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There are
down

Message:

①

Inheritance tax - gets it
out -

②

get it out of foot sheet

"foot sheet is great
message ---"

Do we want Constitutional
amend. mentioned

"working" for all of those ---
Congress in amend.?

work with
Congress ---

treatment to cure him of his habit. She came up to him one day and recited every word of the salty language she had ever heard him use. He listened patiently and when she was finished, said: "My dear, you have the words all right, you just don't have the tune."

I'd like to speak to you today about a new concept of leadership, one that has both the words and the ~~words~~ ^{TUNE}, one based on faith in the American people, confidence in the American economy, and a firm commitment to see to it that the federal government is once more responsive to the needs of the people.

That view is rooted in a strategy for growth, a program that sees the American economic system as it is -- a huge, complex, dynamic system which demands not piecemeal federal packages of solutions, or pious hopes wrapped in soothing words, but the hard work and concerted programs necessary for real growth.

We must first recognize that the problem with the U.S. economy is ~~too much~~ inefficient government, ~~too much~~ needless regulation, too much taxation, too much printing press money. We don't need any more of Carter's eight or ten point programs of government actions to "fix" or fine tune the economy. The overdose of such initiatives has been gradually sapping the vitality of the most productive economic system the world has every known.

We are in a state of progressive economic deterioration, a downward cycle that must be broken if the economy is to recover

and move forward through vigorous economic growth in the 1980s. We must move boldly and decisively to control ~~the~~ runaway ~~growth~~ ~~of~~ federal spending, to remove the tax disincentives that are throttling the economy, and to reform the regulatory web that is smothering it.

We need a new strategy for the 1980s.

Only a series of well-planned economic actions, taken so that they complement and reinforce one another, can succeed in moving our economy forward once again.

We must:

1. Control the rate of growth of government spending to reasonable, prudent levels.
2. Reduce personal income tax rates and accelerate and simplify depreciation schedules in an orderly, systematic way to remove the increasing disincentives to work, saving, investment and productivity.
3. Review regulations that affect the economy, and act to modify and change them to encourage economic growth.
4. Establish a stable and sound monetary policy.
5. Restore confidence by following a consistent national policy that does not change from month to month.

I am asked, can we do it all at once? My answer is: we must.

I am asked, can we do it immediately? My answer is: No, it took Mr. Carter 4 years of hard work to get us into the economic mess we are in. It will take more than a year to get us out.

I am asked, is it easy? My answer is: No. It is going to require perhaps the most dedicated and concerted action ever taken on the part of the American people for their country.

But we can do it, we must do it, and we ~~must~~^{WILL} do all three together: balance the budget, reduce tax rates, and restore our ~~defenses~~^{MARGIN OF SAFETY IN NATIONAL SECURITY.}. That is the challenge. Mr. Carter says he can't meet that challenge. He says he can't do it. I believe him. He can't. But, I refuse to accept his defeatist, pessimistic, unrealistic view of America. I know we can do these things, and I know we must.

Let us examine how we can meet this challenge.

One of the most critical elements of my economic program is the control of government spending. Waste, extravagance, abuse and outright fraud in federal government programs must be stopped. Tens of billions of the taxpayers' dollars are wasted every year. This waste is widespread through hundreds of federal programs, and it will take a major, sustained effort over time to effectively counter it.

Federal spending is now projected to increase to over \$900 billion a year by fiscal year 1985. Through a comprehensive assault on waste and inefficiency, I confidently expect that we can squeeze and trim 2 percent out of the budget in FY1981, and that we will be able to increase this to 7 percent by FY1985.

And I hope we can do even better. My goal would be to increase these spending reductions to 10 percent by fiscal year 1984.

Crucial to my strategy of spending control will be the appointment to top government positions of men and women who share the same economic philosophy that is at the heart of my policies. We will have an administration in which the word from the top isn't lost as it gets to the various departments. That voice will be heard because it is, in this vital area, the voice that has for too long been absent from Washington -- the voice of the people.

I will also establish a national citizen's task force, as I did in California, to rigorously examine every department and agency. There is nothing better for effective government than to have its operations scrutinized by citizens with savings on their minds.

I already have as part of my advisory staff a Spending Control Task Force, headed by my good friend and former Director of the Office of Management and Budget, Caspar Weinberger, ^{HE} ~~that~~ will report on additional ways and techniques to search out and eliminate waste, extravagance, fraud and abuse in federal programs.

This strategy for growth does not require altering or taking back necessary entitlements already granted to the American people. The integrity of the Social Security system will be ^{STRONGLY} defended by my administration and its benefits made once again meaningful because we will also be fighting inflation.

a future free from arbitrary government action. They must have confidence that the economic "rules-of-the-game" won't be changed suddenly.

In my administration, a national economic policy would be established, and we will begin to implement it within the first 90 days. And I will stick with it.

Thus, I envision a strategy encompassing many elements; each of which cannot do the job alone, but all of which, working together, can get it done. Such a strategy depends for its success on the will of the people to regain control of their government.

And, most importantly, it depends on the capacity of the American people for work, their willingness to do the job, their energy and their imagination. For this strategy of growth includes the growth that will come from the cooperation of business and labor resulting from the knowledge that government policy is directed towards jobs, towards opportunity, towards growth. That is why I fully expect revenues to the government to increase, not decrease, under such programs as I have outlined. We are not talking here about some static, lifeless model of econometrics -- we are talking about the greatest productive economy in human history, one historically revitalized not by government but by people freed of government interference, needless regulations, crippling inflation, high taxes and unemployment.

Does Mr. Carter really believe that the American people are not capable of rebuilding our economy? If he does, that is even one more reason -- aside from his record -- that he should not be President.

Another vital part of this strategy concerns government regulation. The subject is so important and so complex that it deserves a speech in itself--a speech I plan to make at a future date. For the moment, however, let me say this:

Government regulation, like fire, makes a good servant but a bad master. No one will argue with the intent of much of this regulation--to improve health and safety and to give us cleaner air and water--but in many cases, regulations work against rather than for the interests of the American people. When the real take-home pay of the average American worker is declining steadily, and 8 million Americans are out of work, we must carefully re-examine our regulatory structure to assess to what degree regulations have contributed to our deteriorating economy. There should and will be a thorough and systematic review of the thousands of federal regulations that affect the economy.

