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Kokomo, IN

First Draft (TD/WFG)
September 5, 1980

Waste, Fraud and Abuse:
to be given Monday 9-8

SPEECH INSERT

Last week, I challenged Mr. Carter, ~~to address himself to this issue.~~ I challenged him to acknowledge the enormity of the problem of waste and fraud in the federal government. I asked him to account for his administration's four year failure to cope with this unrelenting national scandal.

Mr. Carter chose to ignore that challenge.

Today I am again placing that issue: government waste and fraud--a scandal that grows worse ~~and~~ as government grows larger-- on the campaign agenda.

This is a problem that not only marks another serious failure by the Carter administration and another broken promise from 1976, it is a problem that is undermining the faith of the American people in our governmental process.

Mr. Carter must explain his inept handling of the GSA scandal, his failure to streamline the executive branch, his failure to introduce systematic management and auditing procedures for hundreds of federal programs.

Let us begin our discussion of this critical issue with the results of another congressional study issued a few months ago.

A Senate subcommittee documented the "use it or lose it" fixation of the federal bureaucracy and found government agencies wasting at least \$2 billion annually in year-end sprees.

The fiscal horror stories include:

--In the final months of fiscal 1979 the Department of

Interior spent \$378,000 for office furniture while \$300,000 worth of unused furniture was costing \$200,000 in storage fees.

--In the final quarter of fiscal 1978, a Youth Conservation Corps. camp was ordered to "obligate all funds" and the camp--which had 300 enrollees--bought 1,000 pairs of riding chaps, 4,000 pairs of gloves, 10,000 fence posts and 181 chain saws--10 of which were stolen after delivery. And just enough of the taxpayers' money was left over for a \$120,000 investment in lawn mowers and spare parts.

The picture was not entirely bleak, however. The Department of Interior showed it took very seriously the problem of year-end spending sprees. The department hired a consultant--on the last working day of the fiscal year--to find out why the department was spending so much money at the end of the year.

Four months ago, the Chairman of the House Civil Service Subcommittee inserted statistics in the Congressional Record showing seven major federal departments spend more than 20 percent of their fiscal 1979 appropriations in the last two months of the year. HUD spent 47.2 percent, EPA spent 41.7 percent, Commerce spent 30.3 percent, HEW spent 22.9 percent...All in two months.

The conclusion is obvious:

This is government without planning, without management, without direction, without competence.

It is also a government where waste and fraud prosper:

--A May 31, 1979 Joint Economic Committee report cited a Justice Department estimate that deliberate fraud and abuse accounted for one to ten percent of federal ex-

penditures. "That excludes waste," the report noted, "including waste would give a much higher figure."

--The same report said that fraud, abuse, and waste in HEW's programs alone ranged between \$6.3 billion and \$7.4 billion. Jimmy Carter's own Secretary of Health, Education and Welfare estimated a few years ago that at least \$7 billion was wasted every year by his department.

Last week, the Republican Study Committee released a report that found at least \$34 billion in waste, fraud, abuse, and mismanagement in federal expenditures.

The report was based on a compilation of 107 items from reports and letters by various Inspector Generals and the Government Accounting Office over a year and a half.

! *No one has to take the word of Republicans about the Carter Administration's failure to control waste and fraud:

--The Joint Economic Committee noted that in the opinion of Comptroller General Elmer Staats, fraud, waste, and abuse continue in the federal government because of a lack of adequate management systems, low priority given to fraud detection and the inadequacy of agency investigators.

--In his annual report, the Inspector General of HEW noted that he had relatively few investigators chasing after billions in fraud and noted--after projected staff losses to the new Department of Education--that it is "impossible to develop any meaningful anti-fraud program given this staff size."

-- A November 13, 1979 GAO report noted that its 262 cost-cutting recommendations in the health care field

less than half had been implemented even though some were first proposed in 1974.

Now no one was more vocal in 1975 and 1976 in denouncing federal waste than candidate Carter. He told the Atlanta Constitution he might abolish 1,700 federal agencies; he said in the Washington Star "we must abolish and consolidate hundreds of obsolete and unnecessary federal programs and agencies." He told the Atlanta Constitution that the "whole government is just a great big horrible bureaucratic mess in Washington."

