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MEMORANDUM FOR THE PRESIDENT
FROM JERRY RAFSHOON
SUBJECT 60 Minutes Talking Points

Pat and I went over his data and agreed that the following points need to be made in the 60 Minutes interview.

1. THIS IS A CRITICAL ELECTION. You and Reagan are going to force a big choice on this country -- a choice that will still be echoing in the year 2000. You think differently. You speak differently. You are a moderate in ideas, deliberate in actions, and rich in presidential experience. Reagan is the first polarized candidate in many years. Though he is working today to modify long-time positions, there is no real change. He has criticized you and the way our government operates, but he still has not told us what he would do in a positive way.

2. YOU HAVE LEARNED A LOT IN YOUR 3½ YEARS IN OFFICE. There is no other training ground for President. Your experience in foreign affairs, dealing with world leaders, forging an energy program, getting a handle on the bureaucracy has given you the foundation and the insight to make our future better.

Reagan was Governor of California, but frankly, we don't know what he will do as President. As for your record, don't talk about having made mistakes, but point out a few real accomplishments, simply

1. Mideast
2. First comprehensive energy program
3. No wars
4. Cut in the number of federal employees

3. YOU ARE A SAFE CHOICE, REAGAN IS A RISK. We know what kind of President you are. Trustworthy, concerned, honest, prudent, intelligent, capable of tough decisions. Reagan, on the other hand, is a question mark. Don't attack him personally, and don't overdo it but here are a few good points.

a. Reagan wants a massive arms buildup; not just a strong defense. He will start another arms race,

b. On energy, he is for letting the oil companies alone and is
really against energy conservation. He would eliminate Windfall Profits Tax.

c. He is for letting the public utilities handle nuclear waste. Period.

d. He says he is against taxes but raised them three times in California.

4. YOU CARE MORE FOR THE AVERAGE PERSON. HE IS FOR THE RICH.
You stand with the Democratic Party. Reagan is for Big Oil (windfall profits elimination, cut off 55 mph), Big Business. He is a nice man, friendly and honest. But listens to those around him.

5. YOU MUST CONSTANTLY POUND AWAY AT WHAT THE OFFICE OF PRESIDENT MEANS. Lonely decision-making vs. boardroom approach; what do you do when your advisors are deadlocked...or just plain wrong. Your experience and insights, with more time and not facing politics, in a second term, will allow you to follow through to the bright future we can have.

6. THE PRESIDENCY IS THE VITAL CENTER. The decisions made here will determine the future course of the world and the United States. This is the most crucial, most difficult job in the world, only the most complex, complicated, and dangerous tasks come to this office. There are no easy answers here, the easy ones never get here. The power for building and the power for destruction are awesome. Literally, the life and death of the world reside in this office. The job demands intelligence, incredible stamina, patience, reflection, and coolness under pressure. The job cannot be delegated. Everyone's world depends on the man who sits here.
THE WHITE HOUSE
WASHINGTON
August 8, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT  
JIM McINTYRE  

SUBJECT: 60 Minutes Interview

We both are concerned by the Herblock cartoon in the Post, in that it could signal a desire by the press to label your economic renewal/industrial revitalization program as another short-term policy and as a change in policy.

We both feel that it is critical during your 60 Minutes interview to stress that while you are very concerned by the recession, the program you are developing is not a short-term program to deal with the recession per se -- although it will speed the recovery. Indeed the legislation to back the program up would not be submitted until the next session of Congress in January. The Administration does not feel that the program which will be announced is a "quicky" action to deal with the economic statistics of the day.

We both feel that you should stress during the program that this is a program for the 1980's to deal with the structural problems of our economy (decline in productivity, diminishing personal savings, lack of adequate capital investment, increasing tax burdens, barriers to exports, lack of adequately trained labor force, an infrastructure not ready for the energy demands of the 1980's). The result of the program does have a short-term as well as long-term benefit. It will create several hundred thousand jobs in its first year of operation and lead to a more productive and less inflationary economy in the long run. But its emphasis is in dealing with the problems of the 1980's, and we feel that the focus of the interview should be on that. You can use the interview to set forth a vision for the 1980's of which this can be a major element.

It occurs to both of us that this T.V. interview would be an excellent occasion to strongly set forth what we think to be your two most dramatic domestic achievements. We think you should be quite blunt in saying that you have not received the credit you are due in getting 80% of your major legislation through Congress (Congressional Quarterly survey), and that either one of these accomplishments would be a historic achievement for a term in office:

(a) Economic deregulation of the economy. As a result of your initiatives and your ability to get Congress to go along with them, you will be responsible for the
most profound restructuring of the relationship between business and government since the time of the New Deal. With airline, trucking, banking and rail deregulation either passed or certain to pass by the end of this session, and communications deregulation a possibility, you will have done more in four years to free the economy from the shackles of excessive regulation and involvement than any President in modern times.

In addition, you have instituted major reforms in the process by which regulations are promulgated requiring cost-effective reviews, sunset review of existing regulations, and the least inflationary alternative wherever possible, when regulation is required.

(b) Energy. As a result of your leadership the country has reversed a historic and dangerous dependence on foreign oil. Between 1973 and 1977 alone, this country deepened its energy dependence by increasing the oil imports from one-third to almost 50% of its needs. This year we will import over 1-1/2 million fewer barrels per day than in the first year of your term (8.5 million barrels per day versus roughly 6.8 million barrels per day). This is not a result of accident but due to the fact that you have put into place:

-- clear incentives for production of domestic crude oil and natural gas through decontrol, with the Windfall Profits Tax to recycle windfall profits;

-- clear incentives for conservation, both through decontrol, tax incentives and the new Energy Conservation Bank;

-- policies to encourage the production of coal (coal conversion underway) and new programs like the utility oil backout legislation;

-- a massive increase in our investment in solar and renewable forms of energy, including a new energy bank (we will quadruple gasohol production capacity this year alone);

-- steps to assure safer nuclear power; and

-- the beginning of a new synthetic fuels program which will represent the largest peacetime effort in history.

These policies are in place or will shortly be in place and will achieve the goal you set of reducing by 50% our dependence on imported foreign oil by the end of this decade. We need not wait until the end of this decade for results. They are already evident.
THE WHITE HOUSE
WASHINGTON

August 7, 1980

MEMORANDUM FOR THE PRESIDENT
FROM: JODY POWELL
SUBJECT: Briefing Material for "60 Minutes" Interview

This is the memo from Secretary Brown on defense policy. It is concise and good. I have also attached a brief MX piece and three related defense Q&A from Tom Ross.

Attachments
Deterrence--preventing war and preserving peace--is the primary purpose of our military strength. To preserve the peace and to protect and defend our vital interests, our military forces must be second to none. Today they are second to none. Our military power, coupled with that of our allies, is not exceeded by any combination of nations on earth.

When my Administration took office, we inherited a military posture and a defense budget that had not kept pace with growing Soviet military capabilities. During the eight years preceding my inauguration, real defense spending--after inflation--had declined by more than 25 percent. In particular, spending on our strategic nuclear deterrent had declined 20 percent. The trend lines were clear and ominous; only by changing course could we prevent the growing Soviet military capability from, in time, leading to a dangerous Soviet military superiority. Since taking office in January 1977, we have increased real defense spending every year, resulting in an overall increase of 10 percent. Under our Five Year Defense Plan, real defense spending will have increased more than 27 percent by the end of my second term.

Today, we are engaged in a determined enhancement of our military capabilities to enable us to pursue successfully our three basic security objectives: to deter nuclear attack on the United States; to deter conventional and nuclear war in Europe by maintaining the overall military balance between NATO and the Warsaw Pact; and, to be able to come quickly and effectively to the aid of friends and allies. We are making real and substantial progress in all three areas:

- We are moving full speed ahead on strengthening all three legs of our strategic nuclear deterrent triad of land-based missiles, submarine-launched missiles, and bombers.