Along with spending control, tax reform, and deregulation, a sound, stable, and predictable monetary policy is essential to restoring economic health. The Federal Reserve Board is, and should remain, independent of the Executive Branch of government. But the President must nominate those who serve on the Federal Reserve Board.

My appointees will be men and women who share my commitment to restoring the value of the American dollar.

A fundamental part of my strategy for economic growth is the restoration of confidence. If our business community is going to invest and build and create new, well-paying jobs, they must have

There is his proposal for job-training to train people for jobs that don't exist, and probably won't exist under the Carter economic policies. Given the Carter record of increasing unemployment in his four years, the best training he can offer American workers is advice on how to stand in unemployment lines -- because that's where he's been putting them.

But perhaps the cruelest statement in his whole speech was his proud claim that he "will not accept a pre-election bill to cut taxes." There is no more vivid proof of this administration's lack of understanding and concern for the misery and suffering of the 8 million men and women who are now unemployed, and of the millions more who fear for their jobs. Americans need new jobs now -- not next year. They need a growing economy now -- not some time in the future. And they need tax relief now -- not later.

page 3, substitute for B

He has increased federal spending by 58% in just four years. ✓

Taxes in his 1981 budget are double what they were in 1976. That's the equivalent of a tax increase on the average family ^{of four} of more than \$5,000 -- in just four years. ✓

He has overseen a speed up in federal regulation of more than one-third in just his first three years. The number of pages in the federal Register in 1976 was 57,000, representing the new regulations, executive orders and the like. In 1979, 77,500 pages were added, a full 35% greater.

He has overseen a decline in our productivity over the last 18 months of two and a quarter percent, dramatically reducing our competitiveness in world markets.

And he has ^{watched} our workers' real wages tumble so that the average weekly paycheck, even with all cost-of-living raises included, now buys 8½% less than when Mr. Carter took office.

Reagan & Bush

Reagan Bush Committee

901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

NEWS RELEASE

FOR IMMEDIATE RELEASE:

Saturday, September 6, 1980

CONTACT:

Lyn Nofziger

or

Ken Towery

703-685-3630

WASHINGTON, D.C.----Republican Presidential candidate Ronald Reagan will participate in a nationwide television broadcast on September 13, as part of the Republican National Committee's Commitment '80 program. Commitment '80 is a nationally coordinated, locally implemented program aimed at mobilizing nationwide grassroots support for the Reagan-Bush ticket and local GOP candidates.

The September 13 broadcast, to be carried on the CBS television network, is a follow-up to the September 6 Commitment '80 closed circuit broadcast. The September 6 broadcast, in which Reagan also participated, included an hour-long leadership training program for 30,000 local political leaders in 27 states.

To supplement the closed circuit telecast on September 6, a 30-minute program will be shown to an estimated audience of 75,000 grassroots political leaders in approximately 450 locations.

Coinciding with Reagan's participation in the September 13 broadcast, Commitment '80 will sponsor more than 100,000 neighborhood receptions for the hundreds of thousands of volunteers who are expected to participate in a nationwide voter canvass on October 4 and a get-out-the-vote drive on Election Day.

For further information on the Commitment '80 program, contact Andy Carter at 202/484-6708.

* * * * *

Reagan & Bush

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901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

NEWS RELEASE

EMBARGOED UNTIL:

Saturday, September 6, 1980
1:00 p.m. EDT

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

TELEVISED REMARKS BY THE HONORABLE RONALD REAGAN
COMMITMENT '80 KICK-OFF--CLOSED CIRCUIT TELECAST

I want to say to all of you who have joined us today that the effort in which we are engaged together--Commitment '80--is fundamental not merely to our success in November, but it is fundamental to my own sense of American politics. My opponent has said that what we do this year will determine the course of events through the remainder of this century. I could not agree more.

And I speak not in a narrow way, of whether we will continue on the course set in the past four years, or whether we will begin anew. I speak to whether all of us, as a people in a free republic governed by the principles of democracy, will actually come back to the practices of a democratic nation. Whether each of us will return to our rightful roles as participants in this great cause of liberty.

If we are to be governed by the consent of the governed, rather than by the indifference of the governed, we must meet certain obligations. Paying taxes and complaining about Washington are not the entire test of our citizenship. We have not acquitted ourselves as a free people until we have met every obligation to freedom imposed upon us by our heritage and by our hopes for the future.

As we gather today to reinforce in our own minds the duties of citizenship in a free country, I can't help thinking what the

- MORE -

gallant people of Poland have risked in order to take back just a tiny portion of what we take for granted; the right to have a say in their own lives.

Think of it.

Think of the tremors that event must have set off in the Kremlin. Think what some have risked and others have sacrificed to get what we take for granted--and, all too often, ignore altogether.

No. What we do now will determine the course of the remainder of this century. More than that, it will determine whether freedom has any future at all. It is for us, if we can, if we will, to reacquire the habit of democratic duty.

It demands that we believe in our institutions, and that when they fail us we recognize the failure as our own.

It demands that we hold our elected officials accountable not every two or four or six years, but every day. It takes attention. It takes time. It takes work. Democracy is a full time job. Yet, when so many died for it, dare we admit that we are not willing to work for it?

We gather today to reaffirm a commitment as old as this Republic; it is a commitment not merely to the purposes of our democracy, but to its processes, from which purpose is inseparable.

I have proposed Commitment '80 not merely as the best way to win this election, but the right way to win it.

It is pointless, finally, to speak of restoring our economy, of restoring our families, restoring our cities, restoring the proper balance in state-federal relations, restoring our military

defenses, restoring respect for America--among our allies and among our adversaries--it is futile, all of it, if we are not first able to restore our own individual commitments as citizens. Everything else is based upon that. With that restored, everything else is within our reach. And may I say, within our easy reach.

We have not, on this vast continent, even scratched the surface of God's abundance. We have not, across the range of brains and energy and courage of this great people, begun to exhaust our capacities.