He promised again and again that he would cut waste, increase efficiency, reorganize the executive branch and streamline government. After nearly four years we are still waiting for him to act.

There is something fundamentally wrong with an administration that won't cope with the problem of billions lost to waste and fraud but then tells the American people--who are concerned about naval ships that can't leave port, fighters that can't fly, helicopters that don't work--that the money isn't there for military readiness or for strategic programs vital to our national security.

There's something wrong with an administration that won't deal with waste and fraud and then tells the American people--in the face of record unemployment, inflation and taxes--the money isn't there for substantial tax cuts.

By contrast, I'd like to call attention to a recent report by the non-profit Urban Institute which showed what a ~~state~~ government can do if it employs management experts to cut waste while at the same time carrying out the legitimate function of taking care of the truly needy.

I'm proud to note that the Institute called the program I

initiated to stop sky-rocketing welfare costs in California "a major policy success." The report noted that welfare costs stopped escalating while benefits to the needy were actually increased.

This is the kind of government we need in Washington. This is the kind of government we intend to give the American people.

*Kokomo
8 Sept*

DEX: Completed
4:15 PM
9/5

Via Dennis

5 Sept. 1980

TO: Mike Deaver cc Ed Meese

FROM: Bob Garrick

Here is an insert from Bill Gavin to be used in the one or the other of the KOKOMO presentations.

If you keep a personnel log out there I have a telephone in the apartment now - number is 703/931-0188.

ring

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Reagan & Bush

Reagan Bush Committee

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NEWS RELEASE

EMBARGOED UNTIL:

September 13, 1980

CONTACT: Lyn Nofziger
or Ken Towery
703-685-3630

ADDRESS BY THE HONORABLE RONALD REAGAN
ITALIAN AMERICAN FOUNDATION
WASHINGTON, D.C.
SEPTEMBER 13, 1980

Looking at this audience and the distinguished guests here at the dais reminds me of what I have been telling the American people all across our nation.

Even though we who call ourselves Americans come from every part of the earth and every people, there is a community of values in this country. It transcends party lines. It transcends ethnic and religious and regional lines. It has at its center a belief in the values of family, work, neighborhood, peace and freedom--those values are at the heart of the Italian and the American tradition. There are Republicans and Democrats and Independents who share those values and want to see them returned to government and to this nation.

The National Italian American Foundation is living proof of the community of values I have spoken of. There are Democrats and Republicans and Independents here tonight and throughout the

- MORE -

Italian American community. But what is important is not party labels but the values we share.

The range of talent and experience present at this gathering demonstrates that there is no position in the executive, legislative or judicial branch--including the Supreme Court--that Italian Americans should ever feel is closed to them.

The outstanding honorees at this dinner are evidence of this great reservoir of talent and dedication. Officials of this Foundation reflect that same high standard.

Chairman Jenò Palluci's great success as a businessman and civic leader are only surpassed by his continuing efforts on behalf of those in small business seeking the chance he once had. As President of this Foundation, John Volpe has served with the same kind of dedication he brought to the positions of Governor, Cabinet Secretary, and Ambassador to Italy, the first American of Italian ancestry ever to fill that high diplomatic post. And Frank Stella, your new president, has made contributions to growth and opportunity not only through our free enterprise system, but as a leader in civic affairs in Michigan.

Perhaps the key word to describe the feeling so evident tonight is "pride." Pride in accomplishment, pride in heritage and pride in country.

I know you will understand, then, when I say I also have pride in the record of my party in implementing the values we honor tonight.

The Republican Party is the only major party to have a permanent National Heritage Groups Council as advisers to party leaders and a fully staffed, permanent nationalities division in its national office.

Under President Ford there was an Ethnic Affairs Adviser in the White House. That position was left vacant in 1977, in 1978, and in 1979.

The Republican Party Platform for 1980, which I support, commits our party to full and active support of tuition tax credits for parents sending their children to parochial and private schools. We know that the future of our nation depends upon a strong educational system. Parochial and private schools are an integral part of that system.