  -- Four years ago, there was no program for a mobile ICBM. Today, the missile is in full-scale engineering development, and we have a survivable and workable basing scheme.

  -- Four years ago, the TRIDENT submarine program was bogged down in contractor disputes and way behind schedule. Today, the claims have been resolved. The first TRIDENT will undergo sea trials this year; ten other boats are programmed to follow in rapid succession.
Four years ago, the only major proposal to modernize our bomber force was the B-1, dangerously vulnerable to improved Soviet air defenses. We chose to modernize the bomber force by exploiting the cruise missile. Four years ago no long-range air-launched cruise missiles were included in the defense program. Today, we are well on our way to equipping our B-52s with over 3,000 of these missiles.

When I took office, NATO's defense posture was in serious trouble. Following our leadership, Alliance members have committed themselves to increasing defense budgets by three percent a year--above inflation--through the mid-1980s in order to bolster our conventional capabilities. Last year, the Alliance agreed to modernize and upgrade our long-range theater nuclear forces to offset Soviet advances in this area; this program is underway and on schedule.

The challenges to our vital interests and security are not confined to one region of the globe. As a world power, the United States must be able to respond quickly and effectively to military challenges anywhere in the world. Four years ago, we did not have adequate capability to respond to threats in the Southwest Asia-Persian Gulf-Indian Ocean region as quickly and effectively as our interests required. Today we are engaged in a systematic and significant enhancement of our capabilities to move forces rapidly to distant trouble spots.

The call for military superiority is dangerous. It could provoke an uncontrolled and very expensive nuclear arms race that would channel the U.S.-Soviet competition into its most unstable arena--the one most likely to lead to nuclear war. We can and will compete effectively for arms, but we must be ridiculous in our efforts to start one. No nation will benefit from an all-out arms race.

My Administration's policy is one of promoting international stability, while protecting our vital interests. Lasting national security depends on a strong defense coupled with sensible arms control to constrain this deadly competition.

We will preserve our national security. We will improve our capabilities as necessary to maintain the military balance that exists today between the United States and the Soviet Union. We will stay ahead in those capabilities that are vital to us. And, we will continue to seek equitable and verifiable arms control agreements.
MX FACT SHEET

The purpose of our strategic forces is to prevent nuclear war. Even after our strategic forces absorbed a massive attack, the surviving forces would be powerful enough to destroy the Soviet Union. This capability serves to deter such an attack. But the key to deterrence is the ability to survive a surprise attack. Survivability is vitally important as a way of avoiding the necessity of launching nuclear weapons before we are absolutely sure that we are under attack.

The survivability of each of the components of our strategic forces is being threatened by the Soviet Union. They have developed, and are now deploying, thousands of very accurate ICBM warheads which can destroy our Minuteman silos; they are developing, for deployment in the mid-80s, an air-to-air missile which can shoot down our B-52s (or B-ls); and they are investigating systems which in the 1990s could be capable of detecting and destroying our submarines at sea.

These Soviet programs are facts which cannot be ignored. We are responding by making our ICBMs mobile, by providing our bomber forces with cruise missiles, and by providing our submarine forces with longer range missiles. These programs do not threaten the Soviet Union; rather they provide for the survivability of our strategic force, so that they are not vulnerable to Soviet threats, thus maintaining our ability to deter nuclear war.
MX is the program designed to provide survivability for our ICBM forces. It does not represent a new threat to the Soviet Union; rather it is designed to perform the Minuteman function from a survivable base. We have 2100 warheads in the Minuteman force; we would have 2000 in the MX force of the same average nuclear yield. We only need 200 missiles in the MX force instead of the 1000 in the Minuteman force because technology now allows more efficient design -- each MX missile will carry 10 warheads as compared with either 1 or 3 for Minuteman. The significant difference in the two systems is that we base the MX missiles in 4600 shelters (23 shelters for each missile) as compared to 1000 shelters for Minuteman (1 shelter for each missile). This gives MX the essential feature of survivability because it allows us to conceal the exact shelter in which the missile is located, thereby making the MX missiles impractical to target. (Three Soviet multi-warhead missiles are required to target each MX missile; whereas one Soviet multi-warhead missile can target five Minuteman missiles.)

The cost of the MX system is substantial -- $33 billion in FY80 dollars. But this is less than we paid for Minuteman (which was $40 billion in FY80 dollars), Polaris/Poseidon ($50 billion) or our B-52s ($55 billion). Even at these figures, our investment in strategic programs during the 70s comprised less than 10% of our defense spending, and was less than one-third what the Soviet Union spent on comparable programs.
The environmental impact of the MX system should not be significantly different from that of the Minuteman system, since both involve the same number of operating personnel and neither involves withdrawing a substantial amount of land from public use. Either a Minuteman shelter or MX shelter requires 2½ acres of land to be fenced off, and normal farming and grazing are permitted outside the fenced area. The total land needed for all MX shelters is about 25 square miles. Much of the concern on MX environmental effects is based on theoretical speculations; in fact, in almost 20 years of actual experience with Minuteman we have had excellent acceptance of the system by all of the communities surrounding the deployment areas.
CUTS IN DEFENSE SPENDING

Q: The Republican Platform accuses you of cutting $38 billion from President Ford's last Five-Year Defense Plan. How can you justify such deep cuts in face of the growing Soviet threat?

A: The Republican Platform neglected to mention a rather important fact. The budget in question was submitted after the Republicans lost the election in 1976.

I do not think it is fair to compare lame-duck promises with our performance in office. The proper comparison is between what happened while the Republicans were in power and what has happened since I took office.

In the eight years preceding my inauguration, real defense spending -- after inflation -- declined by more than 35 percent. In particular, spending on our strategic nuclear deterrent also declined by 20 percent.

Since taking office, I have increased real defense spending every year for an overall increase of 10 percent. And under my Five-Year Defense Plan, if I am reelected, real defense spending will have increased by more than 27 percent by the end of my second term.
CALL FOR MILITARY SUPERIORITY

Q: The Republican Platform claims you have allowed the U.S. to slip into military inferiority and calls for a restoration of U.S. military superiority. What do you say to that?

A: The Republican statements are wrong and dangerous. If the Soviets came to believe such nonsense, their behavior could become more aggressive. So those who suggest that the United States is weak not only are playing fast and loose with the facts, but are also playing fast and loose with U.S. security.

The fact is that this great nation is second to none in military power. We are ahead of the Soviet Union in those things that are vital to us -- naval forces, tactical air, anti-submarine warfare, propulsion engines, computers, satellites, electronics and accuracy. We will continue to make steady and sustained increases in defense spending. We will buy only the weapons systems that best serve our needs, not every glamorous weapon that comes along.

We will not make our military force a mirror image of the Soviets'. We will not -- as the Republicans would have us do -- go down the dangerous road of military superiority. That is now a military and economic impossibility if the other side is determined to prevent it. There can be no return to the days of American nuclear monopoly. There can be no winner in an all-out arms race.

Most of all, the pursuit of nuclear superiority would mean an end to arms control and the start of an uncontrolled and very expensive arms race. The sums involved would be enormous even in absolute terms, let alone in the face of the massive
30 percent tax cut proposed by the Republicans. The tendency would be to skimp on conventional weapons and to concentrate on a race in strategic weapons. That in turn, would channel the competition into the most dangerous arena -- the one most likely to lead to nuclear war.