We are not afraid, we are dispirited. We are not burnt out, really, too many of us are indifferent. Too many are not standing on the farthest final edge of our possibilities as a people, really, some stand rather at the dimmest beginnings of the realization of our potential.

Let there be a new willingness to sacrifice, to dare, to trust--and who in their wildest imaginings can predict what history will say those Americans began as they entered the third century of their adventure in freedom.

Some have referred to Commitment '80 as a quest. Let it be then. Let it be that and let it be as well a rediscovery of the wellsprings of our purpose as a people. The springs are not dry, we have simply passed them by. They are there to nourish and refresh us.

I mean to be President of the American people, the American nation. I mean to see our confidences restored at home, and our respectability restored abroad. I mean to be a good steward of the sacred trust which is the American Presidency--it is a bond with our people, yes; but it is a bond with our past, which is the

place upon which we stand; it is a bond with the future toward which we reach.

But the central word is "we." There is no hope without it, no real future without it, no America without it.

Join with me in this commitment--in Commitment '80. Join with me in redeeming the promises of America. Bring your friends and reach out to your neighbors next week on September 13th and again on October 4th and each day thereafter and let us build not a coalition of special interests, but a domestic alliance with a common interest; let us strive not merely for a plurality that produces a political victory, but for a great majority which answers those who say America has seen her best days with the affirmation that America is still young, still growing and reaching and striving and hoping, all with the firm conviction that her days have all been good, but that the best is still before us.

#

--DRAFT-- -1-

A Strategy for Growth:
The American Economy in the 1980s

Almost two months ago, in my speech accepting the nomination of my party as its presidential candidate, I spoke of the historically unique crisis facing the United States. At that time I said:

"Never before in our history have Americans been called upon to face three grave threats to our very existence, any one of which could destroy us. We face a disintegrating economy, a weakened defense and an energy policy based on the sharing of scarcity."

Since I first spoke those words, no action has been taken by the President to change the grave, unprecedented situation.

I emphasize the word "action." Jimmy Carter has shown that he is ready to adopt the rhetoric of action. But it is rhetoric only.

It is in the field of economics that he has promised the most and delivered the least. This is part of a pattern going back to 1976.

In an interview with Fortune magazine in May 1976, he said: "I don't see any reason why the permanent level of inflation can't be as low as 2 or 3 percent."

Today we all know the reason the inflation rate isn't at 2%: Jimmy Carter.

*his least
bad impression +
doesn't
make sense
anyway.*

In his latest version of the oldest established permanent floating crap game in government -- the Carter economy -- he tells us that if we give him four more years he just might be able to bring inflation down to 6%.

Only under Carter economics is it considered a triumph to aim for an inflation rate at the end of 8 years that is higher than it was at the beginning of those 8 years.

(A)

In an interview with Business Week Magazine, May 3, 1976, he said, "We can have a balanced budget if I'm President. There is no way now to estimate benefits to be derived from top competent management of government."

After four years of Carter economics, there still is no way we can estimate benefits from competent management because we haven't seen any.

At the end of that same interview he was asked: "How do you categorize your brand of economics...?"

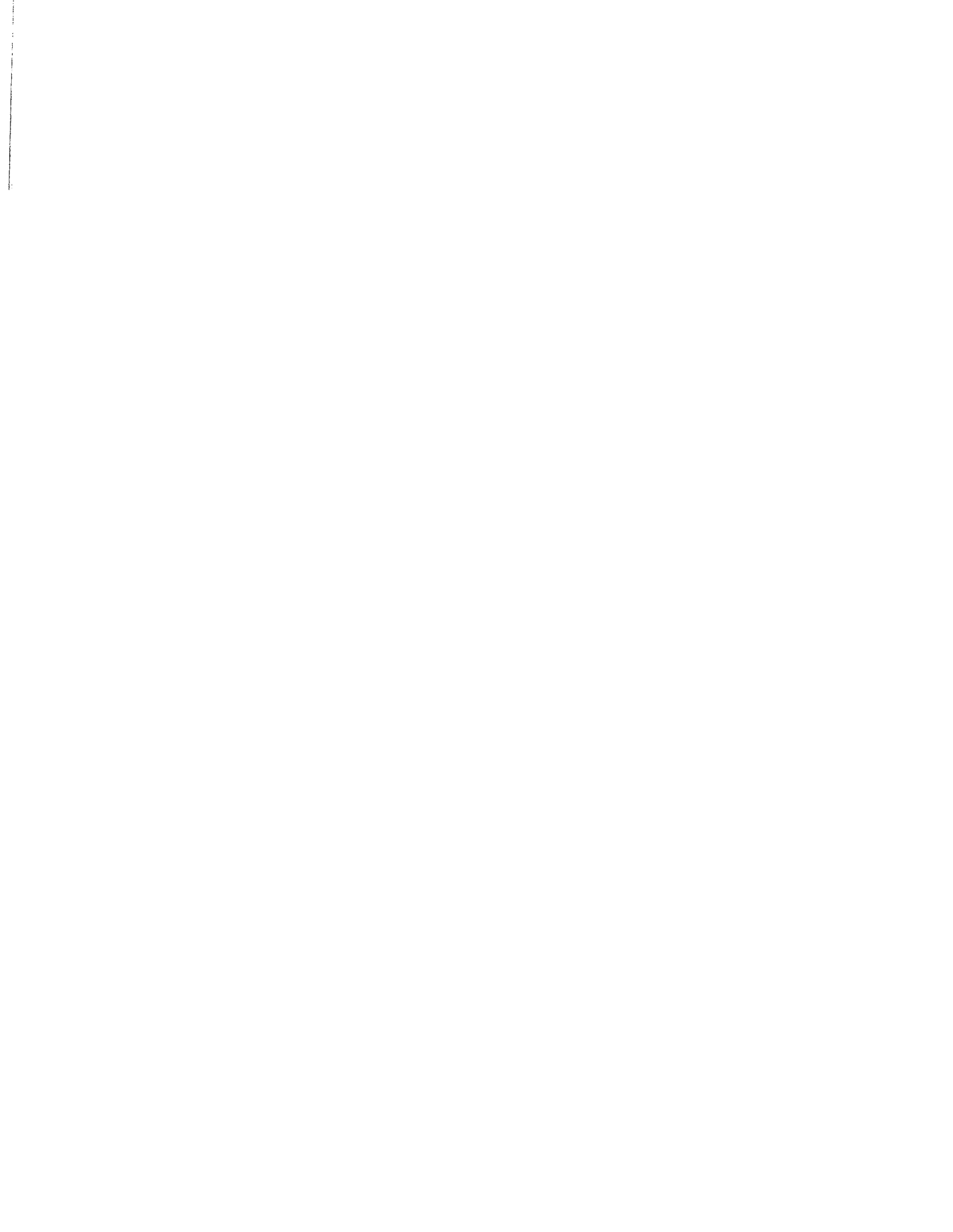
His answer is one I cherish. He said:

