering.

And, let's tell them that if their Democrat representative or senator has voted for such programs, no amount of speedy constituent services can make up for it. So often we hear that Democrat Senator "X" or Democrat Representative "Y" votes for inflationary policies and social experimentation but is returned every election because he answers constituent mail quickly. That's like saying we like the fellow who poisons our well because he sends us quick little notes to tell us he's doing it!

I have deliberately concentrated on family, work and neighborhood because of their obvious importance in this election.

But that doesn't mean I have forgotten peace and freedom, the other great values of the American people.

The accepted wisdom tells us that no mid-term election is ever won on the issue of foreign policy. Perhaps so. But remember: We could win an election and lose a country if we fail to discuss the issues of peace and freedom.

Let me say that despite obvious temptations I am not going to use this time to conduct a long critique of the Carter foreign policy and defense policies -- even if these policies would stand still long enough for us to see what they are.

No, in fact, all I want to say about the Carter administration and these issues is that I hope that before we all go to bed each night we get down on our knees and pray that the right decisions are made.

As Republicans, we simply and forthrightly bring before the American people the essence of our defense policy: America cannot afford to be number two. No matter what the specific defense issue may be, it is in the interest of peace and freedom that we be second to none. It is essential that we keep the technological advantages that have saved us and other nations from the fate of millions in Europe and Asia. Even more essential is that we have the will to use them if necessary.

In February of 1977, less than a month after his inauguration, President Carter sent a warm letter of support to Soviet dissident Andrei Sakharov. That letter was a grand gesture, an easily understandable symbol of support and friendship for those who are bravely fighting the inhumanity of the Soviet regime. I applauded it then and I applaud it now.

But, it was the last such letter the President sent so far as we know. Maybe he has written other letters but has made the mistake of giving them to Andy Young to drop in the mail. Or, maybe the ever-rising cost of postage has made the President cut back on his correspondence.

It is the letters that President Carter has not sent that history will wonder about. It is the on-again, off-again and confused nature of the Carter approach to human rights that history will judge, not the noble rhetoric that accompanied this approach.

That should be our deepest concern about the Carter administration's defense and foreign policy. There is the lingering, nagging feeling that a central vision, a controlling understanding of foreign affairs does not exist in this Administration. Gestures are made, are well-publicized and then forgotten.

The American people know that peace and freedom can only be obtained through vigilance and strength. This amounts to no more than common sense. But when you say this, you often hear the cries of those who are embarrassed or even outraged by the idea that the United States should seek to be the strongest nation on earth. This kind of thing just isn't done, they say. We must apologize for what strength we have, confess our sins to other nations, and admit we have committed every kind of international crime. We should spend all our time trying to figure out ways to demean our own nation, disarm as quickly as we can and make the rulers of the Third World happy.

Try telling that to the fellow next door and he'll tell you the facts of life.

This country isn't perfect. But, it is the best one in the world. And, as the saying goes, "that ain't boast -- just fact". We have little to be ashamed of and everything to be proud of. If some psychotic African dictator or Latin American bully-boy or Communist thug doesn't like us, who cares? Don't push anybody around, but don't let them push you around. The best way to avoid a fight is to show you're willing to fight if necessary.

17--17--17

That is the wisdom of the street-corner and the country store, the local barbershop and the town meeting.

Such wisdom may not get you a job in the State department. Some intellectuals may deride it as a psychological manifestation of inferiority feelings. And there are some congressmen who would faint dead away if you ever said such things to them. But that kind of wisdom has kept this country free for over two hundred years. It's the wisdom at the heart of the American people's desire for peace and freedom. It is the wisdom that must inform Republicans' policy on issues of defense and foreign affairs.

Whether we are talking about domestic or foreign policy, these are facts that are clear about this election year:

It is in the interest of the intellectual and political leaders of the other party to keep the status quo. They want Americans to keep on thinking about politics in the same way.

It is the job of Republicans to shake things up, to get things moving, to throw over the false idols the Democrat leaders have set for all to worship.

