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State of the Union

Sent 12/31:

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H. Walther

FYI - ~~Confidential~~

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12/6/82


THE WHITE HOUSE

WASHINGTON

December 3, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

THRU: JACK BURGESS

FROM: MORTON C. BLACKWELL 

SUBJECT: 1983 State of the Union Message

Tuesday Red asked at the staff meeting that each of us give you our thoughts regarding the upcoming State of the Union message.

The general presumption on this matter, as I have heard at the Mess and in casual conversations here, is that the State of the Union message is going to concentrate on economic questions. I do not know if that presumption is warranted. I hope not. As I indicated in my November 22 memo to Red, attached, I believe it is vital for us to place heavy emphasis now on issues which were very important to elements of the Reagan winning coalition in 1980 but which have not had serious emphasis in the Administration for the past two years.

Unless traditionally Democratic voters are broken away from the liberal Democratic leadership on these issues, we cannot expect 1984 election results much different from 1982. In 1982 Republicans won only 38% of the U.S. House races, 26% of the gubernatorial races, and 36% of the U. S. Senate races.

We cannot outbid the liberal Democrats on economic issues. Most Republican candidates would choke rather than "demagogue" on economic issues by inciting envy or by promising "something for nothing". Liberal Democrats do not operate under such a constraint. If unemployment is cut in half by 1984 and if inflation or interest rates should take significant jumps, the liberal Democrats would adroitly drop the unemployment question and with great effect attack "Reagan inflation".

At the national level, liberal Democrats are locked into politically dangerous leftist positions on non-economic questions and therefore try to steer political debate to economic questions like "fairness". The President should take the initiative and raise the visibility of issues which divide millions of conservative Democrats from their liberal party leadership.

The great difficulty in our accomplishing this shift of emphasis is that Republican Party leadership, unlike national Democratic leadership, tends to operate on a "lowest common denominator" basis. Our party leadership is reluctant to take vigorous action on issues which are in various degrees uncongenial to any Republican. This tendency is our Achilles heel and might best be countered by describing the 1984 elections as "an action-forcing event".

Specifically, I would suggest that the President concentrate in the State of the Union address on issues such as:

- Cleaning up pornography
- Neighborhood schools
- Voluntary school prayer
- Tuition tax credits
- Federal funding of abortions
- Death penalty

Public opposition to gun control was a dramatic factor for Republicans in statewide races in California, Nevada, and New Hampshire. All three states had referenda on gun control. The pro-gun forces won 64% in California where we won the gubernatorial and the Senate races, by 71% in Nevada where we beat a Democratic Senator, and by 72% in New Hampshire where we beat a Democratic governor. The President should increase his visibility on the issue of the right to keep and bear arms.

The referenda results in California also indicate a strong grassroots opposition to strikes by government employees. The use of compulsory union dues in politics and the Hobbs Act exemption for union violence are issues we should emphasize.

While we might experience short term liability for a strong emphasis on defense preparedness, I think it is imperative that the President begin to promote a serious national debate on our need for defense preparedness. Virtually every Presidential statement on defense is so loaded with the word "peace" that we are undermining the public's healthy distrust of the Soviets and paving the way for further advances by those who really prefer peace through surrender to peace through strength.

The unilateral disarmers were shaping the defense debate in Britain until the Falklands crisis, but since then their movement is de-fanged and Mrs. Thatcher's popularity has soared. Defense is undeniably another issue where the liberal Democratic leadership is at odds with millions of traditional Democrats. Liberal Democrats will not lose the support from pro-defense traditional Democrats at the grassroots unless Republican leaders, particularly the President, are willing to:

1. Talk more about needed strength.
2. Warn that overemphasis on peace can lead eventually to our being forced to choose between surrender and war.

3. Reinforce the public's healthy distrust of the Soviets and their proxies.

In sum, the President should now say, and his Administration should now do, those things which will raise activism on other than strictly economic issues. The Reagan winning coalition in 1980, which was largely dormant in 1982, must be reconstituted now.

Enclosure

November 22, 1982

MEMORANDUM FOR RED CAVANEY

FROM:

MORTON C. BLACKWELL

mcb/cs

SUBJECT:

Staffing Memorandum on Time Magazine Questions

This set of questions and answers was not entirely clear. I presume these are questions presubmitted by Barrett for the President and a draft of appropriate answers. With that as a premise, here are my thoughts.

None of the questions is entirely about economic policy. Unfortunately, all of the answers are couched in economic terms. I think it highly unlikely that we can have better election results in 1984 than in 1982 if we continue discussing economic policy to the virtual exclusion of other important, high intensity issues.

For two years we have had:

1. No votes in either House on gun control.
2. Virtually no votes on right-to-life.
3. Virtually no votes on school prayer.
4. No votes on pornography.
5. No votes on the death penalty.
6. No votes on tuition tax credits.
7. No votes on busing.
8. No up or down votes on defense preparedness.
9. No vote on eliminating Hobbs Act exemption for union violations.
10. Virtually no vote on political use of compulsory union dues.

All these are issues which split off for us in 1980 traditionally Democratic voters. The President and candidates of the Reagan winning coalition will need these normally Democratic voters in 1984.

We must raise public awareness of the differences between the President and the liberal Democratic leadership on most all of these issues.

On economic issues alone, there cannot be elected a Republican Congressional majority. With a broadened base of issues, as in 1980, a Republican majority emerges.

I urge that the President's responses incorporate his strong desire to make progress on these issues whenever possible.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 25, 1983

ADDRESS BY THE PRESIDENT
ON THE STATE OF THE UNION

The Capitol

9:03 P.M. EST

THE PRESIDENT: Mr. Speaker, Mr. President, distinguished members of the Congress, honored guests and fellow citizens, this solemn occasion marks the 196th time that a President of the United States has reported on the State of the Union since George Washington first did so in 1790. That's a lot of reports, but there's no shortage of new things to say about the state of the Union. The very key to our success has been our ability, foremost among nations, to preserve our lasting values by making change work for us rather than against us.

I would like to talk with you this evening about what we can do together -- not as Republicans and Democrats, but as Americans -- to make tomorrow's America happy and prosperous at home, strong and respected abroad, and at peace in the world.

As we gather here tonight, the state of our Union is strong, but our economy is troubled. For too many of our fellow citizens -- farmers, steel and auto workers, lumbermen, black teenagers, working mothers -- this is a painful period. We must all do everything in our power to bring their ordeal to an end. It has fallen to us, in our time, to undo damage that was a long time in the making, and to begin the hard but necessary task of building a better future for ourselves and our children.

We have a long way to go, but thanks to the courage, patience, and strength of our people, America is on the mend. (Applause.)