"How would you describe me? I don't know."

We know now, don't we?

Two years ago he gave us his latest in a series of ~~fatally~~ ^{tragically} flawed economic programs. This one is the fifth "New" Economic Program in the last 3½ years. It bears a striking resemblance to its predecessors: it is long on rhetoric and short on effective action.

It is a plan for Mr. Carter's own political recovery, not our economic recovery.





--DRAFT--

There is a proposal for a \$28 billion tax cut. But upon examination, half of that tax cut is an illusion by a master illusionist, made up of federal paper-shuffling, since it is a scheduled rebate on the new Carter social security tax increase.

There is a "new" depreciation schedule. But upon examination, it isn't so new at all -- it is similar to those recently proposed by Republicans and by the Senate Finance Committee.

The "new" refundable investment tax credit is obviously meant as a gesture to those industries undercut by Carter's previous "new" plans.

There is a proposal for job-training to train people for jobs that don't exist and are not likely to exist under his economic policies. Given his policies, the best training Jimmy Carter can offer American workers is advice on how to stand in unemployment line -- because that's where he's been putting them.

If he is serious about this program, why doesn't he send it up to Congress now? Why wait until next year? Because these are not economic programs, but political programs. He knows this program doesn't have a chance of becoming legislation and won't even send it to the Hill.

Jimmy Carter ^{may} have mastered some of the language of a ^{growing} ~~free~~ economy. He knows certain phrases that suggest to the casual listener that he is in favor of ~~a free, growing economy.~~ ^{more jobs and lower inflation.}

But his actions show the real Jimmy Carter -- no matter how many "new" Jimmy Carters we are offered.

He has overseen a rise in government regulation that during his first three years has seen a 35.8 percent increase in the number of pages devoted to regulation of the federal government.

He is going to establish an Economic Revitalization Board and suggests that "a new partnership between government and industry and labor" can meet our needs. But when you become partners with the government, who becomes the senior partner? His words suggest that he would like our nation to follow the example offered by the relationship between government and industry in Japan.

Whatever else may be said about that model, and I for one do not believe it would or could work in the United States, the fact is that Jimmy Carter is not only wrong economically, he is wrong geographically. His views, if followed, would lead us not to the Japanese experience but to the British disaster, an endless series of bailouts, shoring up with tax dollars those big enterprises that have failed and in general stifling real growth by regulation and the inevitable inflation that would accompany this bailout philosophy. It is a philosophy rejected by the current British Government and -- in its last months -- by the previous government as well.

I see no advantage to using this stuff on Japan, the out. Besides, the argument is hard against so many bailouts directly under Chrysler his position.

This stuff is better in a industrialization speech.

Despite all of the good intentions not to allow an economic revitalization program to become a vehicle to bail out failing business, it is just not possible to be otherwise. The new vital-growing businesses do not need government help -- it is only the failing ones,

which will show up at the door of the White House for help. But experience both here and abroad amply demonstrates that the jobs that are "saved" are temporary, and the damage to the economy overall leads to far greater job loss -- or, more exactly, to failure to create jobs for a growing labor force.

Japan "works" because the government is not anti-business. We would have the same vitality if government stopped its harrassment of business. We don't need a new partnership, we need only to have an Uncle Sam who will help, not hinder, the American economy.

When I hear Jimmy Carter use the rhetoric of ~~free~~ ^{economic} growth, ~~enterprise~~, I am reminded of the story told about Mark Twain.

It seems Mark had a habit of using foul language. To shock him out of it, his wife came up to him one day and repeated every bit of the salty language she had every heard him say. Mark listened patiently and when she was finished he said, "My dear, you have the words, but you don't have the tune."

The same can be said about Jimmy Carter and his seemingly limitless capacity for new programs. He knows all the words, but he lacks something vital. Jimmy Carter's tragedy as a leader is that he has never known where he wants to go.

"Free enterprise" labels KK as an "unthinking right-winger"

economic growth,

And because we will have endured this nonleadership for four years, it is our tragedy as well.

Today I want to speak to you of a different concept of leadership, one based on faith in the American people, confidence in the American economy, and a firm commitment to see to it that the federal government is once more

responsive to the needs of the people. That view is rooted in a strategy for growth, ^{-- for new jobs and a higher standard of living.} a program that sees the American economic system as it is -- a huge, complex, dynamic system which demands not piecemeal federal packages of solutions, or pious, ~~empty pledges, but a comprehensive~~ ~~hopes wrapped in soothing words, but the hard work~~ consistent plan for our future. ~~and concerted programs necessary for real growth.~~

We must first recognize that ^{one of the greatest} ~~the~~ problems with the U.S. economy is too much inefficient government, too much needless regulation, too much taxation, too much printing press money.