Speaking of pride, I know it is customary on occasions like this for the speaker to praise the heritage of which Americans of Italian ancestry are justifiably proud.

I am glad to honor that custom tonight. The only problem I have is where to begin, because that heritage is so great. Culture? The world is indebted beyond measure for the art and the learning and music that have flowed in an endless stream from the Italian peninsula for over two thousand years. Values?

Traditionally, the world-famous Italian love of family, willingness to work and sense of community and neighborhood has enriched not only Italy and Europe but the United States of America. Commitment to peace and freedom? The cooperation between the people of Italy and the American people in the defense of freedom is part of the history of our times. And, of course, Americans of Italian heritage have defended our nation with courage and dedication in times of war.

But it is here--where most tributes to the Italian heritage end--that I want to begin.

This year the questions facing the thirty million Americans of Italian ancestry and millions of other Americans proud of their heritage is not simply who praises their values but who has the philosophy of government to put those values into effective action.

I think the 1980 Republican Platform stated it best when it spoke of the neglect of the values of Italian Americans and said they:

"...along with others too long neglected (must) have the opportunity to share the power, as well as the burdens of our society."

And those key words: "opportunity" and "power," are really what matters. The values have to be backed by action.

On Labor Day, I was in Jersey City. The unemployment rate is almost 12 percent there. In Youngstown, Ohio, it is almost 14 percent, 25 percent in Flint, Michigan. In these cities and many others all across America, the values we share are not being given the opportunity or the power to enhance our lives.

It is time to put America back to work; to make our cities and towns resound with the confident voices of men and women of all races, nationalities and faiths bringing home to their families a decent paycheck they can cash for honest money.

I know that within an audience as diverse as this, there are varying opinions about the present administration and its record and about my own programs for America. I am not going to expand on those differences tonight. The important thing is that we have a country where we can voice our disagreements and then work together to build a better nation.

That's what America is all about. That's why our ancestors came to this country. We have the blessing of liberty. We can offer our opinions without fear. We can, through political and social and economic action, try to make a difference, not only for our family and neighborhood but for our nation.

That's the blessing we have to work to defend.

The workers of Poland--who share the values we honor tonight--recently inspired the world when they risked their very lives in order to regain but a part of that blessing.

We take that blessing for granted. We shouldn't. It was handed down to us by those who came here and made sacrifices so that we might enjoy comforts and opportunities they never knew.

And that is why tonight, instead of closing with a quotation from some famous Italian or American of Italian ancestry, I'm going to ask you to think of someone not known to history, known perhaps only within the tiny circle of family and neighbors and friends.

It may have been your grandmother or grandfather. Or your father and mother. The world doesn't know them. But you do. You remember their courage, their sacrifices, their endurance, their faith.

John Volpe tells me that his mother and father came to this country in 1904. They came across the Atlantic in steerage. It took them six weeks. When they landed at Ellis Island all they had was a battered old suitcase.

No, they had something more--they and millions of Italian immigrants had incredible courage and faith. They had a dream. That's what it takes to leave your own land, to journey among strangers, to leave all that binds your heart and soul to home and try to build a new life. But they did it because they cared. Not just about themselves, but about their children. They started with nothing in material goods. But they were able to give their

children love, faith in themselves, faith in this country, confidence that it is a place of opportunity.

To those who say today that America is no longer such a place, that the dream is over, the vision of your parents and grandparents finished, I say: talk to millions of Americans of Italian ancestry who know the dream is alive.

Those who came here--members of our own families--may not be known to history.

The world doesn't know them, but we do.

We know what they have done for us and for this country. We know their sacrifices. We know their hidden glory.

Their spirit cannot be allowed to be forgotten. And as President of the United States I will make certain that the values that made them endure and work and build will be at the heart of all that is done in the White House and throughout government.

With your support and the help of God, I would like to do that. Two hundred years ago, Americans believed it was in their power, as one of them put it, "to begin the world over again." Each generation, each family that has helped to build our nation since then, has shared this confidence.

We are no exception. We do indeed have it in our power to begin the world again. Let's start by making America great again.

Thank you.

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