But let me give you just one important reason why I believe this -- it involves many members of this body.

Just 10 days ago, after months of debate and deadlock, the bipartisan Commission on Social Security accomplished the seemingly impossible.

Social Security, as some of us had warned for so long, faced disaster. I, myself, have been talking about this problem for almost 30 years. As 1983 began, the system stood on the brink of bankruptcy, a double victim of our economic ills. First, a decade of rampant inflation drained its reserves as we tried to protect beneficiaries from the spiraling cost of living. Then the recession and the sudden end of inflation withered the expanding wage base and increasing revenues the system needs to support the 36 million Americans who depend on it.

When the Speaker of the House, the Senate Majority Leader and I performed the bipartisan -- or formed the bipartisan Commission on Social Security, pundits and experts predicted that party divisions and conflicting interests would prevent the Commission from agreeing on a plan to save Social Security.

Well, sometimes, even here in Washington, the cynics are wrong. Through compromise and cooperation, the members of the Commission overcame their differences and achieved a fair, workable plan. They proved that, when it comes to the national welfare, Americans can still pull together for the common good. (Applause.)

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Tonight, I am especially pleased to join with the Speaker and the Senate Majority Leader in urging the Congress to enact this plan by Easter.

There are elements in it, of course, that none of us prefers, but taken together it forms a package that all of us can support. It asks for some sacrifice by all -- the self-employed, beneficiaries, workers, government employees, and the better-off among the retired -- but it imposes an undue burden on none. And, in supporting it, we keep an important pledge to the American people: the integrity of the Social Security system will be preserved and no one's payments will be reduced.

The Commission's plan will do the job. Indeed, it must do the job. We owe it to today's older Americans and today's younger workers. So, before we go any further, I ask you to join with me in saluting the members of the Commission who are here tonight and Senate Majority Leader Howard Baker and Speaker Tip O'Neill, for a job well done. (Applause.)

I hope and pray the bipartisan spirit that guided you in this endeavor will inspire all of us as we face the challenges of the year ahead.

Nearly half a century ago, in this chamber, another American President, Franklin Delano Roosevelt, in his second State of the Union message, urged America to look to the future -- to meet the challenge of change and the need for leadership that looks forward, not backward.

"Throughout the world," he said, "change is the order of the day. In every nation economic problems long in the making have brought crises to (of) many kinds for which the masters of old practice and theory were unprepared."

He also reminded us that, "the future lies with those wise political leaders who realize that the great public is interested more in government than in politics."

So, let us, in these next two years -- men and women of both parties, every political shade -- concentrate on the long-range, bipartisan responsibilities of government, not the short-range or short-term temptations of partisan politics.

The problems we inherited were far worse than most inside and out of government had expected; the recession was deeper than most inside and out of government had predicted. Curing those problems has taken more time and a higher toll than any of us wanted. Unemployment is far too high. Projected federal spending -- if government refuses to tighten its own belt -- will also be far too high and could weaken and shorten the economic recovery now underway.

This recovery will bring with it a revival of economic confidence and spending for consumer items and capital goods -- the stimulus we need to restart our stalled economic engines. The American people have already stepped up their rate of saving, assuring

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that the funds needed to modernize our factories and improve our technology will once again flow to business and industry.

The inflationary expectations that led to a 21-1/2 percent interest prime rate and soaring mortgage rates two years ago are now reduced by almost half. Leaders have started to realize that double digit inflation is no longer a way of life.

I misspoke there. I should have said lenders.

So interest rates have tumbled, paving the way for recovery in vital industries like housing and autos.

The early evidence of that recovery has started coming in. Housing starts for the fourth quarter of 1982 were up 45 percent from a year ago, and housing permits, a sure indicator of future growth, were up a whopping 60 percent.

We are witnessing an upsurge of productivity and impressive evidence that American industry will once again become competitive in markets at home and abroad, insuring more jobs and better incomes for the nation's work force.

But our confidence must also be tempered by realism and patience. Quick fixes and artificial stimulants repeatedly applied over decades are what brought us the inflationary disorders that we have now paid such a heavy price to cure.

The permanent recovery in employment, production and investment we seek won't come in a sharp, short spurt. It will build carefully and steadily in the months and years ahead. In the meantime, the challenge of government is to identify the things that we can do now to ease the massive economic transition for the American people.

The federal budget is both a symptom and a cause of our economic problems. Unless we reduce the dangerous growth rate in government spending, we could face the prospect of sluggish economic growth into the indefinite future. Failure to cope with this problem now could mean as much as a trillion dollars more in national debt in the next four years alone. That would average \$4,300 in additional debt for every man, woman, child, and baby in our nation.

To assure a sustained recovery, we must continue getting runaway spending under control to bring those deficits down. If we don't, the recovery will be too short, unemployment will remain too high, and we will leave an unconscionable burden of national debt for our children. That we must not do.

Let's be clear about where the deficit problem comes from. Contrary to the drumbeat we've been hearing for the last few months, the deficits we face are not rooted in defense spending. Taken as a percentage of the gross national product, our defense spending happens to be only about four-fifths of what it was in 1970. Nor is the deficit, as some would have it, rooted in tax cuts. Even with our tax cuts, taxes as a fraction of gross national product remain about the same as they were in 1970.

The fact is, our deficits come from the uncontrolled growth of the budget for domestic spending. During the 1970s the share of our national income devoted to this domestic spending increased by more than 60 percent, from 10 cents out of every dollar produced by the American people to 16 cents. In spite of all our economies and efficiencies, without adding any new programs, basic, necessary domestic spending provided for in this year's budget will grow to almost a trillion dollars over the next five years.

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The deficit problem is a clear and present danger to the basic health of our Republic. We need a plan to overcome this danger -- a plan based on these principles. It must be bipartisan. Conquering the deficits and putting the government's house in order will require the best effort of all of us. It must be fair. Just as all of us share in the benefits that will come from recovery, all would share fairly in the burden of transition. It must be prudent. The strength of our national defense must be restored so that we can pursue prosperity and peace and freedom while maintaining our commitment to the truly needy. And finally, it must be realistic. We can't rely on hope alone.

With these guiding principles in mind, let me outline a four-part plan to increase economic growth and reduce deficits.

First, in my budget message, I will recommend a federal spending freeze. I know this is strong medicine. But so far, we have only cut the rate of increase in federal spending. The government has continued to spend more money each year, though not as much more as it did in the past. Taken as a whole, the budget I am proposing for the fiscal year will increase no more than the rate of inflation. In other words, the federal government will hold the line on real spending. Now, that is far less than many American families have had to do in these difficult times. (Applause.)