We don't need any more ^{eight or ten point reshakes of} ~~eight or ten point programs of~~ ~~the failed programs of the past.~~ ~~we need new~~ government actions to "fix" the economy. It is the overdose ~~The policies which have caused our economic problems~~ of such initiatives which has been gradually sapping the ~~cannot now cure them. we need new, creative ideas to revive~~ vitality of the most productive economic system the world

has ever known. ~~I see a true revitalization of the American economy as a two-stage process:~~

~~First, we must stop the frightening erosion that now confronts our economy.~~ ^{Second,} ~~Then we must increase our economic growth markedly.~~

~~The second stage will be relatively easy if we make the first stage work.~~ ^{follow naturally} At the heart of this ^{American revitalization} ~~first stage of this~~

"Jobs" should be said over & over

too right wing

J.C. is a man of the past

This is not 2 stages. It is one, artificially broken into two.

strategy are three fundamental policies, each of which is vital, each of which is dependent on the other two for success, ~~and~~ ^{then, implement through} All three of ~~which, working in concert under~~ effective leadership, can take us from the Carter economics of despair and stagnation to an economics of hope and of growth based on what we know the American people are capable of:

1. First, we must stop inflationary policies of the federal government. This means the necessary precondition of such action ^(a progression toward) a balanced budget.

2. Second, we must prevent rises in the tax burden now crippling the economy and savaging family earnings. Carter's tax cut program still leaves the ratio of total Federal revenues rising from 20½% of GNP in the current fiscal year, to 23-3/4% by fiscal year 1985. Under Carter's program, Uncle Sam will be ^{taxing away} ~~taking~~ 30% of ~~additions to taxable incomes~~ ^{the economy's increased production} over the next 5 years. There is no way we can stop the economy's erosion with that level of taxation.

3. Third, we must restore our military capability in order to meet the challenges we face now and will face in the near future, during that five-year period in the '80's called the Soviet window of opportunity.

I agree
with Van
Cleave's
revisions
re: margin of safety

I am asked, can we do it all at once? My answer is: we must.

I am asked, can we do it immediately? My answer is: No, it took Mr. Carter 4 years of hard work to get us into the economic mess we are in. It will take ^{some time.} ~~years~~ to get us out.

I am asked, is it easy? My answer is: No. It is going to require perhaps the most dedicated and concerted action ever taken on the part of the American people for their government.

But we can do it, we must do it, and we must do all three together: balance the budget, cut tax rates, and build our defenses. That is the challenge. Mr. Carter says he can't meet that challenge. He says he can't do it. I believe him. He can't. I refuse to accept his defeatist, pessimistic, unrealistic view of America. I know we can do these things, and I know we must.

Let us then examine how we can meet this challenge.

A fundamental priority of the strategy for growth is a reduction in the projected spending levels for FY 1981 by some 2 percent. This level of spending restraint, once achieved for the last half of FY 1981, would continue on through the succeeding years. Continued attempts to control government spending would result in a further 2 percent

This is the part of the speech I don't like

reduction in FY 1982, an additional 1 percent in FY 1983, and 1 percent more in both FY 1984 and FY 1985. Even these relatively modest reductions in the rate of increase of federal spending produce substantial increases in available funds that can be used for either increased spending or for reducing tax rates to stimulate economic growth. Beginning with an additional \$13 billion in FY 1981, the ~~number~~ ^{savings} grows steadily to \$63 billion by FY 1985.

And I think we can do even better. My goal is to ultimately reduce ^{projected levels} spending by 10%. *Make no mistake: spending will increase each year. But we must reduce it.* Crucial to my strategy of spending control will be the

• appointment to top government positions of men and women who share the same economic philosophy that is at the heart of my policies. We will have an administration in which the word from the top isn't lost as it gets to the various departments. That voice will be heard because it is, in this vital area, the voice that has for too long been absent from Washington -- the voice of the people.

I will also establish a national citizen's task force, as I did in California, to rigorously examine every department and agency. There is nothing better for effective government than to have its operations scrutinized by citizens with savings on their minds.

presently uncontrolled growth in spending

I already have as part of my advisory staff a Spending Control Task Force, headed by my good friend and former Director of the Office of Management and Budget, Casper Weinberger, that will report on additional ways and techniques to search out and eliminate waste, extravagance, fraud and abuse in federal programs.

If I may digress for one moment: the subject of waste, fraud and abuse in government programs is one so important that I will not even try to discuss its full implications in these remarks because it deserves a special speech all of its own. I intend to make such a speech soon. For the present, just let me say that when HEW alone reported over \$6 billion lost, strayed or stolen, surely there is more reason than ever to see to it that tax dollars are used more effectively. ^{Attorney General} ~~The Office of Management and Budget~~ estimates that the annual ~~waste~~ ^{fraud} in federal government programs could reach as high as \$25 billion, ~~and~~ ^{including all government waste would make that figure much higher. Yet} Jimmy Carter tells us we can't have a tax cut ~~this year.~~

This strategy for growth does not require altering or taking back entitlements already granted to the American people. ^{We will preserve} ~~The integrity of the Social Security system, will~~ ^{and we will make sure benefits keep} ~~be defended by my administration and its benefits made~~ ^{pace with the cost of living. And we will even} ~~once again meaningful because we will also be fighting~~ ^{keep the nightwatchman at the Lincoln Memorial on the} ~~inflation. federal payroll.~~

We will provide for the needy, the blind, the disabled, and the poor, because they need our help.

more people working -- ~~But the best way to do this is to get~~ ^{programs} ~~paying taxes to fund our necessary government~~ ^{rather than causing a recession in a fruitless attempt to fight inflation}

^{what} This strategy does require restraining the Congressional desire to "add-on" to every program and to create ^{unnecessary} new programs funded by deficits.

This strategy does require that the way federal programs are administered will be changed, so that we can benefit from the savings that will come about when, in many instances, administrative authority is moved back to the states.

The federal programs that I believe should be carefully considered for transfer to the states (along with the federal tax resources to finance them) are those which are essentially local in nature--welfare and education.

~~I have come long~~
 we also need to make some institutional changes if we are to control spending in the future. (INSERT FROM pp. 13-14).

This brings me to my tax rate reduction plan.

This plan calls for an across-the-board ~~the~~ reduction in personal income tax rates of 10% in 1981, 10% in 1982, and 10% in 1983. My goal is to implement these reductions in a systematic, planned manner -- 10% a year each year for three years. It is essential to move as rapidly as we can to reduce the dangerous growth in our tax burden.