I believe the American people will support our strong and sane defense policy, not a policy that would risk war through military bluster.
Q: The Republican Platform accuses you of cutting back, cancelling or delaying every strategic initiative of President Ford -- the B-1 bomber and the Minuteman, Trident, MX and cruise missiles. What is your response?

A: Once again, the Republicans have completely distorted the facts.

When I took office four years ago, all three legs of our strategic deterrent triad -- bombers, intercontinental ballistic missiles and submarine-launched ballistic missiles -- were in serious trouble.

The Republicans were going to build a new strategic bomber -- the B-1 -- that we judged then and know now, could not penetrate Soviet air defenses. In 1976 there was no cruise missile or any other program that could defeat these defenses.

The Republicans also planned to build a new ICBM that would either be a sitting duck in its silo or -- an independent study later concluded -- a sitting duck in its covered trench. Finally, the vital Trident submarine construction program was hopelessly mired in a two billion dollar lawsuit between the government and the contractor.

I cancelled the B-1 and ordered a full go-ahead on a long-range, air-launched cruise missile program. We now have a massive program to arm our B-52s with cruise missiles that will be able to penetrate Soviet defenses through the 1980's and beyond. We also have a vigorous research program to develop a new bomber for the 1990's.

We have developed a mobile MX system that works and will keep our land-based missile force survivable.
Finally, the Administration has resolved the shipbuilding claims problem and the Trident program is back on track and working. One Trident submarine is at sea, and others are under construction.

A strategic force that was in trouble when I took office is now in good shape.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 6, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: Afghanistan

Jody suggested that I give you some comments on Afghanistan which you may wish to use in your forthcoming TV discussion. I think you ought to stress the following three major points:

I. The Importance of the Issue:

We do not know Soviet motives for the invasion of Afghanistan, but we do know what the consequences of that invasion might be. Even if the Soviets went in merely for purely defensive reasons, the effect of their occupation of Afghanistan is to transform Afghanistan from a buffer state between the Soviet Union and Iran and Pakistan into an offensive wedge, from which the Soviets can attempt either politically to intimidate Pakistan and Iran or to use it as a springboard for military operations. The effect is to threaten our access to a natural resource which is vital to the survival of Western Europe and the Far East.

The Soviet action thus poses the most serious strategic challenge that the West has confronted since 1945. We stopped the westward push after 1945 in Berlin; but even if we had lost Berlin, we probably could have saved Western Europe. We safeguarded our position in the Far East by opposing communist aggression in Korea; but even if we had lost South Korea, we could have saved Japan. (Be careful not to imply that losing either Berlin or South Korea would have been unimportant.) But if the Soviets gain a dominant position on the edge of the Persian Gulf, the world balance of power will be transformed.

This is why the United States takes such a grave view of the consequences of the Soviet action.

II. What the Soviets Might Have Expected in Afghanistan:

It is evident that the Soviets have run into greater difficulty than they have expected. It appears the Soviet plan was to use Soviet armed forces to gain control over the major cities and
roadways (there are no railroads in Afghanistan), and to recruit in the meantime an Afghan army loyal to the quisling regime in Kabul in order to use it for effective counterinsurgency. Contrary to Soviet expectations, Afghan national liberation resistance has become widespread, and the collaborationist regime has not been able to recruit the army. As a consequence, the Soviets have been driven into more direct involvement in counterinsurgency activities. Fighting has become more widespread and national resistance to the Soviets involves almost every segment of Afghan society.

Moreover, the Soviets have generated increasing resentment in the Moslem countries and the Soviet Union has found itself isolated in the UN and within the Non-Aligned Movement.

III. What the United States has been doing:

Because we viewed the problem as a strategic one, we felt that we could not continue business as usual with the Soviet Union. Our reactions have been designed to indicate clearly to the Soviet Union that detente could not continue in the face of such expansionism. The steps we have taken in bilateral relations (the grain embargo, the technology ban, the Olympic boycott) were not designed to force the Soviet Union out of Afghanistan but to make clear to the Soviets that staying in Afghanistan entails a price. These measures have been effective in imposing a cost on the Soviet Union (and you are familiar with the details).

In addition, we have taken steps to reinforce regional security. We have obtained facilities near the Persian Gulf in order to enhance U.S. surge capabilities in the event of a crisis. We have increased our naval presence, which is now there on a continuing basis. We are in the process of prepositioning supplies for a more serious contingency. We are developing air and even ground exercises with some of the countries in the region. And we are consulting with some of the countries in the region, as well as with our Allies, on further steps to enhance regional security.

Our objective is to contain the southward thrust of Soviet expansionism. Afghanistan has thus become a litmus test of Soviet intentions. If the Soviet Union is prepared to accept a decent and constructive solution, we are ready to work out transitional arrangements designed to enable the Soviets to withdraw their troops completely without massive retribution being directed at Soviet supporters in Afghanistan. We are prepared to guaranty the neutrality of Afghanistan. The Soviet leaders must, therefore, make a fateful decision regarding the future of East-West relations: Are they prepared to reject a dangerously expansionist policy in favor of greater East-West accommodation? We clearly prefer the latter, but we are also prepared to resist the former.
IRAN

-- The return home of Richard Queen has served to remind us of the personal and human dimension of the hostage crisis. This is more than a political conflict between nations; it is more than an act of revolutionary fervor or revolutionary terrorism; it is more than a repudiation of international principles of conduct developed over centuries. It is, above all, a crude denial of the most fundamental rights of, now, 52 innocent human beings who are deprived of their freedom, their families, and the most elementary physical and social needs common to all men everywhere.

-- More than anything else, it is this lack of simple human understanding and compassion which brings shame and dishonor to the regime which is daily exploiting these brave men and women for purely political motives.

-- Recently, a number of demonstrators were arrested in Washington in the course of demonstrations opposing or favoring the present regime in Iran. The contrast between their treatment and the treatment of the American hostages in Tehran could not be greater.

-- Those demonstrators who were prepared to identify themselves were released almost immediately. However, nearly 200 chose to make this into a political incident by refusing to identify themselves, by refusing to talk to anyone except their lawyer, by refusing to accept medical treatment, and by refusing to take any food.

-- By these tactics they evidently hoped to generate a political incident and to raise charges of mistreatment. They succeeded only in making most Americans ask themselves why they should not be sent back to Tehran immediately.

-- But we are a nation of laws, and we respect the rights even of those who abuse our hospitality. These men and women were given all the care they were prepared to accept, and, after more than a week of this nonsense they agreed to identify themselves and were released--as they
could have done on the first day.

-- Obviously, all of these individuals are free to leave this country at any time. If they had so requested while in jail, we would have honored their request immediately. But while they are here, they will receive due process of law—the same due process which protects all individuals in this country regardless of political belief.

-- Perhaps the most troubling aspect of this latest episode is that a tiny group of militant students may be taken as representative of the thousands of fine Iranians living and working in this country. Most Iranians, like most Americans, are deeply disturbed by the pattern of events which they see unfolding in Iran.

-- Recently we have seen cases of women placed in sacks, buried up to their waist, and publicly stoned to death. In addition to the summary trials and executions, we are now hearing of nightly executions by firing squads on neighborhood streets in Tehran.

-- By these acts, and by the continued holding of innocent hostages, the regime in Iran is cutting itself off from the rest of the world. The present regime has systematically offended virtually every nation with which they have come in contact. In that sense, the hostages are only a symptom of a deeper and disturbing pattern of developments.

-- While this national trauma continues, we shall use every means at our command to hasten the day when the American hostages are returned safely to their homes and families. It is a time for maturity, discipline and patience. But it is also a time of quiet purpose.