It is the job of Republicans to refuse to accept the old way of looking at things and to take a new look, to see opportunities Democrat leaders and their friends have told us no longer exist.

It is our job to first stop government from hurting the American family and then to make certain future government policies do not harm it. Government policies must help build real jobs. Government policies must be examined so that the neighborhoods of our cities, our suburbs and the homes of the farmers are considered in every piece of legislation we bring up. Peace and freedom through a self-confident and a strong America must be foremost in our minds.

As my own personal contribution to this new way of looking at things, let me close by quoting from a great American the Democratic party has claimed as its own. I challenge that claim and every Republican should challenge it because Thomas Jefferson belongs to all Americans and not to one party. Indeed, if that Virginia gentleman were to come back today, it would not be the big-government, regulatory, paternal, meddling philosophy of the present Democrat party he would call his own.

If you've ever visited his home, Monticello, near Charlottesville in the beautiful Virginia countryside, you are suddenly aware of a fact that the history books rarely dwell on.

The country around Monticello is still beautiful today, much as it must have been when Jefferson built his superb home there. You stand on the hill on which Monticello is built, look around and wonder to yourself:

What would ever make a man risk all this?

Think of it. Although the building was not completed when Jefferson wrote the Declaration of Independence, the dream must have been there. And he was willing to risk that dream, the same dream we all share, a dream for his family, for his work, for the surrounding Virginia countryside which was his neighborhood. He was willing to say farewell to peace, to risk his freedom for what he believed in.

Tell that to the historians who say there was an economic cause of our revolution. Tell that to the cynics who say men and women are always motivated by their base instincts.

If you are at Monticello at twilight, the air is hushed and still. For a moment you are in a kind of timeless state. It could be 1978. Or 1878. Or even March 4, 1801. It was on that day that Jefferson delivered his first inaugural address. He spoke of the need for (and I quote):

"...a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities."

That was the kind of government for which Jefferson and his friends were willing to risk their lives, their fortunes and their sacred honor. Not for what they could get out of it, but for what they believed. They formed the first community of values in this country.

My friends, tell me:

Can we do any less than try to restore "the sum of good government" for ourselves and our children?

Let us do all we can for family, work, neighborhood, peace and freedom. Let history record that almost two hundred years after Jefferson's words, there was still a majority of Americans who tried their best to close the "circle of our felicities".

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NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above text. He will, however, stand by the above quotes.



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Embargoed till  
8:45 P.M. (EDT)  
Thursday, September 28, 1978

EXCERPTS FROM REMARKS BY THE HON. RONALD REAGAN  
Annual Dinner of New York Investment Association  
Waldorf Astoria  
Thursday, September 28, 1978

The dollar is no longer called simply "the dollar", it is almost always referred to as "the embattled" or the "declining dollar". The daily news reports have the methodical tone of a Gregorian chant: "the dollar declined again today against the Swiss franc, the British pound, the German mark and the Japanese yen...and the price of gold rose at the afternoon fixing."

Earlier this week President Carter told the joint meeting of the World Bank and the International Monetary Fund that restoring the dollar to robust health was to be a high priority goal of his administration.

Some skepticism is in order, though, for there is a widespread misconception in Washington and in the news media about the cause of the dollar's decline.

Despite the huge size of our oil import tab -- now running at the rate of \$45 billion a year -- oil imports are not the root cause of the dollar's decline on international markets.

A new study by the St. Louis Federal Reserve bank points out that, as a percentage of Gross National Product, we rank behind both West Germany and Japan in oil imports -- and neither of them has suffered a decline in their currency.

Is it oil imports, or is it excessive growth of the domestic money supply, relative to the growth in the money supplies of other key currencies that is the real culprit?

As the St. Louis Fed's study points out, "A cutback on oil imports without a cutback on excess money growth in the United States (relative to excess money growth abroad) would not have a marked effect on the U.S. balance of payments or the foreign exchange of the dollar."