High rates of taxation destroy incentives to earn, to save, ^{and} to invest, ^{they} cripple productivity, lead to deficit financing and inflation; ^{worst of all, they} ~~also~~ create unemployment. We can go a long way toward restoring the economic health of this country by establishing reasonable, fair levels of taxation.

Jimmy Carter says it can't be done. In fact, he says it shouldn't be done. He favors the current crushing tax

Don't use.
 30%
 They'll tag us with the figure easily enough.

burden because it fits into his philosophy of government as the dominating force in American economic life.

But official projections of the Congressional Budget Office show that by FY 1985, if current rates of taxation are in effect, with no additional Congressional programs, tax revenues should approach more than one trillion dollars.
One trillion dollars!

Surely Jimmy Carter isn't telling us that the American people couldn't find better things to do with ~~all that~~ ^{some of this} money than see it spent by the government.

Assuming a continuation of current policies in government, the CBO projections show a substantial surplus of \$175 billion in FY 1985. These large and growing surpluses can be used in two basic ways: (1) ~~the funding of additional~~ ^{increased spending on} ~~government~~ ^{necessary} programs, or (2) the reduction of tax rates.

The choice is up to the American people. At least it should be.

It should be noted here that all economic forecasts -- including, most especially, those Mr. Carter has been making for four years -- do not have the degree of precision we would want. But the CBO figures do give us a reasonable look at what is feasible.

Paraphrase
The most insidious tax increase is the one we must pay when inflation pushes us into higher tax brackets. While inflation is with us, taxes should be based on real incomes, not government inflated ones. Federal tax rate brackets, as well as the amount of exemptions, deductions, and credits, should be indexed to compensate for inflation.

Is all this included in CBO estimates?

The federal inheritance and ~~estate~~^{gift} tax often forces the breakup of family ~~estates~~^{farms or the sale of family businesses} when someone dies. I have long felt that this is an unfair tax. Today it accounts for less than one percent of federal tax receipts. The federal tax collector should not profit by death, and I will seek the elimination of the entire federal inheritance and ~~estate~~^{gift} tax. This will strengthen the incentive of our citizens to work and save to build an estate to pass on to their loved ones.

My recommendations stands to take this out

© This strategy for growth is based on something more than forecasts. It is based on what we already know the American people can do. Economic policies must be based on facts -- as mine are -- but those facts must be seen in a context of realistic optimism. When I am told that my view of the future is optimistic, I answer: it should be. We do not have to lower our expectations. I know the American people have always been a people of great expectations and I would not ask them to elect me as President if I did not share this historic view.

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If we succeed in the first stage of my strategy for growth, the second stage is a natural extension, parts of which should be put into place before Stage I is fully effective.

It is important that we recognize that presidential veto power, no matter how judiciously and courageously used, cannot hope to meet the challenge to our economic survival alone. We have developed over the years a built-in tendency to

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overspend our tax receipts. The Budget Act of 1974, which for the first time created a procedure for the Congress to limit total spending, has been only partially successful. More is needed.

I will seek a presidential right to have a line-item veto, so that the President can reflect the people's will in a manner that is effective and responsible.

I will also seek a constitutional amendment requiring that all money bills require a 60% majority of both houses of the Congress rather than the current 50%.

I will immediately ask for a study to be made in order to find the most appropriate language for a necessary constitutional amendment for a balanced budget. Pending such an amendment's passage, I would expect and would seek appropriate statutory authority for a balanced budget from the Congress. These measures should once and for all put an end to the irresponsible printing of money.

Moreover, even the extended tax rate cuts which I am recommending still leave an increasing tax burden. In the second half of the decade ahead, additional tax rate reductions are needed.

An ^{essential} fundamental part of my strategy for economic growth is the restoration of ^{the people's} ~~business~~ confidence. If ~~our~~ ^{we} ~~business~~ ^{are} community is going to invest and build and create new,

well-paying jobs, ^(our people) ~~they~~ must have a future free from arbitrary government action. They must have confidence that the economic "rules-of-the-game" won't be changed suddenly.

In my administration, a national economic policy would be established and we will begin to implement it within the first 90 days. And I will stick with it.

Thus, I envision a strategy encompassing many elements; each of which cannot do the job alone, but all of which, working together, can get it done. Such a strategy depends for its success on the will of the people to regain control of their government.

And, most importantly, it depends on the capacity of the American people for work, their willing ness to do the job, their energy and their imagination. For this strategy of growth includes the growth that will come from the cooperation of business and labor resulting from the knowledge that government policy is directed towards jobs, towards opportunity, towards growth. That is why I fully expect revenues to the government to increase, not decrease, under such programs as I have outlined. We are not talking here about some static, lifeless model of econometrics -- we are talking about the greatest productive economy in

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human history, one historically revitalized not by government but by people freed of government interference, needless regulations, crippling inflation, high taxes and unemployment.

Does Mr. Carter really believe that the American people are not capable of rebuilding our economy? If he does, that is even one more reason -- aside from his record -- that he should not be President.

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When such a strategy is put into practice, our national defense needs will be capable of being met because the productive capacity of the American people, free of government restraint, and the ability of the new administration to make government less wasteful and more efficient, will provide the revenues needed to do what must be done in defense.

All of this demands a vision. It demands looking at government and looking at the economy as they exist, not as words on paper, but as institutions guided by our will and knowledge, capable of growth, capable of restraint, capable of effective action.

When Mr. Carter first took office, he had sufficient budget flexibility to achieve these goals without too much difficulty. He not only threw away the security of restoring economic vitality and international security by a series of failed policies, but has now made the achievement of these critical objectives far more difficult.

Nevertheless, this nation cannot afford to back away from any of these goals. We cannot allow tax burdens to rise inordinately, inflation to take hold, or allow our defenses to deteriorate -- without severe consequences.

This task is going to be difficult and our goals are optimistic -- as they should be. It's going to take time as well as work -- but it will be time worth the effort.

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In his economic position paper number 133 in 1976, Mr. Carter pledged that he would "never use unemployment and recession as a tool to fight inflation."