-- The hostages have not been forgotten. They will not be forgotten. We will persevere until they are free once more.
MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL

SUBJECT: Briefing Materials for "60 Minutes" Interview

Charlie and Stu gave me a lot more than I asked, but this paper is excellent. There is no way to cover it all, but I hope you will read and re-read it so that the structure of the presentation and the main points become thoroughly imbedded in your mind.

"60 Minutes" is expecting their major hit to be your economic discussion. Don't be worried about a lengthy answer. This is an excellent chance to show that you understand the complexities and are going to come forward with a well-considered program.
I. General Economic Philosophy

This campaign is already serving the American people well by putting before them three sharply differing views of the proper role of the Federal government in the American economy, three quite different views of and how we should deal with the economic problems facing our country in the 1980s.

First, there is the traditional Republican view as it is now sharply set forth in the Republican platform and in the speeches of Governor Reagan.

- Government has little legitimate role to play in our economy.
- All of America's economic goals can be reached through the simple route of a massive tax cut, that grows sharply in size over the next five years, and by 1985 costs over $280 billion a year.
- According to Governor Reagan's view, we can slash the government's revenues like this, at the same time sharply increase an already growing defense program, balance the Federal budget, and reduce inflation.
- Our energy problems can similarly be solved simply by abandoning most of the Federal government's energy programs and turning the problem over to the private energy companies, who will automatically use the huge profits that result in ways that benefit the American people.

This is not a caricature of Governor Reagan's views. It is precisely what he is asking the American people to buy.

In my judgement, this approach will not solve our nation's economic problems. It will most assuredly give us a huge burst of inflation and keep us over-dependent on foreign oil.

I think we do have to limit the growth of Federal government spending. Indeed I have done so. But there is, and will remain, a legitimate role for the Federal government in dealing with our country's economic problems.

Second, there is the opposite view -- cogently set forth by Senator Kennedy -- that the Federal government must itself take over the management of the economy wherever and whenever any problems appear.
o He proposes that we deal with inflation by putting on comprehensive, mandatory wage and price controls; the Federal government would set the millions upon millions of individual wages and prices in this country. The late George Meany, himself an advocate of mandatory controls, once estimated that it would take 250,000 new Federal employees to do this job.

o The Senator then proposes that we attack today's unemployment problem with a series of large government spending programs, in which the government itself hires the unemployed on various government projects.

o The Senator would attack this nation's energy problems the same way, by having the government take over almost all the functions of the private market. He would control domestic oil prices far below world price levels. He would then try to prevent the wasteful oil consumption and huge oil imports that would inevitably result from artificially cheap prices with a permanent rationing system. The Federal government would determine who got gas and who didn't and how much each person got. To give you some idea of how intrusive this would be, the Department of Energy has estimated that it would take an additional 50,000 people to run such a scheme.

Again, in my judgement, this is a sure-fire way to stifle the American economy. Right now one of our major problems is a slow growth of innovation and productivity in American industry. I cannot imagine a worse way to invigorate the American economy and provide new jobs than to have hundreds of thousands of government employees telling people what to do. And trying to keep the lid on millions of wages and prices through mandatory controls, while stoking up inflationary fires with a huge, new government spending program is a good way to guarantee an eventual inflationary explosion.

Third, my own economic philosophy, the economic programs my Administration has carried out, and the economic program for the 1980s that I will shortly be presenting to the American people, differs sharply from either of these two approaches.
I think most economic decisions on our economy are best carried out by private enterprise, by unions, by independent farmers, and by private consumers.

But I also think that there are some critical areas in our economy in which the Federal government must play a necessary role, to guide, or to set limits, or to provide assistance. Government should not dominate; but it can be a helping partner in situations where private enterprise can't go it alone or where an overriding public interest is at stake.

In the case of energy, for example, we are gradually decontrolling the price of domestic crude oil, to let market prices provide the major incentives for energy conservation and alternative energy supplies.

-- but we also made sure that any excessive profits that resulted were captured by the public for investing in energy related projects;

-- and we also provided financial aid to the poor who might otherwise have been hard-hit by these price increases;

-- and we have created special incentives for homeowners and industry to conserve energy, and an Energy Security Corporation to help mobilize funds for the massive investments needed to provide alternative sources of energy.

We need to provide additional incentives for private business to invest in modern cost-reducing plant and equipment; most of the nation's investment comes from private sources. But I also know that there are some sectors in which the Federal government itself has to invest or help private industry invest if America is to be strong and efficient: mass transit, synthetic fuels plants, weatherizing public buildings, dredging ports to help increase coal exports -- these are some examples.
As we look to the economic challenges of the 1980s, I see the principal tasks being carried out by the private sector, but I also see government playing a vital role, especially in providing the right incentives for private investment, in undertaking investments that the private sector cannot undertake alone, and in helping economically-depressed communities attract investment and jobs.

II. Economic Program for the Coming Years

A. Our country has four big economic challenges to meet over the next several years, and beyond -- and they are all closely linked:

1. Putting people back to work in decent jobs in a healthy recovery from the current recession.

2. Gradually but steadily pulling down the rate of inflation -- it has been coming down in recent months but it's still too high.

3. Adjusting our economy to a world of higher energy prices -- producing energy from alternative sources and using what we have more efficiently.

4. Revitalizing American industry -- improving its productivity and efficiency and making it more competitive; that means we need to speed up investment in modern plants and tools and products.

B. The key to an effective economic policy will be to deal with each of these challenges in ways that reinforce each other. We have to deal with all of them together, otherwise in trying to solve one problem we can make another worse. Let me illustrate this in a number of ways:

1. Tax policy. Over the next several years the tax burden on American consumers and American business will grow sharply -- social security taxes are going up, and inflation is pushing people into higher tax brackets and reducing the value of business depreciation allowances.

The economy can't have a healthy recovery that generates a lot of new jobs unless some of that tax burden is relieved. But to make sure we meet all of our economic goals, we have to be very precise in how we go about cutting taxes.
We want to cut taxes in ways that encourage investment in American industry, and that contribute to greater efficiency and lower inflation.

We have to be very careful that we don't overdo the tax cut, so that we find ourselves in a few years with huge and inflationary budget deficits, that will raise prices sharply and bring recovery to a halt. That's the problem with the massive across-the-board tax cut proposed by Governor Reagan; there is simply no way he can cut taxes that much and simultaneously raise defense spending without throwing the economy into a terrible inflation followed by a major recession.

That is why I have insisted that we not rush into a hasty election-year tax cut. Yes we will almost surely need a carefully-designed tax cut next year. But let's do it after the heat of the election campaign so we can do it right.

2. Jobs. Unemployment is too high. We will bring it down. We have to make sure our economy provides job opportunities not only for today's unemployed, but over and above that for the millions of new people who will be coming into the labor force over the years ahead.

My economic program will not only aim at putting people to work but will do so in ways that help us meet our other national goals:

- By providing incentives for private business to invest more we will put people back to work modernizing American industry. As those modern plants with their greater efficiency come on stream, their lower costs will in turn reduce inflationary pressures. And so our economic recovery program cannot only put people back to work but help reduce inflation.

- Selectively expanding public investment or government assistance to private investment in such things as mass transit, weatherization of buildings, and synthetic fuel plants will not only provide jobs but will also help us meet our critical objectives for energy security.
3. Revitalizing American industry. American industry is still the most productive in the world. In recent years it has provided more growth in jobs than in any large industrial country. But a number of problems have been emerging that we must take care of:

- The growth of productivity and efficiency has been slipping. American industry is in danger of losing its competitive edge.
- Industrial investment is much less than it should be to meet the needs of the 1980s.
- Research and development has been growing too slowly.
- Some areas of our country are suffering from an industrial decline that keeps unemployment high even in years of overall economic prosperity.