I will request that the proposed 6-month freeze in cost-of-living adjustments recommended by the bipartisan Social Security Commission be applied to other government-related retirement programs. I will, also, propose a one-year freeze on a broad range of domestic spending programs, and for federal, civilian and military pay and pension programs. And let me say right here, I am sorry with regard to the military in asking that of them, because for so many years they have been so far behind and so low in reward for what the men and women in uniform are doing. But I am sure they will understand that this must be across the board and fair.

Second, I will ask the Congress to adopt specific measures to control the growth of the so-called "uncontrollable" spending programs. These are the automatic spending programs,-- such as Food Stamps, that cannot be simply frozen, and that have grown by over 400 percent since 1970. They are the largest, single cause of the built-in or structural deficit problem. Our standard here would be fairness, ensuring that taxpayers' hard-earned dollars go only to the truly needy; that none of them are turned away; but that fraud and waste are stamped out. And I am sorry to say, there is a lot of it out there. In the Food Stamp program alone, last year, we identified almost \$1.1 billion in overpayments. The taxpayers are not the only victims of this kind of abuse. The truly needy suffer as funds intended for them are taken not by the needy, but by the greedy. For everyone's sake, we must put an end to such waste and corruption.

Third, I will adjust our program to restore America's defenses by proposing \$55 billion in defense savings over the next five years. These are savings recommended to me by the Secretary of Defense, who has assured me they can be safely achieved and will not diminish our ability to negotiate arms reductions or endanger America's security. We will not gamble with our national survival. (Applause.)

Fourth, because we must ensure reduction and eventual elimination of deficits over the next several years, I will propose a stand-by tax limited to

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no more than one percent of the gross national product to start in fiscal 1986. It would last no more than three years and it would start only if the Congress has first approved our spending freeze and budget control program and there are several other conditions also that must be met, all of them in order for this program to be triggered. Now, you could say that this is an insurance policy for the future, a remedy that will be at hand if needed but only resorted to if absolutely necessary.

In the meantime, we'll continue to study ways to simplify the tax code and make it more fair for all Americans. This is a goal that every American who has ever struggled with a tax form can understand.

At the same time, however, I will oppose any efforts to undo the basic tax reforms that we've already enacted, including the 10 percent tax break coming to taxpayers this July -- (applause) -- and the tax indexing which will protect all Americans from inflationary bracket creep in the years ahead. (Applause).

Now, I realize that this four-part plan is easier to describe than it will be to enact. But the looming deficits that hang over us and over America's future must be reduced. The path I've outlined is fair, balanced and realistic. If enacted, it will insure a steady decline in deficits, aiming toward a balanced budget by the end of the decade. It's the only path that will lead to a strong, sustained recovery. Let us follow that path together.

No domestic challenge is more crucial than providing stable permanent jobs for all Americans who want to work. The recovery program will provide jobs for most; but others will need special help and training for new skills. Shortly, I will submit to the Congress the Employment Act of 1983, designed to get at the special problems of the long-term unemployed as well as young people trying to enter the job market. I'll propose extending unemployment benefits, including special incentives to employers who hire the long-term unemployed, providing programs for displaced workers and helping federally-funded and state-administered unemployment insurance programs, provide workers with training and relocation assistance. Finally, our proposal will include new incentives for summer youth employment to help young people get a start in the job market.

We must offer both short-term help and long-term hope for our unemployed. I hope we can work together on this. (Applause). I hope we can work together as we did last year in enacting the landmark Job Training Partnership Act. Regulatory reform legislation, a responsible clean air act and passage of Enterprise Zone legislation will also create new incentives for jobs and opportunity.

One out of every five jobs in our country depends on trade. So, I will propose a broader strategy in the field of international trade. One that increases the openness of our trading system and is fairer to America's farmers and workers in the world marketplace. We must have adequate export financing to sell American products overseas. I will ask for new negotiating authority to remove barriers and to get more of our products into foreign markets. We must strengthen the organization of our trade agencies and make changes in our domestic laws and international trade policy to promote free trade and the increased flow of American goods, services and investments.

Our trade position can also be improved by making our court system more efficient. Better, more active harbors translate into stable jobs in our coal fields, railroads, trucking industry and ports. After two years of debate,

it's time for us to get together and enact a port modernization bill. (Applause.)

Education, training, and retraining are fundamental to our success as are research and development and productivity. Labor, management and government at all levels can and must participate in improving these tools of growth. Tax policy, regulatory practices, and government programs all need constant re-evaluation in terms of our competitiveness. Every American has a role and a stake in international trade.

We Americans are still the technological leaders in most fields. We must keep that edge, and to do so we need to begin renewing the basics -- starting with our educational system. While we grew complacent, others have acted. Japan, with a population only about half the size of ours, graduates from its universities more engineers than we do. If a child doesn't receive adequate math and science teaching by the age of 16, he or she has lost the chance to be a scientist or an engineer.

We must join together -- parents, teachers, grassroots groups, organized labor, and the business community -- to revitalize American education by setting a standard of excellence.

In 1983, we seek four major education goals: A quality education initiative to encourage a substantial upgrading of math and science instruction through block grants to the states; establishment of education savings accounts that will give middle- and lower-income families an incentive to save for their children's college education and, at the same time, encourage a real increase in savings for economic growth; passage of tuition tax credits for parents who want to send their children to private or religiously-affiliated schools; a constitutional amendment to permit voluntary school prayer. God should never have been expelled from America's classrooms in the first place. (Applause.)

Our commitment to fairness means that we must assure legal and economic equity for women, and eliminate, once and for all, all traces of unjust discrimination against women from the United States Code. We will not tolerate wage discrimination based on sex and we intend to strengthen enforcement of child support laws to ensure that single parents, most of whom are women, do not suffer unfair financial hardship. We will also take action to remedy inequities in pensions. These initiatives will be joined by others to continue our efforts to promote equity for women. (Applause.)

Also in the area of fairness and equity, we will ask for extension of the Civil Rights Commission which is due to expire this year. The Commission is an important part of the ongoing struggle for justice in America, and we strongly support its re-authorization. Effective enforcement of our nation's fair housing laws is also essential to ensuring equal opportunity. In the year ahead, we'll work to strengthen enforcement of fair housing laws for all Americans.

The time has also come for major reform

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of our criminal justice statutes and acceleration of the drive against organized crime and drug trafficking. It is high time that we make our cities safe again. This administration hereby declares an all-out war on big-time organized crime and the drug racketeers who are poisoning our young people. We will also implement recommendations of our Task Force on Victims of Crime, which will report to me this week.

American agriculture, the envy of the world, has become the victim of its own successes. With one farmer now producing enough food to feed himself and 77 other people, America is confronted with record surplus crops and commodity prices below the cost of production. We must strive, through innovations like the payment-in-kind "crop swap" approach, and an aggressive export policy, to restore health and vitality to rural America. Meanwhile, I have instructed the Department of Agriculture to work individually with farmers with debt problems to help them through these tough times. (Applause.)