And, behind every excessively expanding money supply lurks a government deficit. Just as Washington's sustained deficits are hurting the dollar overseas,

...and the price of gold rose at the afternoon fixing.

And, some of the dollar's problems can be laid to a less tangible cause -- declining confidence around the globe in our ability or willingness to deal with our problems, to be resolute and decisive.

But, when our overseas friends urge our leaders to make "tough" decisions at home, Washington, not understanding the nature of the problem, comes up with the wrong solution.

The President, in his talk this week, made it plain enough he wants to restore the confidence of others in us. Good, but at the same time official Washington is about to punish the victims of its policies -- business and labor -- rather than get to the root of the problem. One hears economists in Washington talk as if deficits and inflation were like an invasion of locusts -- an unavoidable calamity of nature; an Act of God.

There is talk of so-called voluntary wage-and-price "guidelines". This tampering with the market processes will fail and, in failing, bring on fresh cries for formal wage-and-price controls. The government will then prove once again George Santayana's observation that those who fail to heed the mistakes of history are doomed to repeat them.

How do we restore the confidence of our friends? How do we end the need for excessive growth in the money supply? How do we get a handle on inflation and how, for that matter, do we become less dependent on imported oil? Well let us start by getting a handle on government deficits through a combination of significant across-the-board income tax cuts coupled with restraining the growth of federal spending. As for the energy question, it is long past the time when we should have removed politically-inspired controls and let the forces of the market go to work to find and produce more oil and gas.

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Filed Under:

*Oil Supplies*  
*Dollar*

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EMBARGOED TILL  
12:00 Noon (PST)  
THURSDAY, DECEMBER 14, 1978

ADDRESS BY THE HONORABLE RONALD REAGAN  
to the Los Angeles World Affairs Council  
Beverly Hilton Hotel, Los Angeles, California  
December 14, 1978

With increasing frequency we have read and heard of the concern of our friends and allies about what to them appear to be the on-again, off-again policy contradictions of the United States, especially in matters of collective security, NATO and disarmament. Considering this rising chorus of criticism of our country coming from leaders in Western Europe especially, I felt it was time to learn about these concerns at first hand; to have candid discussions with political leaders both in and out of government, with business leaders and with some of our own officials and scholars abroad.

My trip, beginning in late November and ending a little over a week ago, took me to London, Paris, Bonn, Berlin and Munich. In all, I had some 20 meetings and they covered virtually every topic that might concern our allies. But, all of these discussions brought us back to the underlying concerns which we share with Europe; how can the peace be maintained and how can we strengthen the bonds that unite us not only in search of a common defense, but that also link our economies in a web of interdependence?

The essential ingredients of any successful strategy designed to promote peace and to deter aggression include political, economic, military and psychological measures.

MORE--MORE--MORE

Too often we focus on the purely military aspects when we consider our own national security, and while we must always be certain that our guard is up and that we have a strong, viable deterrent force poised against any potential aggressors, this alone will not meet the requirements of the 1980s.

On this trip I had the opportunity to hold extensive discussions with leaders from government and business who are concerned with the trade talks that are scheduled to end shortly in Geneva. All of Europe (and, I might add, Japan, too) hopes for a successful conclusion to the Multilateral Trade Negotiations. But, many are concerned that -- should those talks fail -- the world could slide backward into protectionism, perhaps even touching off an explosive and devastating trade war.

We are the world's largest and most important market for finished products, and our recent staggering trade deficits -- now running on the order of \$30 billion annually -- attest to this fact. Americans, whatever else they may be or have, do possess enormous purchasing power. Others recognize this, and send their wares to our shores. From Sony television sets to Mercedes-Benz automobiles. In this holiday season we'll have our typical American Christmas -- hanging the ornaments from Hong Kong and the colored lights from Japan on a tree which in many parts of our country is imported from Canada.

We also sell to the world -- airplanes, computers, machinery and all forms of technology. Even more important, it can be said that we help feed the world, blessed as we are with the conditions that provide abundance and the ever-growing productivity of our farmers.