My economic program for the 1980s will deal with these industrial problems.

- I will not recommend programs in which the Federal government decides which industries decline and which prosper. The proper role of the Federal government is not to try to pick the winners or protect the losers in the free enterprise system.
- But the Federal government does have an important role to play, and my economic program for the 1980s will reflect that fact.

-- We will provide through our tax policies a proper climate and effective incentives to promote a major increase in private investment.
-- We will expand our support for research and development.
We will substantially improve and expand our financial assistance for private industrial investment in areas of high unemployment and industrial decline.

We will remove some of the unwarranted barriers, in the tax code and elsewhere, that often make it difficult for American industry to realize its full export potential.

We will form a partnership with business, labor and members of the public to advise and assist the government in formulating its industrial policy.

We will, in cooperation with the private sector, undertake a systematic and periodic examination industry-by-industry of all the rules, regulations, laws and policies through which the Federal government now affects the economic fortunes of individual industries; most of those rules and policies have a legitimate purpose; but they have grown so rapidly over the past ten to fifteen years that we need a systematic review to make sure we are not unnecessarily causing the loss of jobs, or investment, or exports.

4. Conclusion.

My main theme has been the need to have a comprehensive economic program for the 1980s, all of whose elements support each other rather than defeat each other.

Let me drive home the importance of this with a few facts:

1. Over the three years from the end of 1976 to the end of 1979, before the current recession began, the American economy created new jobs at a far faster rate than any other major country. No one else was even close.
2. Over those same three years our industrial production also rose much faster than that of Germany, France, England, and other large industrial powers, except Japan -- and we weren't far behind them.

3. There is nothing in the American economic structure that makes it impossible for us to do a good job in creating jobs and increasing our national output.

4. What we have to do, over the next five years, is to create the jobs and raise national output in ways that also help us deal with three other absolutely critical national goals:

   o lowering inflation

   o raising national and industrial productivity

   o energy security.

5. It is not simply that these other goals are important for their own sake -- they are. But only as we make progress toward realizing them can we keep up a sustained growth in jobs and income for our people.
MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL

SUBJECT: Briefing Material for "60 Minutes" Interview

If you get a chance to talk about the next four years, this answer from Dr. Brzezinski to U.S. News is a good, concise approach in the foreign policy area. It doesn't say a whole lot. It certainly doesn't limit your options. But it sounds just great.

Attachment
INTERVIEW WITH DR. BRZEZINSKI
BY U.S. NEWS AND WORLD REPORT

* * * * *

Dr. Brzezinski's Office
August 7, 1980 (for release Aug. 15)

(2:06 P.M. EDT)

Q On the basis of the administration's experience in its first term, what broad changes do you anticipate in the direction of foreign policy in the second Carter administration?

DR. BRZEZINSKI: I would say that there's going to be basic continuity in seeking the goals that the Carter administration has been trying to promote. I could probably reduce these goals to four basic words: strength, peace, decency, the future. Strength; more emphasis on the need to redress some of the imbalances that have been developing in the U.S.-Soviet military equation. Peace means continued emphasis on the resolution of those regional conflicts which are dangerous and the promotion of arms control arrangements in order to enhance stability. Decency means responsiveness to the aspirations of the politically awakened peoples around the world and the promotion of human rights, and "the future" means greater emphasis on the need to provide a sustaining basis for America's involvement in the world through effective answers to such basic questions as the energy shortage, the need to stimulate greater productivity in the American economy, the imperative need to revive technological creativity in our own economy.

Q Now, that's the policy side. In terms of the mechanics and conduct of foreign policy, in view of the kind of criticism we've heard, inconsistencies, vacillation in the conduct of policy, is any change contemplated in the way policy is shaped and conducted?

DR. BRZEZINSKI: I would first of all say that these criticisms seem to me to be the kind of cliches that don't really capture the essence of what has been going on. Actually, if you look at the four basic elements that I have stressed, they have been promoted with considerable consistency over the last 3-1/2 years. The President himself has been deeply engaged in the shaping of foreign policy and I assume will continue to do so.

The Secretary of State is his principal counselor on that and that will continue to be his role. To the extent possible, the Secretary of State will be more actively involved, I would think, in
articulating our foreign policy and in informing the American public. The basic machinery for decision making, I would anticipate, will not alter dramatically, although some adjustments always occur, in part because of experience, in part because of the role of personalities.

Q Would you anticipate any changes in the personalities that have been the major actors in the foreign policy, namely the Secretary of State and Secretary Brown, yourself, and Admiral Turner?

DR. BRZEZINSKI: I think that is entirely up to the President to decide and he certainly will not be making any decisions on this prior to the elections.

Q You have no indication now -- none of those people have indicated that he is really definitely going to step down at the end of this term?

DR. BRZEZINSKI: Everybody serves at the pleasure of the President and the President has to have and does have complete flexibility in terms of appointments.

Q Right.

Q One other thing on conduct of policy, another criticism the past couple of years, as you know, has been the question of coordination of policy with allies, complaints that they're being surprised by Olympic boycotts or neutron bomb reversals and that kind of thing. Do you anticipate any change, ways of improving coordination between the U.S. and its allies?

DR. BRZEZINSKI: Let me answer that in two parts, the first dealing with the past and the second dealing with the future. I don't believe that there have been inadequate consultations with the allies. In fact, I think the record will show that over the last 3-1/2 years there have been more frequent consultations, more frequent meetings, more sustained exchanges with our allies than in any other comparable period of time.

To be sure, on some issues there has been disagreement. These disagreements are a function of greater co-equality among the allies and also the consequence of the complexity of the problems that we face.

Insofar as the future is concerned, I would expect that we will be trying to develop additional mechanisms or procedures to enhance further the consultative process, especially since the scope of the problems that we face have become wider, more global. For example, we are all affected by what is happening in West Asia. We need to develop
Q: Aren't you being a little hypocritical in your charges that the "open convention" advocates are changing the rules after the game is over when you support an effort to change the rules on the California delegation from winner take all to proportional representation in 1972?

A: Well, the two situations are not exactly analogous. Of the many differences, the most significant is that the effort I supported was to make sure that the California delegation more accurately reflected the votes of California Democrats. What we are fighting now is an effort to make the votes of grass roots Democrats irrelevant.

Having said all that, to be absolutely frank, what we tried to do in 1972 was an attempt to change the rules. It was wrong then, and we failed. The people who are making a similar effort now are also wrong, and I predict that they too will fail.
THE WHITE HOUSE
WASHINGTON

August 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL

SUBJECT: Briefing Material for "60 Minutes" Interview

Bob Bergland's memo on the grain embargo is attached. As you will see, I do not like the word "modest."

I also think you should use any question on grain embargo to hit the Republicans for wanting to take firm action against Soviet aggression as long as no controversial decisions are involved that might cost a vote, as per your Steelworkers speech. A copy of that portion of your talking points is also attached.

Attachments
The grain sales suspension was a restrained action with a modest goal. We did not impose a total embargo and honored our five year commitment to sell 8 million tons. Our goal was to deliver a stinging rebuke to the Soviets for invading Afghanistan and to do so without starving the Russian people or slamming the door on full resumption of trade if and when the Kremlin came to its senses.

The suspension was aimed at exploiting an already tight feed and forage situation in the Soviet Union. By refusing to sell the Soviets the grain they wanted to buy, we hoped to frustrate their plans and embarrass and inconvenience the Soviet leadership.

Official Soviet statistics, Soviet press reports, and Western observers in Russia now clearly indicate that the goals of the suspension are being realized.

In June beef production on the Soviet state and collective farms, which would account for three-quarters of all USSR meat production, was 16 percent less than a year ago. Pork was off 10 percent. Total meat production for the month was 11 percent less than for June of 1979.