Over the past year, our Task Force on Private Sector Initiatives has successfully forged a working partnership involving leaders of business, labor, education and government to address the training needs of American workers. Thanks to the task force, private sector initiatives are now underway in all 50 States of the Union and thousands of working people have been helped in making the shift from dead-end jobs and low-demand skills to the growth areas of high technology and the service economy. Additionally, a major effort will be focused on encouraging the expansion of private community child care. The new advisory council on private sector initiatives will carry on and extend this vital work of encouraging private initiative in 1983.

In the coming year, we will also act to improve the quality of life for Americans by curbing the skyrocketing cost of health care that is becoming an unbearable financial burden for so many. And we will submit legislation to provide catastrophic illness insurance coverage for older Americans. (Applause.)

I will also shortly submit a comprehensive federalism proposal that will continue our efforts to restore to states and local governments their roles as dynamic laboratories of change in a creative society.

During the next several weeks, I will send to the Congress a series of detailed proposals on these and other topics and look forward to working with you on the development of these initiatives.

So far, now, I've concentrated mainly on the problems posed by the future. But in almost every home and workplace in America, we're already witnessing reason for great hope -- the first flowering of the man-made miracles of high technology, a field pioneered and still led by our country.

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To many of us now, computers, silicon chips, data processing, cybernetics, and all the other innovations of the dawning high technology age are as mystifying as the workings of the combustion engine must have been when that first Model T rattled down Main Street, U.S.A.

But as surely as America's pioneer spirit made us the industrial giant of the 20th Century, the same pioneer spirit today is opening up on another vast front of opportunity, the frontier of high technology.

In conquering the frontier we cannot write off our traditional industries, but we must develop the skills and industries that will make us a pioneer of tomorrow. This administration is committed to keeping America the technological leader of the world now and into the 21st Century. (Applause.)

But let us turn briefly to the international arena. America's leadership in the world came to us because of our own strength and because of the values which guide us as a society, free elections, a free press, freedom of religious choice, free trade unions, and above all, freedom for the individual and rejection of the arbitrary power of the state.

These values are the bedrock of our strength. They unite us in a stewardship of peace and freedom with our allies and friends in NATO, in Asia, in Latin America, and elsewhere. They are also the values which in the recent past some among us had begun to doubt and view with a cynical eye.

Fortunately, we and our allies have rediscovered the strength of our common democratic values. And we are applying them as a cornerstone of a comprehensive strategy for peace with freedom. In London last year, I announced the commitment of the United States to developing the infrastructure of democracy throughout the world. We intend to pursue this democratic initiative vigorously. The future belongs, not to governments and ideologies which oppress their peoples, but to democratic systems of self-government which encourage individual initiative and guarantee personal freedom. (Applause.)

But our strategy for peace with freedom must also be based on strength, economic strength and military strength. A strong American economy is essential to the well-being and security of our friends and allies. The restoration of a strong, healthy American economy has been and remains one of the central pillars of our foreign policy. The progress I have been able to report to you tonight will, I know, be as warmly welcomed by the rest of the world as it is by the American people.

We must also recognize that our own economic well-being is inextricably linked to the world economy. We export over 20 percent of our industrial production and 40 percent of our farmland produces for export. We will continue to work closely with the industrialized democracies of Europe and Japan, and with the International Monetary Fund to insure it has adequate resources to help bring the world economy back to strong, non-inflationary growth.

As the leader of the West and as a country that has become great and rich because of economic freedom, America must be an unrelenting advocate of free trade. As some nations are tempted to turn to protectionism, our strategy cannot be to follow them, but to lead the way toward freer trade. To this end, in May of this year America will host an economic summit meeting in Williamsburg, Virginia.

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As we begin our third year, we have put in place a defense program that redeems the neglect of the past decade. We have developed a realistic military strategy to deter threats to peace and to protect freedom if deterrence fails. Our armed forces are finally properly paid, after years of neglect are well trained and becoming better equipped and supplied. And the American uniform is once again worn with pride. (Applause). Most of the major systems needed for modernizing our defenses are already underway and we will be addressing one key system, the MX missile, in consultation with the Congress in a few months.

America's foreign policy is once again based on bipartisanship, on realism, strength, full partnership, in consultation with our allies, and constructive negotiation with potential adversaries. From the Middle East to Southern Africa to Geneva, American diplomats are taking the initiative to make peace and lower arms levels. We should be proud of our role as peacemakers.

In the Middle East last year, the United States played the major role in ending the tragic fighting in Lebanon and negotiated the withdrawal of the PLO from Beirut.

Last September, I outlined principles to carry on the peace process begun so promisingly at Camp David. All the people of the Middle East should know that in the year ahead we will not flag in our efforts to build on that foundation to bring them the blessings of peace. (Applause).

In Central America and the Caribbean Basin, we are likewise engaged in a partnership for peace, prosperity and democracy. Final passage of the remaining portions of our Caribbean Basin Initiative, which passed the House last year, is one of this administration's top legislative priorities for 1983.

The security and economic assistance policies of this administration in Latin America and elsewhere are based on realism and represent a critical investment in the future of the human race. This undertaking is a joint responsibility of the executive and legislative branches. And I'm counting on the cooperation and statesmanship of the Congress to help us meet this essential foreign policy goal.

At the heart of our strategy for peace is our relationship with the Soviet Union. The past year saw a change in Soviet leadership. We're prepared for a positive change in Soviet-American relations. But the Soviet Union must show by deeds as well as words a sincere commitment to respect the rights and sovereignty of the family of nations. (Applause). Responsible members of the world community do not threaten or invade their neighbors. And they restrain their allies from aggression.

For our part, we're vigorously pursuing arms reduction negotiations with the Soviet Union. Supported by our allies, we've put forward draft agreements proposing significant weapon reductions to equal and verifiable lower levels. We insist on an equal balance of forces. And given the overwhelming evidence of Soviet's violations of international treaties concerning chemical and biological weapons, we also insist that any agreement we sign can and will be verifiable. (Applause).

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In the case of intermediate-range nuclear forces, we have proposed the complete elimination of the entire class of land-based missiles. We're also prepared to carefully explore serious Soviet proposals. At the same time, let me emphasize that allied steadfastness remains a key to achieving arms reductions. (Applause.)

With firmness and dedication, we'll continue to negotiate. Deep down, the Soviets must know it's in their interest as well as ours to prevent a wasteful arms race. And once they recognize our unshakeable resolve to maintain adequate deterrence, they will have every reason to join us in the search for greater security and major arms reductions. When that moment comes -- and I'm confident that it will -- we will have taken an important step toward a more peaceful future for all the world's people. (Applause.)