MORE--MORE--MORE

It is vital for the maintenance of good relations with our allies -- particularly those in Europe and Japan -- that the free flow of goods not be impeded by the beggar-thy-neighbor policies of protectionism.

My clear impression is that most of our friends abroad are convinced that their security and well-being will suffer if economic warfare should break out. Without a doubt, the NATO Alliance would be put to a supreme political test because it is inevitable that economic matters will have an unfortunate -- and perhaps devastating -- impact on our military security.

So, it is clear that Europe (and Japan) are apprehensive about United States policy on trade and economic matters. They fear most of all a faltering, divided America that continues to spend more than it takes in, whose currency remains under attack and whose broad credibility is undermined.

Our friends are concerned that we may take the first steps to erect damaging barriers to trade and commerce, and they are preoccupied with the long-range consequences of such actions.

While we have always prided ourselves on being resourceful and imaginative "Yankee Traders", we are being out-competed and out-sold throughout the world, and even sometimes here at home.

The truth of the matter is that we really do not need to export to live well and to prosper, while Europe and Japan must. They depend on access to markets abroad, and if those markets are choked off -- for whatever reason -- unemployment and economic crisis will result. Such developments can be contagious, and the industrialized world could not long endure a sustained economic conflict.

Generally, it seems to me, we are recognizing the importance of world trade to our own economy and to our prosperity. As the U.S. dollar has steadily weakened and depreciated against other currencies, one consolation is that our exports have become increasingly competitive abroad. It's expected that we can remain competitive as costs of production rise in other countries. But we'll have to work hard to maintain our share of markets, because other countries are now able to match us technologically, and there's no mistaking that they really know how to sell their products. I followed a fellow in traffic the other day who had a bumper sticker on his pickup truck -- "BUY AMERICAN". He was driving a Toyota.

In Europe recently, and earlier while in Japan, I encountered repeated criticism of U.S. business for not trying hard enough to sell its products in new markets, and for not adapting its products to the special needs of other countries. This may be true in certain instances, but I have also spoken with American businessmen who have tried hard, and who have been met with arbitrary obstructions, restrictive government practices and complicated barriers to their products.

But an equally important reason why the Yankee Trader has a hard time functioning is because his own government is one of the few in the world that has a basically adversary relationship with its nation's business community. Our government penalizes Americans working abroad by unfair income tax policies. Regulation upon regulation drives up the price of our products, making them less competitive.

In most parts of the world, the Yankee Trader has been overtaken by the French, German and Japanese Trader because the Yankee Trader carries a burden of unnecessary government regulations and punitive taxes. One of our largest automobile companies employs 20,000 full-

time employees to comply with government required paper work. This must be typical of others also.

While I am for free trade, I also vigorously support fair trade and equal treatment. Our own state of California, with a gross product that ranks it among the top industrialized nations of the world, finds itself frustrated when trying to market its agricultural products in some industrialized nations -- and specifically in Western Europe and Japan. Citrus, rice, beef and other high-quality competitive products are among the best in the world, yet they cannot enter other countries under conditions that permit them to be sold competitively to the foreign consumer.

It is easy to understand that nations wish to protect their key industries -- and especially the politically sensitive ones. We have lived with this before, and we'll have to live with it in the future. There will always be exceptions to the rule of free trade. But we cannot tolerate gross discrimination against U.S. products abroad and still allow others virtually unrestricted access to our own markets. We must therefore make it repeatedly clear that reciprocity will be the governing feature of our policies. That seems to have been the basic thrust of the negotiating posture of the United States in Geneva over the past two Administrations.

Again, free trade must also mean fair trade. In spirit as well as in practice, this should be attainable by the industrial countries.

And that's why we all must hope that the industrialized world can come to agreement on the terms of international trade. It cannot be a partisan matter, nor can it be handled in a narrow, parochial manner. If we cannot succeed in reaching a workable



agreement, everyone will suffer, and the impact on those who can afford it least -- the billions who live in the underdeveloped countries will be the most severe of all.