For the first half of this year, milk production is off 4 percent, compared with a year before. These reductions are coming at a time when the Soviets had announced and planned to increase meat output from the year before.

There are reports in magazines such as Fortune, U.S. News & World Report, Newsweek, the Atlantic and the Washington Post, all detailing the meat shortages and consumer discontent.
On the Impact in the United States

First of all, the Soviet Union has never been either a major or a reliable customer for our farm exports. Unlike sales to Japan and Western Europe that are dependable, sales to the Soviet Union have historically been hit and miss and only to the extent that we satisfy their shortfall. In fact, our exports will break all previous records generating at least \$39\ billion and a new record high tonnage of 155 million tons.

It has been said that grain prices fell because of the embargo. Not so. Grain prices peaked last summer and started down as the record breaking yields on the five major crops were realized. Prices bottomed out in January and have been going up ever since. In fact, on July 31, the average cash wheat market price was 22 cents above the same average on January 4 (\$4.44 vs. \$4.22). The same for corn. On July 31, corn averaged \$3.11 vs. \$2.47 on January 4. Soybeans are selling for \$1.00 bushel above the level on January 4, the date on which the action was taken.

As to the cost to the Treasury, we estimated the cost to run about \$2.7\ billion but, in fact, it will be less than one-half of that. We took the 4 million tons of wheat which would have gone to the Russians and put it aside to be used only for world famine relief. That wheat has gained in value so it is worth more now than at the time we bought it. The same for the 9 million tons of corn which we purchased at the time of the suspension. The taxpayers are actually making money on these purchases.

When the Soviets launched their invasion, the President had three options: all-out war; ignore the act, thus giving tacit consent to the aggression; or impose sanctions. Lifting the suspension on grain at this time would likely wreck the capacity of the Western world to deny the Soviets the needed commodities and manufactured products. Besides that, lifting the suspension would be viewed by the Kremlin as clear evidence of American greed or weakness of will. The point is, we should not cave in to the Russians just because they offer money.

As an aside, the U.S. has produced two recordbreaking crops back to back. Indeed that has been the case on a global scale. This year weather patterns are more normal and because of drought the production of major grains is forecast to be less than current consumption estimates and the grains which have been put into reserve, some of which would have gone to the Russians, would almost surely be used by our own consumers and to satisfy the requirements of good and steady customers all over the world.

BOB BERGLAND
Secretary
STEELWORKERS STOOD WITH ME. WHERE WERE THE REPUBLICANS THAT NOW WANT TO LEAD THIS COUNTRY? THEY STOOD FOURSQUARE FOR A TOUGH RESPONSE -- JUST SO LONG AS NOTHING ABOUT IT WAS CONTROVERSIAL AND THERE WAS NO DANGER OF LOSING ANY VOTES. THEY WERE AGAINST THE TRADE EMBARGO, AGAINST THE OLYMPIC BOYCOTT AND AGAINST DRAFT REGISTRATION.

I THINK THEY UNDERESTIMATE AMERICAN YOUNG PEOPLE, AMERICAN ATHLETES, AMERICAN FARMERS AND WORKERS AND THE AMERICAN PUBLIC.

WHERE DO THEY STAND ON THE ECONOMY -- THEY TALK ABOUT JOBS, JOBS, JOBS JUST AS THEY ALWAYS DO EVERY FOUR YEARS. BUT WHAT ARE THEY FOR -- WELL, THEY ARE FOR THE KEMP-ROTH TAX PLAN -- PERHAPS THE MOST INFLATIONARY PIECE OF LEGISLATION EVER TO BE SERIOUSLY CONSIDERED BY THE U.S. CONGRESS. AND THEY ASK THE AMERICAN PEOPLE TO BELIEVE THAT THEY ARE GOING TO BALANCE THE BUDGET, MASSIVELY INCREASE DEFENSE SPENDING, TAKE CARE OF THE DISADVANTAGED AND CUT TAXES BY HUNDREDS OF BILLIONS OF DOLLARS -- ALL AT THE SAME TIME. THAT'S NONSENSE. YOU KNOW IT, AND I KNOW IT, AND TOGETHER WE'RE GOING TO MAKE SURE THE AMERICAN PEOPLE KNOW IT.

RECENTLY

WE'VE PAID A TERRIBLE PRICE [OVER THE LAST FEW YEARS] WITH UNEMPLOYMENT AND INFLATION BECAUSE THE TOUGH DECISIONS WEREN'T MADE AND THE AMERICAN PEOPLE WEREN'T TOLD THE TRUTH IN YEARS GONE BY. WE'RE STILL PAYING THAT PRICE, BUT WE'RE MAKING PROGRESS.
for staff secretary

done to delegate

cc's to

8/13/80
8/13/80

To Convention Delegates

As Commander-in-Chief of American armed forces, my responsibility to protect this nation is paramount. It is crucial that our strategic nuclear forces not be vulnerable to a preemptive Soviet attack. The MX missile system is our optimum means of meeting these vital goals.

We Democrats must demonstrate to our nation and to the world that we are committed to defending our country, and to concluding a balanced nuclear arms control agreement. Therefore, it is very important for you to vote NO on minority report # 20423.

Jimmy Carter
AFL-CIO Exec Council Statement. Lane Kirkland
September 7, 1979, before SFRC

The AFL-CIO will support SALT II if the following steps are taken both to remedy the emerging strategic imbalance and to move toward genuine strategic arms control:

(1) In its resolution of advice and consent to the ratification of SALT II, the Senate should stipulate that under the terms of the treaty, parity requires the modernization and development of U.S. strategic forces -- including and most particularly the MX missile based in such a mode as to survive a first strike by Soviet missiles.

Without the MX, the U.S. will be restricted to three warheads on its Minuteman ICBM's compared with 10, 6 and 4 on the Soviets' SS-18, SS-19 and SS-17. The only way to protect U.S. ICBM's from a Soviet first strike would then be to rely on the most dangerous of all strategies: the launch on warning of hairtrigger missiles that virtually fire themselves. If instead the U.S. is to maintain multiple presidential options in a crisis, this country must proceed to develop the MX in a survivable basing mode so as to remove the temptation of a first strike.

(2) [Real and dramatic mutual arms reductions.]

(3) [Termination if no progress.]
August 4, 1980

MEMORANDUM FOR THE PRESIDENT

From: Jerry Rafshoon
       Pat Caddell
       Rick Hertzberg

Subject: Acceptance speech -- Draft A-3

The attached draft is the culmination of the approach we have been refining with you for the last two weeks. We think we are getting somewhere.

We don't want to prejudice your reaction. But Pat's feeling late this afternoon was roughly this: "It follows the outline; it's all in there; but it's not quite the speech."

Pat developed some new ideas in discussion today, and we are going to develop them and present them to you (we will be shooting for Wednesday morning).

Broadly speaking, Pat would like to try shifting the tone of the speech in a direction of more gravity.

Leading from the idea of the President as steward of the future, you would say that while you don't want to overstate this, you see a grave danger to the future in the election of your opponent. If Gerald Ford had won in 1976, it would have made a difference, of course. An important difference. But in a broad sense, the country would have continued in the same general historical direction is has moved under both Republican and Democratic Presidents in the past.

But Reagan is different. Not because he's a bad man -- he's not, he's a nice man. Because of the ideas he represents and the policies he would implement and the kind of people he would bring with him. A Reagan presidency would present a special danger.

That danger basically boils down to two things:

The first is the danger of war.