Yet this May Mr. Mondale described the Carter policy perfectly when he said "We think what we're doing now will be using unemployment for a while." And the two million Americans who have lost their jobs this year in the Carter Recession know how little they can depend on Jimmy Carter's promises.

p.3 replace entire page with the following:

There is his proposal for a social Security tax rebates, a warmed over version of his \$50 tax rebate scheme in 1977. And it's a rebate on the very Social Security tax increase -- one of the largest tax increase bills in history -- which he himself supported. His so-called rebate is not a true tax cut.

There is his supposedly "new" idea for accelerated depreciation. It isn't new at all. Republicans in Congress have been pressing for accelerated depreciation for two years, and Mr. Carter has offered them only the back of his hand. I proposed accelerated depreciation on June 25 of this year. And the Senate Finance Committee proposed it this August. Mr. Carter must have felt left out being one of the few not to support this needed change.

There is his refundable investment tax credit -- a federal subsidy for industries undercut by Carter's first four economic plans. It merely takes money from the winners and gives it to the losers -- without correcting the problems which have made many industries "losers" in the Carter economy, and it will only make all of us poorer.

A Strategy for Growth:

The American Economy in the 1980s

Almost two months ago, in my speech accepting the nomination of my party as its presidential candidate, I spoke of the historically unique crisis facing the United States. At that time I said:

"Never before in our history have Americans been called upon to face three grave threats to our very existence, any one of which could destroy us. We face a disintegrating economy, a weakened defense and an energy policy based on the sharing of scarcity."

Since I first spoke those words, no action has been taken by the President to change the grave, unprecedented situation.

I emphasize the word "action." Jimmy Carter has shown that he is ready to adopt the rhetoric of action. But it is rhetoric only.

It is in the field of economics that he has promised the most and delivered the least. This is part of a pattern going back to 1976.

In an interview with Fortune magazine in May 1976, he said: "I don't see any reason why the permanent level of inflation can't be as low as 2 or 3 percent."

Today we all know the reason the inflation rate isn't at 2%: Jimmy Carter.

In his latest version of the oldest established permanent floating crap game in government -- the Carter economy -- he tells us that if we give him four more years he just might be able to bring inflation down to 6%.

Only under Carter economics is it considered a triumph to aim for an inflation rate at the end of 8 years that is higher than it was at the beginning of those 8 years.

In an interview with Business Week Magazine, May 3, 1976, he said, "We can have a balanced budget if I'm President. There is no way not to estimate benefits to be derived from top competent management of government."

After four years of Carter economics, there still is no way we can estimate benefits from competent management because we haven't seen any.

At the end of that same interview he was asked: "How do you categorize your brand of economics...?"

His answer is one I cherish. He said:

"How would you describe me? I don't know."

We know now, don't we?

Two years ago he gave us his latest in a series of fatally flawed economic programs. This one is the fifth "New" Economic Program in the last 3½ years. It bears a striking resemblance to its predecessors: --it is long on rhetoric and short on effective action.

--DRAFT--

There is a proposal for a \$28 billion tax cut. But upon examination, half of that tax cut is an illusion by a master illusionist, made up of federal paper-shuffling, since it is a scheduled rebate on the new Carter social security tax increase.

There is a "new" depreciation schedule. But upon examination, it isn't so new at all -- it is similar to those recently proposed by Republicans and by the Senate Finance Committee.

The "new" refundable investment tax credit is obviously meant as a gesture to those industries undercut by Carter's previous "new" plans.

There is a proposal for job-training to train people for jobs that don't exist and are not likely to exist under his economic policies. Given his policies, the best training Jimmy Carter can offer American workers is advice on how to stand in unemployment line -- because that's where he's been putting them.

If he is serious about this program, why doesn't he send it up to Congress now? Why wait until next year?

Because these are not economic programs, but political programs. He knows this program doesn't have a chance of becoming legislation and won't even send it to the Hill.

Jimmy Carter has mastered some of the language of a free economy. He knows certain phrases that suggest to the casual listener that he is in favor of a free, growing economy.

But his actions show the real Jimmy Carter -- no matter how many "new" Jimmy Carters we are offered.

He has overseen a rise in government regulation that during his first three years has seen a 35.8 percent increase in the number of pages devoted to regulation of the federal government.

He is going to establish an Economic Revitalization Board and suggests that "a new partnership between government and industry and labor" can meet our needs. But when you become partners with the government, who becomes the senior partner? His words suggest that he would like our nation to follow the example offered by the relationship between government and industry in Japan.

Whatever else may be said about that model, and I for one do not believe it would or could work in the United States, the fact is that Jimmy Carter is not only wrong economically, he is wrong geographically. His views, if followed, would lead us not to the Japanese experience but to the British disaster, an endless series of bailouts, shoring up with tax dollars those big enterprises that have failed and in general stifling real growth by regulation and the inevitable inflation that would accompany this bailout philosophy. It is a philosophy rejected by the current British Government and in the past -- by the previous government as well.

Despite all of the good intentions not to allow an economic revitalization program to become a vehicle to bail out failing business, it is just not possible to be otherwise.

The new vital-growing businesses do not need government help -- it is only the failing ones,

which will show up at the door of the White House for help. But experience both here and abroad amply demonstrates that the jobs that are "saved" are temporary, and the damage to the economy overall leads to far greater job loss -- or, more exactly, to failure to create jobs for a growing labor force.

Japan "works" because the government is not anti-business. We would have the same vitality if government stopped its harrassment of business. We don't need a new partnership, we need only to have an Uncle Sam who will help, not hinder, the American economy.

When I hear Jimmy Carter use the rhetoric of free enterprise, I am reminded of the story told about Mark Twain. It seems Mark had a habit of using foul language. To shock him out of it, his wife came up to him one day and repeated every bit of the salty language she had every heard him say. Mark listened patiently and when she was finished he said, "My dear, you have the words, but you don't have the tune."

The same can be said about Jimmy Carter and his seemingly limitless capacity for new programs. He knows all the words, but he lacks something vital. Jimmy Carter's tragedy as a leader is that he never knew where he wants to go.

And because we will have endured this nonleadership for four years, it is our tragedy as well.