A very wise man, Bernard Baruch, once said that America has never forgotten the nobler things that brought her into being and that light her path. Our country is a special place because we Americans have always been sustained, through good times and bad, by a noble vision -- a vision not only of what the world around us is today, but we as a free people can make it be tomorrow.

We're realists; we solve our problems instead of ignoring them, no matter how loud the chorus of despair around us.

But we're also idealists, for it was an ideal that brought our ancestors to these shores from every corner of the world.

Right now we need both realism and idealism. Millions of our neighbors are without work. It is up to us to see they aren't without hope. This is a task for all of us. And may I say Americans have rallied to this cause proving once again that we are the most generous people on earth.

We who are in government must take the lead in restoring the economy. (Applause.) And here all that time, I thought you were reading the paper. (Laughter.) (Applause.) The single thing -- the single thing that can start the wheels of industry turning again is further reduction of interest rates. (Applause.) Just another one or two points can mean tens of thousands of jobs. Right now, with inflation as low as it is, 3.9 percent, there is room for interest rates to come down. (Applause.)

Only fear prevents their reduction. A lender, as we know, must charge an interest rate that recovers the depreciated value of the dollars loaned. And that depreciation is, of course, the amount of inflation. Today, interest rates are based on fear -- fear that government will resort to measures, as it has in the past, that will send inflation zooming again.

We who serve here in this capital must erase that fear by making it absolutely clear that we will not stop fighting inflation; that, together, we will do only those things that will lead to lasting economic growth. (Applause.)

Yes, the problems confronting us are large and forbidding. And, certainly, no one can or should minimize the plight of millions of our friends and neighbors who are living in the bleak emptiness of unemployment. But we must and can give them good reason to be hopeful.

Back over the years, citizens like ourselves have gathered within these walls when our nation was threatened; sometimes when its very existence

MORE

was at stake. Always with courage and common sense, they met the crises of their time and lived to see a stronger, better, and more prosperous country.

The present situation is no worse and in fact is not as bad as some of those they faced. Time and again, they proved that there is nothing we Americans cannot achieve as free men and women.

Yes, we still have problems -- plenty of them. But it is just plain wrong -- unjust to our country and unjust to our people -- to let those problems stand in the way of the most important truth of all: America is on the mend. (Applause.)

We owe it to the unfortunate to be aware of their plight and to help them in every way we can. No one can quarrel with that. We must and do have compassion for all the victims of this economic crisis. But the big story about America today is the way that millions of confident, caring people -- those extraordinary "ordinary" Americans who never make the headlines and will never be interviewed -- are laying the foundation, not just for recovery from our present problems, but for a better tomorrow for all our people.

From coast to coast, on the job and in classrooms and laboratories, at new construction sites and in churches and community groups, neighbors are helping neighbors. And they've already begun the building, the research, the work, and the giving that will make our country great again.

I believe this because I believe in them -- in the strength of their hearts and minds, in the commitment that each one of them brings to their daily lives, be they high or humble. The challenge for us in government is to be worthy of them -- to make government a help, not a hindrance to our people in the challenging but promising days ahead.

If we do that, if we care what our children and our children's children will say of us, if we want them one day to be thankful for what we did here in these temples of freedom, we will work together to make America better for our having been here -- not just in this year, or this decade, but in the next century and beyond.

Thank you and God bless you. (Applause.)

END

9:44 P.M. EST

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er sales, but the bureauc-
shington has been extraor-
sluggish in fulfilling

point, rather than undertake
ves, China and the United
ld make the most of pre-
vative projects. Washing-
and scholarly exchanges
age negotiations about the
on of United States oil com-
ne development of China's
The Commerce Depart-
d continue to oversee a pro-
raining Chinese industrial
and Sino-American trade
ushioned from protection-

ist impulses on both sides. Perhaps
most important to both countries is
adherence to the Aug. 17 communique
in which the United States pledged
gradually to reduce arms sales to Tai-
wan as Peking pursues peaceful reuni-
fication with Taiwan.

The measure of Secretary of State
Shultz's visit to Peking will be taken in
the months that follow: Will it be part
of an integrated effort to improve
relations with our allies and the Soviet
Union? Will it renew regular consulta-
tions with the Chinese on our common
foreign policy goals? Will it lead to
more careful management of the Tai-
wan issue?

If, in the long run, it does — and if it
is coupled with progress in arms con-
trol discussions with the Soviet Union
— it could halt the erosion of the
United States' advantage in the trian-
gle.



ore Aid Farms

Jean Mayer

stitute just 4 percent of
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of the dismal conditions in
el and housing industries
ember that agriculture is
largest industry — bigger
ee three combined.
puts about \$140 billion a
s and services. Agricul-
generate one in five jobs
dustry and account for 30
e gross national product.
ultural exports brought
a and a \$23.7 billion sur-

conservators of land and water re-
sources. Each year, nationwide, ero-
sion destroys the equivalent of 1.5 mil-
lion acres of prime land. Farm water
resources are being depleted as a re-
sult of pollution, salinity, the mining
of ground water, and acid rain. Insect
infestations destroy food crops and
damage timber. We cannot expect
farmers to bear the major costs of
conservation any more than we can
expect them to carry a major burden
of our conduct of foreign affairs.

The Administration's first steps to-
ward maintaining farmers' income
and toward a sound international agri-
cultural policy stir hope. Now, steps
on conservation and reserves are
awaited.

*Jean Mayer, chairman of the White
House Conference on Food, Nutrition
and Health in 1969-70, is president of
Tufts University, in Medford, Mass.*

N.Y. Times 1/27/83 **ESSAY** *State of the Union speech 1983*
Reagan's White Flag

By William Safire

WASHINGTON, Jan. 26 — What a
disappointment. The themeless pud-
ding called this year's State of the
Union address was a series of banal-
ities intended to ingratiate the Presi-
dent with his political opposition; in-
stead, this worst of Reagan speeches
invited the grinning contempt it re-
ceived.

When the man whose political life
has supposedly been dedicated to
reducing the Government's domina-
tion of the economy spoke the words
"We who are in government must
take the lead in restoring the econ-
omy," the Democrats immediately
caught the signal that Mr. Reagan had
admitted failure and abandoned
"ideology."

On cue from the Speaker — who had
seen the advance text and arranged
the demonstration — they rose up with
a derisive ovation and delightedly ac-
cepted the President's surrender. Tip
O'Neill was quick to point out later
that Mr. Reagan's new position was a
far cry from "Government is not the
solution" of yesteryear, and to hail the
"historic reversal."