The second is the danger of the false promise of ease. Every generation has purchased the future -- in war, in depression, in sacrifice of some sort. What Reagan is saying is that we don't have to do that any more. That is extraordinarily dangerous. Perhaps it could buy a few months of comfort -- maybe even a year or two. But in the end it would mean disaster, because we would not have laid the foundation to avoid disaster.
This would mean a rather different tone to the speech and a somewhat different structure. Again, these ideas are still very rough. We are not sure if they would work at all, especially in the context of Madison Square Garden. We may end up with just an insert, or we may end up with major surgery, or we may run up against a dead end. But we are going to be working on this intensively tomorrow.

Naturally we will need your reaction to this draft in any case. Your gut reactions, contributions, and characterizations noted on previous drafts have been very important in this whole exercise.
MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY OWEN
SUBJECT: Reflections

On vacation I read a book of your 1976 campaign speeches and press conferences. In one of these you said that a candidate couldn't decide what the main issues were; the voters had already done that. I doubt the dominant issues in the minds of the voters now are those in the headlines: Billy Carter, the hostages, etc. I believe that what worries them is what President Roosevelt had in mind when he said at the University of Virginia commencement (in June 1940) that there were times in our history when concerns over our personal lives are overshadowed by a broader worry as to "what will happen to the country we have known." He cited the post-Revolutionary period and the Civil War as such times.

I believe the present is also such a time, albeit for different reasons. Americans' confidence in their country's future has been badly shaken by a conjunction of unprecedented changes: double-digit inflation, energy shortages, declining US productivity, reportedly declining US military power relative to the USSR, etc. All this causes them to wonder if the US will continue to be "the country they have known." People who have seen their savings consumed by inflation and their jobs destroyed by the decline of the US automobile or steel industries probably ask these questions with special force. But even those less hard hit are worried as to where the country is headed. They feel that they are sailing into rough and unknown seas.

Many react by wanting to return to a familiar and secure past. This is what happened in 1920, when Harding was elected under a slogan of going back to "normalcy." Today conservatives and liberals both want to go back -- to the Eisenhower and Kennedy periods, respectively, i.e., to times when we had military superiority over the USSR and economic superiority in the free world, in which energy conservation was unnecessary, inflation was low, and the future seemed secure. They attribute current difficulties to Administration bungling, and suggest that they can be overcome by relatively simple and familiar means -- more government spending and/or tax cuts.
This kind of nostalgic appeal will prevail, unless we can offer a convincing alternative: an explanation of the complexity of present problems -- pointing out that they are shared by all industrial countries; a strategy that offers some promise of meeting these problems; and some indication of the specific measures that are needed to carry out this strategy.

If this exposition is to be credible, we will need to lay out facts that combine pain and promise:

-- The link between oil and economic growth can be broken, but only if we conserve oil and invest large sums in the development of alternative energy sources, at home and abroad, for a considerable period.

-- Inflationary expectations can be broken, but only if we maintain painful fiscal and monetary restraint for several years (as Germany and Japan did in the 1970s), and if we don't indulge the desire of every major special interest group in the US for federal support that increases costs.

-- Productivity of US industry can be restored, but only if we spend large sums on research and development, screen government regulations of industry (even those that serve valid social purposes) more rigorously, adopt tax policies that reward investment rather than consumption, foster competition rather than protection, and don't discourage shifts of manpower and capital from declining industries to more productive uses.

-- We can hold our own in competition with the USSR, but only if we gear up for a prolonged context, and for the risks and burdens that this involves. No conceivable action we might take -- in respect of either negotiation or a US military buildup -- will soon cause the Soviet threat to go away.

We can take credit for having launched many of the needed actions described above: energy conservation and production, fiscal restraint, cutting down regulations, increasing support for R&D, strengthening NATO, etc. Others, e.g., tax changes to encourage investment, are in the offing.

We should explain why, despite these policies, things are still tough: The problems to which they are addressed will only yield to remedies that are applied consistently for several years. We are now mid-way in carrying out these remedies. Stopping now would be like jumping out of a plane two hours out of Washington because it hasn't yet reached the West Coast. Of course, we've made some mistakes; but the directions we're now following are sound; if we change it, we'll only have to come back to them later, under less favorable circumstances.

The basic theme should thus be that there is a rough road ahead, but that the job is manageable, if we stick with sensible -- and sometimes painful -- policies.

No doubt there are risks in confronting people with harsh truths. But there are even greater risks in the opposite course. For unless we talk candidly and specifically about our policies, people will not consider them a credible response to their main concern: the country's future.
Schmidt, and increasingly Giscard, are speaking in these terms about economic issues to their own people, and they are not doing too badly politically. Both are saying that they will stick with fiscal and monetary restraint, despite unemployment; and Giscard is backing Barre in removing regulations that have protected special groups in France from unwelcome change. Thatcher ran on a promise of even harsher medicine, and she beat Callaghan, who spoke in less stringent terms about the future. The British knew they were in trouble, and wanted to be told the truth.

I suspect Americans feel the same way. If we don't talk sense to them, if we give them only candy-coated generalities, nostalgia and escapism will carry the day. Lacking an effective response to their fears about the future, they will want to go back to a comfortable past.

If we are to avoid this, we will need to lay out not only a description of future policies, as suggested above, but also a description of the goals to which they are addressed. We need to present a vision of the kind of country and world that we hope to achieve in the coming decades -- one that reflects a recognition of changing circumstances, instead of merely a yearning for times gone by:

-- An America in which we have achieved sufficient consensus among increasingly numerous and powerful constituencies to reduce dependence on imported oil, break the back of inflation, and resume economic growth in which all can share.

-- A world in which power is also more dispersed, but in which the US can nonetheless increasingly act as an effective catalyst in promoting a successful international cooperation for constructive and defensive purposes, as you have been doing at Summits and in NATO, respectively.

In both cases the principle is the same: bringing groups and countries together in common action to achieve common purposes.

If we can combine such a description of our ultimate goal with a convincing exposition of the means for getting there, with all the difficulties that this involves, we will offer people good reason to believe that our policies, which look to a changing future, offer better assurance of preserving the country they have known than simplistic appeals to recapture an era that cannot be restored.
August 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Acceptance Speech

While I have not been included in the paper flow to you on drafts of this speech, I am concerned with what I understand to be the drift of the speech. Permit me to make these points as you review the drafts submitted to you. Its attack themes on Reagan and its positive vision must be clear and must be repeated throughout the campaign.

1. It would be a serious mistake for the speech to be perceived as essentially a savage, negative attack on Reagan. The speech must be Presidential and not intemperate.

   a) This does not fit America's image of you and will be out of character.

   b) Others during the Convention should take the burden of this attack on initially, not you.

   c) It will seem very defensive for an incumbent President to devote a significant part of his speech to his opponent.

   d) You will be perceived as having taken the "low road" while Reagan has taken the "high road."

2. There should be a brief, pointed criticism of Reagan, along the following lines:

   a) He has opposed social programs like Medicare, worker safety and worker health protections which are part of the fabric of American society (important to mention for blue-collar workers).

   b) His current economic programs (Kemp-Roth-Reagan) are simplistic, inflationary and dangerous. Quote his own running mate, George Bush, who said they were "economic voodoo" and would lead to 30% inflation. His energy program is to set the major oil companies "loose".
c) His foreign policy is confrontational (blockade Cuba) and his defense spending proposals would lead to another arms race. The prudent, sustained real increases you have proposed are better.

d) In essence he offers a "free lunch" -- a balanced budget at the same time as massive tax cuts and massive increases in military spending.

3. The speech should recite your substantial accomplishments whenever a point is being made; e.g., on the economy, you are responsible for the most fundamental restructuring of government's relationship to industry through airline, banking, rail and truck deregulation. When you discuss energy, mention we're importing 7 million barrels per day less than when you took office and are on the way to energy security.