Today I want to speak to you of a different concept of leadership, one based on faith in the American people, confidence in the American economy, and a firm commitment to see to it that the federal government is once more responsive to the needs of the people. That view is rooted in a strategy for growth, a program that sees the American economic system as it is -- a huge, complex, dynamic system which demands not piecemeal federal packages of solutions, or pious hopes wrapped in soothing words, but the hard work and concerted programs necessary for real growth.

We must first recognize that the problem with the U.S. economy is too much inefficient government, too much needless regulation, too much taxation, too much printing press money.

We don't need any more eight or ten point programs of government actions to "fix" the economy. It is the overdose of such initiatives which has been gradually sapping the vitality of the most productive economic system the world has ever known. I see a true revitalization of the American economy as a two-stage process:

First, we must stop the frightening erosion that now confronts our economy. Then we must increase our economic growth markedly.

The second step will be relatively easy if we make the first step a part of the first stage of this

strategy are three fundamental policies, each of which is vital, each of which is dependent on the other two for success and all three of which, working in concert under effective leadership, can take us from the Carter economics of despair and stagnation to an economics of hope and of growth based on what we know the American people are capable of:

1. First, we must stop inflationary policies of the federal government. This means the necessary precondition of such action, a balanced budget.

2. Second, we must prevent rises in the tax burden now crippling the economy and savaging family earnings.

Carter's tax cut program still leaves the ratio of total federal revenues rising from 20½% of GNP in the current fiscal year, to 23-¾% by fiscal year 1985.

Under Carter's program, Uncle Sam will be taking 30% of additions to taxable incomes over the next 5 years.

There is no way we can stop the economy's erosion with that level of taxation.

3. Third, we must restore our military capability in order to meet the challenges we face now and will face in the near future, during that five-year period in the '80's called the Soviet window of opportunity.

I am asked, can we do it all at once? My answer is:
we must.

I am asked, can we do it immediately? My answer is:
No, it took Mr. Carter 4 years of hard work to get us into
the economic mess we are in. It will take years to get
us out.

I am asked, is it easy? My answer is: No. It is
going to require perhaps the most dedicated and concerted
action ever taken on the part of the American people for
their government.

But we can do it we must do it, and we must do all three
together: balance the budget, cut tax rates, and build
our defenses. That is the challenge. Mr. Carter says he
can't meet that challenge. He says he can't do it.

I believe him. He can't. I refuse to accept his defeatist,
pessimistic, unrealistic view of America. I know we can
do these things, and I know we must.

Let us then examine how we can meet this challenge.

A fundamental priority of the strategy for growth is
a reduction in the projected spending levels for FY 1981
by some 2 percent. This level of spending restraint, once
achieved for the last half of FY 1981, would continue on
through the succeeding years. Continued attempts to control
government spending would result in a further 2 percent

reduction in FY 1982, an additional 1 percent in FY 1983, and 1 percent more in both FY 1984 and FY 1985. Even these relatively modest reductions in the rate of increase of federal spending produce substantial increases in available funds that can be used for either increased spending or for reducing tax rates to stimulate economic growth. Beginning with an additional \$13 billion in FY 1981, the number grows steadily to \$63 billion by FY 1985.

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And I think we can do even better. My goal is to ultimately reduce spending by 10%.

Crucial to my strategy of spending control will be the appointment to top government positions of men and women who share the same economic philosophy that is at the heart of my policies. We will have an administration in which the word from the top isn't lost as it gets to the various departments. That voice will be heard because it is, in this vital area, the voice that has for too long been absent from Washington -- the voice of the people.

I will also establish a national citizen's task force, as I did in California, to rigorously examine every department and agency. There is nothing better for effective government than to have its operations scrutinized by citizens with savings on their minds.

I already have as part of my advisory staff a Spending Control Task Force, headed by my good friend and former Director of the Office of Management and Budget, Casper Weinberger, that will report on additional ways and techniques to search out and eliminate waste, extravagance, fraud and abuse in federal programs.

If I may digress for one moment: the subject of waste, fraud and abuse in government programs is one so important that I will not even try to discuss its full implications in these remarks because it deserves a special speech all of its own. I intend to make such a speech soon. For the present, just let me say that when HEW alone reported over \$6 billion lost, strayed or stolen, surely there is more reason than ever to see to it that tax dollars are used more effectively. The Office of Management and Budget estimates that the annual waste in federal government programs could reach as high as \$25 billion and Jimmy Carter tells us we can't have a tax cut.

This strategy for growth does not require altering or taking back entitlements already granted to the American people. The integrity of the Social Security system will be defended by my administration and its benefits made once again meaningful because we will also be fighting inflation.

This strategy does require restraining the Congressional desire to "add-on" to every program and to create new programs funded by deficits.

This strategy does require that the way federal programs are administered will be changed, so that we can benefit from the savings that will come about when, in many instances, administrative authority is moved back to the states.

The federal programs that I believe should be carefully considered for transfer to the states (along with the federal tax resources to finance them) are those which are essentially local in nature--welfare and education.

This brings me to my tax rate reduction plan.

This plan calls for an across-the-board 30% reduction in personal income tax rates -- 10% in 1981, 10% in 1982, and 10% in 1983. My goal is to implement these reductions in a systematic, planned manner -- 10% a year each year for three years. It is essential to move as rapidly as we can to reduce the dangerous growth in our tax burden.

High rates of taxation destroy incentives to earn, to save, to invest; cripple productivity, lead to deficit financing and inflation, and create unemployment. We can go a long way toward restoring the economic health of this country by establishing reasonable, fair levels of taxation.

Jimmy Carter says it can't be done. In fact, he says

it shouldn't be done. He favors the current steepening tax

burden because it fits into his philosophy of government as the dominating force in American economic life.

But official projections of the Congressional Budget Office show that by FY 1985, if current rates of taxation are in effect, with no additional Congressional programs, tax revenues should approach more than one trillion dollars.

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Does Mr. Carter really believe that the American people are not capable of rebuilding our economy? If he does, that is even one more reason -- aside from his record -- that he should not be President.

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