That was the moment the Reagan
Revolution lost its zip, and the saddest
part was that the man reading the
Teleprompter never did understand
why he was getting such a big hand.
Never before had a President, while
trying to be nonpartisan, been so
stingingly rebuffed.

His white flag followed a string of
retreats, stunts and hand-wringings:

1. *The undefended defense increase.*
To show that he was attuned to polls
that show less enthusiasm for a strong
defense, Mr. Reagan tacitly admitted
that his previous call for an arms
buildup was \$55 billion too much. He
reduced the increase he had hitherto
called "vital." Instead of using his
bully pulpit to explain the need for de-
fense spending — to lead the people,
rather than follow the polls — he
demonstrated that his proposals are
tentative, thereby inviting Congress
to slash them further.

His use of the popular word "freeze"
to describe his budget as a whole was a
trick. Real defense spending will rise 9
percent while other spending is cut 3
percent; because this averages out to
a 5 percent rise, which is the rate of
inflation, he called it an overall freeze.
This deception is sure to be nailed; he
would have had a better chance to
maintain a strong military by arguing
for it on the merits.

2. *The maybe-someday \$50 billion
tax increase.* To placate the terrified
deficit-contemplators, and to show
how little faith he has in the success of
his own tax cuts in place, Mr. Reagan

proposes a tax increase for 1986 and
beyond. Those "out years" are the
years when Mr. Reagan and much of
this Congress will be out. The notion of
directing tax policy in the future with
a hand from the political graveyard
would be the height of arrogance if it
were not plain foolish.

To those pressing for a "flat tax" —
genuine reform of an incentive-warp-
ing system in which even the loop-
holes have loopholes — the President
could only say "we will continue to
study ways to simplify the tax sys-
tem." Meanwhile, he suggested four
new tax credits to further complicate
the system. The flat-tax plan has been
sitting in Treasury for over a year;
what he needs to do is decide. That's
what Presidents are for.

3. *The Social Security Compromise
Trap.* Mr. Reagan made much of his
agreement to solve the system's insol-
vency by raising taxes and slowing
down benefit rises. This is a pallia-
tive; only by pegging retirement age
to rising longevity will the system be
saved from general-revenue salva-
tion. But Mr. Reagan is set up for a
double-cross; his compromise now
needs further compromise, and
Speaker O'Neill is likely to exact a
further price of stopping tax indexa-
tion for its passage.

To show the "Reagan people" he
had not completely changed his spots,
the President threw in a few feeble ap-
plause lines about respect for the mili-
tary uniform (despite reducing real
wages) and bringing back school
prayer (with which a President has
nothing to do). A more Reaganesque
speech draft, by Anthony Dolan, was
not sent to the President for several
weeks until the speechwriter pro-
tested angrily about a "willful band"
isolating Mr. Reagan; 10 days before
deadline it was sent in along with the
alternative concocted by Aram Bak-
shian. Mr. Reagan himself chose the
themeless pudding.

Only in foreign affairs did the Presi-
dent's address not get into trouble. He
refused to join the rest of his Adminis-
tration in condemning Israel but not
Syria for not withdrawing from Leba-
non, stuck to his present negotiating
position on arms control, and mouthed
the boilerplate about free trade.

In all, he missed a great opportunity
to be himself and to continue to try to
make a difference. The polls and the
papers must have rattled him. He chose
to be somebody else, or everybody else,
and even his speech delivery suffered
as he took up the role of Presiding Of-
ficer rather than Chief Executive.

Too bad. I could have sworn that he
would stay the course.

PROPOSAL FOR THE 1982 STATE OF THE UNION SPEECH
by Congressman Newt Gingrich and Marianne Gingrich

My fellow Americans thank you for joining me this evening as I report to you on the State of our Union. Together we have much to be proud of and much to be sad about.

We can take pride in the tremendous change of direction in our government. Together we have cut Federal spending and cut taxes. These decisive steps will lay the base for a generation of new jobs and new prosperity.

We can take pride in our success in the fight against inflation. The worst enemy of the poor and retired is an inflation that destroys savings and pushes the cost of living beyond reach. Together we have cut the inflation rate in half. Together we have made saving worthwhile again.

We can take pride in an America at Peace. We have taken bold steps to end the threat of nuclear war in Europe. We have started arms reduction talks that will preserve peace while protecting freedom.

Finally, we can take pride in the achievements of the space shuttle, in the Nobel prizes won by Americans, in the continuing leadership we maintain in science, in technology, and in the world of ideas.

However, our pride must be tempered by a number of sad realities. The first misfortune is the number of Americans without jobs. It is a tragedy for any family to have unemployed breadwinners. I know from my own childhood what pain joblessness incurs. My heart goes out to every unemployed

American. You have my pledge to each of you that together we will create an economy in which every American who seeks work will find a productive job.

We also are saddened by the survival of ignorance and prejudice in our land. Too many young Americans receive diplomas without knowledge. Our resources committed to education have outrun our understanding of how people learn. We must commit ourselves to developing new methods of learning. Furthermore, we must commit ourselves to an all out effort to end the attitudes and barriers which cripple Americans of different racial, ethnic and language backgrounds. No American boy or girl should have their future limited by prejudice. Every American will agree that we have made great strides toward a color blind society during the past two decades. Our job now is to assure that there is no slippage from these past gains, and to continue to go forward to end any lingering strains of prejudice in this free nation of ours. Together we can build a land of equal opportunity for all.

Finally, we are saddened that retired Americans have been unnecessarily and cruelly frightened about their livelihood. My own generation has had its faith in America shaken. I will not betray my contemporaries. No American will allow his parents or grandparents to suffer. We will meet the challenge of retirement without fear. With the help of Congress, we will take whatever steps are necessary to save the Social Security System. More than that, we will pursue the breakthroughs of modern

medicine to assure that everyone has access to new opportunities as they age.

We must do more this evening than simply add up our pride and our sadness and strike a balance. This new year offers us a special opportunity to chart a new course for our future.

The children born this year will graduate from high school in the year 2000. The seeds of a new century are at hand. What they learn, the dreams they dream will become tomorrow's reality. The roots of the future will grow in the present.

What kind of world will these children inherit when they graduate from high school at century's end? What sort of life will they have? What will America be like when our children and grandchildren grow up and look for work?

Our choices, our decisions, our commitments now will affect deeply the world our children will live in then.

There are those who have a plan for America's future. They would take money out of your pocket and spend it through the federal bureaucracy. They would either crush incentive by raising taxes or increase inflation by printing paper money. Some would combine these two economic evils in one malignant policy. They would give benefits in the present even if it killed jobs for the future. They would pay off interest groups today even if it crippled America tomorrow.