Much of the dismay, criticism and dissatisfaction which we encounter seems to add up to an uneasy feeling that the American people have lost their national will. I think that this is not quite accurate. I travel about these United States a great deal and I sense, instead, a strong grassroots desire to reaffirm American leadership. Certainly at the polls the voters told us last month that they are sick and tired of government's excesses. In this context, I can tell you that I was frankly amazed at the fascination that British and Europeans alike have with Proposition 13 and the wave of tax revolt that is sweeping the United States. While I had gone to Europe to ask questions of others, I found that business and government leaders were eager to learn of the implications of this movement for them and for their future. As you can imagine, I wasn't bashful about discussing it.

I'd like to turn now to a subject of great concern to all of us, and one which is certainly on the minds of our European allies -- the military security of the West.

If you've visited Western Europe or Japan recently and paid a hotel bill, eaten a meal or done some shopping, your sense of insecurity will have been awakened. The dramatic drop in the value of the dollar has a sobering effect -- matched only by an equally dramatic decline in confidence in the United States.

Our national security and the performance of our economy are inseparably linked and meeting with leaders in Europe and Asia has convinced me that the world wants desperately a stable, confident, predictable America.

We may feel from time to time that our friends abroad are altogether too critical of us, and we may resent that criticism. But, what they do know and appreciate is that the United States serves as the guarantor of the peace; that we provide the umbrella of security for them and for ourselves; and that our capabilities and our resolve are absolutely fundamental to their future.

Some 16 years ago, during the Cuban Missile Crisis, the United States enjoyed an enormous strategic advantage over the Soviet Union -- about eight to one in our favor. That clear-cut superiority, coupled with our determination to remove Soviet intermediate range missiles from our doorstep, enabled us to achieve a satisfactory outcome.

Since that time, the Soviet Union, vowing never again to be caught in a position of such inferiority embarked upon a no-holds-barred effort to catch up with us. By systematically outspending us in absolute terms, and by the steady development and deployment of an awesome array of weapons systems aimed at us, at Europe and at Asia, the Soviets have largely achieved their objectives.

While there remains a dispute as to where they will go from here, there is no dispute about two fundamental points:

- (1) What the Soviets are doing in terms of weapons development exceeds by far any legitimate needs they may have for self-defense; and
- (2) If present trends continue, the United States will be assigned a role of permanent military inferiority vis-a-vis the Soviet Union.

The presence of tremendous Soviet military might on their borders has produced mixed reactions among Europeans, but all seem to share a sense of uneasiness over the implications for Europe's future. At the risk of oversimplification, I'd like to try to characterize the main streams of opinion as I found them.

One unmistakable current of opinion holds that recognition of the Soviet juggernaut is but a fact of life, and that the best one can do is to accommodate to such a reality, hoping that the Soviets will -- once they have achieved what they consider to be strategic equality with the West -- begin to devote more of their resources to domestic needs, thus reducing the chance of eventual conflict.

Another bloc of opinion recognizes Soviet might, fears that it will reach new levels and urges arms control agreements and increased trade as a means to moderate and constrain Soviet ambitions.

A third school of thought believes that the Russians are pursuing a program to achieve clear-cut military superiority over the West. Once this is accomplished they will intimidate, "Finlandize", and ultimately neutralize Western Europe. Those holding this view believe the most effective response by the West is a reinvigoration of NATO and an explicit military deployment program designed to counter the Soviet threat. They do not exclude the possibility of reaching meaningful arms control agreements, but argue that such agreements must be balanced and must contain mutual advantages; they argue that a one-sided arms control agreement would be worthless.

This range of opinion, running from what I would characterize as "accommodationist" to realist, dominates European discussions

about East-West relations and national security. Much of Europe remembers World War II, but the younger generations have only vague or second-hand recollections of it. Europe has recovered -- prosperity is everywhere -- and people are primarily concerned about the quality of life, their work and their families.