There are those who would hide from a dangerous world with fancy slogans and elegant rationalizations. They assert that whatever America does is dangerous and whatever our foreign

competitors do is explainable. They distrust their own country's actions around the world but they rationalize the aggression of the Soviet Union, Cuba, and others. They would cripple our armies, weaken our Navies, ignore our Air Force and block our potential in space. In sum, they might leave America so helpless that we could survive only as a subordinate to the Soviet Empire.

Fortunately, there is an alternative choice to the bleak, frightening future our opponents and critics would create. In fact, we stand at the edge of a new era of hope and opportunity. We stand at the beginning of a time of change, growth and prosperity. Together we can replace the liberal welfare state with a conservative opportunity state.

The late 18th Century industrial revolution was powered by the steam engine. The late 19th Century revolution was driven by electricity and the internal combustion engine.

Late 20th Century economic growth will push forward in three great areas of scientific and technical development. We stand at the threshold of revolutions in computers, in space, and in biology. Each revolution will create new jobs, new opportunities and a higher standard of living. Frankly, these developments will also pose new problems, new dangers and new choices for society and government.

The most obvious and perhaps the most powerful revolution is in computers. The computer industry has developed faster than we can comprehend. To make a simple comparison, if the

automobile industry had progressed as dramatically as computers since 1945, you could today buy a Cadillac for \$2.98, it would get 3,000,000 miles to the gallon, and you could put Cadillacs in your coat pocket. The amazing thing is that computers are in their infancy.

Let me stress that working Americans have nothing to fear from the revolution in computers. Change has always added new, better paying jobs to our economy. Electricity eliminated candlemakers but added refrigerators, toasters and other manufacturing jobs. The automobile industry eliminated buggy makers but added jobs in steel, tiremaking, highway building and other fields. Similarly, computers will create new jobs, new careers, and indeed whole new industries. They will eliminate disability from America by enabling handicapped and disabled Americans to engage in productive work from their homes. In fact, there are already systems available that will help blind and handicapped Americans enter the mainstream of creative life.

We have the potential to strengthen the family with new systems that will let mothers with pre-school children work at home. With new home computer systems, we will be able to focus on learning opportunities for every inquisitive American, young and old.

The computer revolution will be matched by an equally fundamental explosion in biology. Our new knowledge in growing food and in health care will lead to more food supplies, better

health and more effective cures for disease.

Americans may be able to feed the world and heal it. In fact, by the year 2000, we may be able to stop starvation and disease from stalking the planet.

In addition to informing, feeding, and healing mankind, the United States has the opportunity to lead the human race into the endless frontier of space. Think of it, for so long as our race exists, historians will record that once and only once there was the decisive step that freed mankind from the planet of its birth and launched it on the great exploration of the universe. Those distant historians will teach that the first small step for man and great leap for mankind was taken by a free man, an American.

Now we have a chance to take the second step for freedom and the human spirit. The time has come to build an industrial park in orbit and to develop the spaceships necessary to reach beyond the moon to a passing asteroid.

The industrial park in orbit will create jobs on earth by creating jobs in space. Already American companies have announced that they will invest private money putting an experimental private factory in space by 1985. If it works, they will be able to produce drugs 300 to 400 times faster than on earth and so bring less expensive, better health care for all. Then, the companies will sell and distribute the space manufactured drugs across the planet. They will truly have created jobs on earth by creating jobs in space. An industrial park in orbit

will allow other companies to develop even more opportunities for new jobs.

As important as factories and jobs, science and knowledge are even more vital. There will be few scientific efforts as fruitful as our first visit to an asteroid. This will be a visit to the very origins of the solar system. Exploring it will give us new insights and new understanding of unparalleled worth. This is the worthy second step for mankind.

These new developments in computers, biology, and space will happen on a world wide basis. Just as the steam engine, electricity and the internal combustion engine swept the planet and changed all societies, so these new revolutions will occur across the globe.

Those countries that anticipate, adjust and take advantage of these new breakthroughs will have huge advantages in living standards, economic strength and military power compared to those countries that hold to the past. For example, Britain dominated the first industrial revolution and resisted the second industrial revolution. The result was that a nation which led the planet in 1860 by 1910 had many rivals for leadership and by 1960 was no longer in the race. Similarly, the Ming Dynasty in China in 1434 stood poised on the edge of global exploration. Its technology was the most advanced in the world. Its population was the largest and best educated. Its navy was clearly the most sophisticated and powerful on earth. Then, in

1434 the Chinese government rejected the future. It literally pulled its ships off the sea, discouraged change and ended centuries of innovation and exploration. Gradually China fell behind the West and an opportunity was lost that has not yet been fully regained.

We have to choose between embracing the future and clinging to the past. There are those who would cling to the past; they would rebuild the liberal welfare state that has failed; they would prop up industries that are decaying; they would protect special interests from competition; they would prop up bureaucracies even when they cease producing. They would tax the future to subsize the past and down their road lies decay and defeat.

Our choice between decay and growth is vital to all mankind. When the Ming Dynasty turned China away from the sea, it only crippled Chinese civilization. When Britain backed away from the second industrial revolution, it only impoverished the British people.

We live in a world of overpopulation and poverty, of high expectations and the threat of violence. We have a chance to lead the world into prosperity, progress and new opportunities. If we choose decay, we may cripple all mankind and weaken freedom across the world. We cannot turn away this challenge.

I propose that we embrace the future, that we grasp boldly the challenges of those three great revolutions in computers, biology, and space. As Theodore Roosevelt taught us, "The Only true conservative is the man who resolutely sets his face toward

the future." We need to build a conservative opportunity state to replace the liberal welfare state.

As I said in my inaugural address just a year ago, "We are too great a nation to limit ourselves to small dreams."

Our dream must be of a world of peace, opportunity, prosperity, and freedom. We must dream of an America that leads the Third World in an International Barnraising based on our own tradition of neighbor helping neighbor. In American history we didn't subsidize or support or provide a permanent handout for our neighbors but we did provide help in a true emergency. We did help them raise their barn knowing they would help us raise ours. We often planted and harvested each other's fields as a team. We frequently joined together to educate our children.

We must extend that tradition across the planet. We want healthy, wealthy and free neighbors who can trade with us, visit with us, and share life with us. We want to stop illegal immigration in part by helping homelands develop their resources and their heritage so that all lands will become free and healthy and beckon as America does now.

We can use that new information technology, breakthroughs in biology and those new communication satellites to help educate a planet so it can feed itself, clothe itself, create jobs for itself and then join with us to explore the endless frontier of space.

We can protect our barnraising efforts on behalf of freedom only by maintaining a military strong enough to preserve peace. As George Washington warned us, "If you want peace, prepare for war".

Four times in my life American boys have gone to war. Four times in my life mothers have cried for their sons and sweethearts have cried for their fiances. I am totally committed to a policy of peace through preparedness.

Let every nation know that America loves peace, wants peace, and will work for peace. Let every terrorist leader know that America is strong enough to preserve that peace. Let every American know that we ask for help with our national defense only to insure a peaceful world and a safe America.

We can only maintain our military strength if we maintain and increase our economic strength. That brings us back to the revolution in computers, biology and space and to the decisive steps we must take.

We must at one and the same time increase our commitment to a strong, national effort in space and increase our commitment to a strong individual effort in computers and biology.

That prescription may seem contradictory but in fact it isn't. Conservatives have always opposed bureaucracy and favored the use of government tax and incentive policies to encourage behavior that builds for the future.

Alexander Hamilton, the first Secretary of the Treasury,

in his First Report on Manufactures in 1789 called for government steps to help the new fledgling industries of the future. Abraham Lincoln, the first Republican President, was elected on a platform that populated the West with a Homestead Act and built a transcontinental railroad using government incentives. Theodore Roosevelt, the most popular Republican President, used the government to build the Panama Canal (and in the process government doctors eliminated yellow fever). President Eisenhower built the interstate highway system which we all ride on.

The two distinguishing characteristics between the conservative opportunity state and the liberal welfare state are simple:

First, the liberal welfare state attempts to change behavior through a centralized bureaucracy that can control citizens. The liberal welfare state might have created a Department of Transcontinental Railroads or a closely supervised homestead program to teach and direct pioneers. The conservative opportunity state uses a decentralized market incentive approach that changes the reward system to encourage people to face the future.

Second, the liberal welfare state spends tax money to subsidize the present. It takes money from one American's pocket to put it in another's without necessarily improving the future. In fact, by taking from productive Americans, and

in some cases giving it to able bodied welfare recipients who have stopped being productive, the liberal welfare state actually cripples our future.

A conservative budget isn't just smaller than a liberal budget. Its values are different from a liberal budget. We aren't just the bookkeepers and accountants tidying up the liberal welfare state. We are investors, builders and creators of a different and better future. That is what makes a conservative budget different from a liberal budget. Conservatives want to budget as much as possible for those large capital investments that will dramatically change the future and that can not be completed by private enterprise or individuals. As Abraham Lincoln observed, "Government should only do for the people that which they cannot do for themselves".

Clearly, we couldn't build the Transcontinental Railroad or the Panama Canal for ourselves as individuals. Similarly, we cannot build the shuttle into space or the first orbital industrial park as individuals. On projects that are large and fundamental to the future we must place a high budget priority and the conservative opportunity state must act directly.

While some activities can only be completed by the government, the vast majority of our future opportunities lie in small experiments and small innovations. It is in computers

and biology that the decentralized, market oriented system will work far better than any government bureaucracy. We must increase the incentives for private citizens to build themselves a better future. We must eliminate those government regulations that block the development of that future. With our help the great breakthroughs in using the new technologies will come from private citizens working privately. The United States was a rarity in the late nineteenth century in having private electricity and telephone systems. It also led the world in both areas.

The simple fact is that in a time of rapid change the private marketplace achieves its greatest advantage over a centralized bureaucracy. When you are still experimenting and fiddling with new ideas, that is when you need small decentralized companies making a lot of mistakes and learning the hard way. In Michigan alone, at one point in the 1890's there were over 400 private companies experimenting with the automobile; that was at a time when the Literary Digest might have been correct.

We will follow the tradition of American ingenuity symbolized by Henry Ford, the Wright Brothers and Thomas Edison. I will propose steps to cut out the red tape that blocks the future and to increase the incentives for new ideas and new jobs.

However, American inventors didn't just rely on genius. They also relied on hard work. As Thomas Edison said, "Genius

is one percent inspiration and ninety-nine percent perspiration". The fact is that traditional American values work and that we have to encourage a national revival of those traditional values.

The conservative opportunity state will only succeed if we have a great awakening of the American spirit. America is not just beautiful for spacious skies and rugged mountains. America is bustling cities and energetic farms.

America is a state of mind; a vision of man's possibilities, a dream of noble life nobly lived. Our technological revolution must be matched with an equally powerful spiritual development. Only by renewing our commitment to God can we control and direct our investment in technology.

Proverbs warns us that, "Where there is no vision the people perish". That vision must contain more than technology or wealth or the material life. Our dream of America must include a nation at prayer, a people committing themselves to God's will and God's work.

In God we trust is on our coins but is not always evident in our politics. A nation that truly believes in its spiritual commitment will seek the moral strength to end drug abuse, the compassionate love to reach out and help our less fortunate neighbors, the righteous commitment to end violent crime.

Reading the Bible as well as the Constitution is fundamental to understanding America. Our basic heritage is strong families, strong ties to our neighbors and deep roots in an ethical code that is 4,000 years old. Our conservative opportunity state can

only be as strong as the moral fiber of our people. To that, even more than economics or national defense, we must devote our attention.

Computers will be only as effective as the people operating them. Breakthroughs in biology will be important only if people learn enough to use them. Getting into space requires more knowledge and effort than getting on a bicycle. We will have to work together as a people to earn the resources to enjoy together as a nation.

This coming era of change will require a lot of adaptation on the part of our towns, cities and neighborhoods. That adaptation will require a rebirth of the volunteerism which makes America a unique nation. You know far better than the Governor of your State or the President of your country what you need in your local neighborhood. You know how to stretch a charity dollar far beyond the ability of a professional welfare bureaucrat. You know how to substitute time, love and common sense for tax money hastily gathered and thoughtlessly thrown at the problem.

America will only succeed in the transition into a new era if every citizen pitches in to help. You know, I can't save America. Even with the help of all one hundred Senators and four hundred thirty five Congressmen gathered in this great room, we can't save the nation.

The great genius of a free society is that it offers every citizen a chance to help create their own future, their

family's future and their neighborhood's future. It is in the little bit that each of us does that we achieve the great breakthroughs that mark American history.

I call on all of you, on the potential Thomas Edisons and Henry Fords, on the possible Clara Bartons and Amelia Erharts, on the conceivable George Washington Carvers and Orville and Wilbur Wrights: Together we can lead all mankind to an era of peace, prosperity and freedom. Together we are a force for human progress such as has never been seen on this planet. Together we can make an enormous difference for those youngsters born this year who will graduate in the year 2000.

As you think of your children or grandchildren who will be born this year, I ask you -- won't you, for their sake, help yourself, your nation and your children's future.

Together we will remain, in Thomas Jefferson's words, "The last best hope of mankind."

Thank you and God bless you.

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