But they must also deal with the reality of Soviet tanks just three hours' drive from West Germany's capital of Bonn; with the threat of the Soviet SS-20 missiles being deployed in increasing numbers and with a range to reach every city in Europe; and with the Soviet Backfire bomber, which has a capability of delivering nuclear weapons to any point on the continent.

And, Europe is very much aware that those tanks, SS-20 missiles and Backfire bombers are not covered by the SALT II agreement now being negotiated.

We do have the capability to neutralize this growing Soviet advantage, and in ways which will not only demonstrate our determination not to fall behind, but which will also result in a more secure Europe. European realists recognize this, and urge that the United States retain, at a minimum, its bargaining advantages in the cruise missile and neutron weapons.

But there are differences of opinion in Europe concerning how to achieve national objectives and Europeans will have to resolve those differences. We are not in a position (nor do we wish) to impose our will upon our allies. Our role must be to lead within NATO and to show ourselves as a determined and capable leader.

Thus, the first requisite for peace in Europe must be a genuine partnership -- and that means common goals must be agreed upon, effective measures must be designed to achieve those goals and the alliance must work harmoniously.

Anything less will weaken the alliance structure and place our security at risk. That is unacceptable to Americans.

We must be certain that we do not send out conflicting signals. It is imperative that we stop our "on-again, off-again" contradictory policy declarations.

The present administration, for example, first promised to increase our NATO expenditures by three percent in real terms and then -- 10 days ago -- let it be known that the commitment might not be honored because of the demands of inflation. But, last week, faced with massive opposition from Europe and from those who are not afraid to speak out on the issue, it retreated by floating the rumor that it would honor the three percent commitment, but that the rest of the defense budget would be subject to substantial cuts.

Inflation, the administration claims, is the culprit; it might properly have pointed the finger at itself, because there is but one cause of inflation, and that is government itself.

In the final analysis, then, we return to some common sense precepts to guide our affairs of state. This is not to say that the world is not complex and that its problems are basically simple; everyone knows that is not so.

But because such matters appear very complex and muddled does not mean that the solutions to them must be equally complex. Just as the American soldier stationed in Germany sees the value

of his dollars erode as the level of confidence in his country declines, so also our national security -- and with it the world's -- depends on our ability to deter war, but then to fight and win any war not successfully deterred. Most Americans have no difficulty in perceiving that in order to achieve a sound national security we must be strong.

To deter war we and our allies must remain united and we must display a willingness to recognize the challenges which confront us. Those challenges are real; and while we may differ with one another here in America or abroad concerning how to meet them, we recognize that sound actions and responsible leadership are at the heart of the matter.

There may never come a day when we will see eye-to-eye on every affair of state, but we have a supreme duty to ensure that we are well informed about the challenges to our security, and an equally important duty to fight for sound, responsible measures that will ensure our survival and our growth -- in conditions of freedom and dignity.

Winston Churchill once said, "The destiny of man is not measured by material computations. When great forces are on the move in the world we learn we are spirits not animals. There is something going on in time and space and beyond time and space which whether we like it or not spells duty".

We are, it seems, a nation in transition. Polls show a majority of Americans wanting some kind of arms control agreement to ensure peace, while at the same time expressing concern about our falling behind the Soviets. That is not as contradictory as it at first may seem if we see it in terms of a transition from what might be called national self-hatred, stemming from the

Vietnam war, to the beginnings of restoration of self-confidence. And, we must have confidence in ourselves as a people before our allies in Europe and elsewhere will regain their confidence in us as a nation.

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EMBARGOED TILL  
12:00 Noon (PST)  
THURSDAY, DECEMBER 14, 1978

ADDRESS BY THE HONORABLE RONALD REAGAN  
to the Los Angeles World Affairs Council  
Beverly Hilton Hotel, Los Angeles, California  
December 14, 1978

With increasing frequency we have read and heard of the concern of our friends and allies about what to them appear to be the on-again, off-again policy contradictions of the United States especially in matters of collective security NATO and

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