4. The thrust of the speech should contrast your positive, realistic vision of the future with Reagan's regressive proposals. People want to know where you are going to take the country -- particularly how you intend to solve our current economic dilemma -- stagflation.

5. I am concerned about the 3 to 5 page economic insert you agreed to include (in response to my July 25 memorandum). The Urban League speech was a good beginning. More specifics will be needed. You should state that your program will create over 500,000 jobs without re-igniting inflation. Its themes should be getting America moving again (a JFK quote here would be important), putting America back to work, and revitalizing American industry by an industrial policy which builds our industrial base and makes it competitive and preeminent in the world. In accordance with your directive at today's 10 a.m. meeting, I have Secretary Miller drafting an insert for the acceptance speech which will be cleared by Schultze and McIntyre and given to you this weekend.
THE WHITE HOUSE
WASHINGTON
August 8, 1980

MEMORANDUM FOR MRS. CARTER
FROM: BOB MADDOX
SUBJECT: Ideas for the President's Acceptance Speech

Thank you for the opportunity to work on these ideas.

The full draft I have submitted is built around the President's use of Micah 6:8 in his Inaugural Address. The actual content of the speech would have to be adjusted to match perceived needs for the speech. However, using such a biblical framework would strike the religious note I feel we need without sounding too much like a sermon. As the religious leaders said repeatedly, the President is uniquely equipped to sound those lofty moral notes the nation needs.

Use of scripture in this way for an acceptance speech would no doubt be unique in American history. The themes of justice, mercy and walking in humility are unimpeachable.

Use of scripture would perhaps get at Chip's idea about the President preaching.

The other pages contain self-contained ideas that need to be sounded in one way or another. My ideas on the family section get at the leaders' suggestion that he not only say he is committed to families but that he show how that commitment has translated.

In the productivity section, use of "value of the person", "love, dignity and respect" are important words to a large host of deeply committed Christians who are working to revitalize American industry. The leaders of this movement support the President. Use of those words would galvanize their efforts for him.

Paul Lewis, whom I quote in the productivity section made that speech to me when I attended a union hall meeting in Pittsburgh. The quote also comes out of Wayne Alderson's book about his life.

At the risk of being most presumptuous, I suggest that the President say the speech out loud many times before he delivers it. This is a useful way to learn the speech without trying to memorize it.
I renew my offer to have two or three people pray with the President in his hotel room before he delivers the speech. The ones I have in mind would come in complete confidentiality if necessary and would never reveal anything that transpired during the prayer time. I believe he would gain even greater strength from this brief time of prayer before he delivers this, the most crucial speech of his political career.
Miscellaneous Themes

I. A possible way to the the speech
II. Statement about the hostages
III. Family
IV. Productivity--Value of persons
A possible way to end the speech:

Not long ago Rosalyn and I read together from the book of Isaiah words that describe my dream, not only for my Administration but for the American nation—

The Lord says: "Is not this what I require of you:

to loose the fetters of injustice,
to untie the knots of the yoke,
to set free those who have been crushed?
Is it not sharing your food with the hungry, taking the homeless poor into your house, clothing the naked when you meet them and never evading a duty to your own kinsfolk?"

And the prophet under the inspiration of the spirit makes a promise to the nation:

"Then shall your light break forth like dawn, and soon you will grow healthy like a wound newly healed; your own righteousness shall be your vanguard and the glory of the Lord will be your rearguard...
You shall be called Rebuilder of broken walls, Restorer of houses in ruins." (From Isaiah 58 New English Translation)
I ask that the American people continue to undergird with prayer and even fasting, for those who choose to do so, all the many efforts being made to secure the release of our hostages. When they are freed, and they will be freed we will have a day of thanksgiving because God will have brought our people home.
In a meeting at the White House with some religious leaders, one of the men said, "Mr. President, tell us about your commitment to the American family."

I said to him and I say to you: America's families are the fundamental building blocks of our society. Let it be understood that the Judaeo/Christian understanding of the family is the enduring model for America's families. At the same time we have to recognize the diversity of America's families.

My own family is of overriding importance to me. Our greatest joys come when our children and grandchildren and other family members gather for celebrations and time of reunion.

But commitment to families must go beyond simple words. In an exceedingly complex society, we must work for the family's well-being.

When we fight inflation we are fighting for the family. When we take measured steps to improve our national security we are working for the family. When we push for energy security we are fighting for the family. When we focus greater attention on quality education for all our people we are working for the family. When we seek to reduce the size of government and cut out government regulations we are working for the American family.

Some try to romanticize the American family. They call us back to supposedly golden days (that never really existed) when family life was simple. Those days never were. People have always had to work at family life. For the last three and a half years, I have not shied away from exceedingly complex problems affecting our families. I will continue to make family well-being
a top propriety in my service to this nation.

Even though the White House Conference on Families received criticism, some justified, most unjustified, some solid recommendations for the family were produced. In the next few weeks the Conference report will be compiled and placed on my desk. I will study it carefully as we examine ways that government helps, not hinders, the American family.
Many of us are concerned about American productivity. We have many problems in the work world but they are fundamentally people problems. I am greatly encouraged by movements in this country, grassroots movements, that are working to restore dignity to the work world. I have come to appreciate men and women in all walks of American life who are bringing about a virtual reformation in the work world.

How is this done?


The simple values of love, dignity, and respect between labor and management, employee and employers, students and teachers, must be reaffirmed if America's production of goods and services is to reach higher goals.

I am convinced that most Americans want to work. Most Americans want to put in a day's work for a day's pay. But in every segment of American business and commercial life, the value of persons must be reaffirmed.

Paul Lewis, a director for the United States Steel Workers of America up in Pennsylvania said it most eloquently:

"What we're talking about doesn't need new legislation, it's already here. About 205 years ago our fathers wrote some guidelines down on paper. When the world heard of them, people flocked here for freedom, for economic opportunity and for dignity..."

At Gettysburg our President stood up and reminded the nation of those words—"For the people." He had to speak because the
value of people had been forgotten. Had we done what we said we were going to do there would have been no Gettysburg Address because there would have been no battlefield.

"The value of the person is not new. We need to dust off the history books and read the story again. Our fathers made far greater sacrifices than we are making--not for profit, but for an ideal, the value of people. It wasn't even new then, they didn't invent it. It was already in the Bible. But those men chose to write it in our Constitution. It's all in our archives. It must be in our land."
Outline

Acceptance Speech

Micah 6:8

I. What Does The Lord Require?
II. Do Justice.
III. Love Mercy.
IV. Walk Humbly With God.
V. What Do We Want?

A government that is

Strong

Compassionate

Democratic
In my Inaugural Address, I laid out my commitment to the American people in terms of a favorite Old Testament scripture, Micah 6:8: "He has showed thee, O man, what is good: and what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?"

For these three and a half years in office, the timeless principle of that verse and others like it have been the overarching guide to me personally and for the vision and programs we have put forth for the American people.

Tonight, for myself and for our party, I want to measure ourselves against that commitment.

What does God require of us?

We have a great heritage as an American nation. Our roots reach out in many directions but the tap root of our national existence is a deep faith in God, a commitment to what is true and ultimate. We do not all name God in the same way. We do not all approach him in the same way but most of us have a belief in God. That belief in one way or another requires that we ask: What does God want of us?

To the degree that we struggle with that ultimate question and secondary questions about life, history and our unique responsibility to the world, we realize our destiny. When we stop struggling with that ancient, yet always contemporary question, we begin to lose our way in the world.

What then does God require of us?

Micah answers his question: The Lord requires that we do justice, that we love mercy and walk humbly with God.
It is fundamentally important that we not only talk about justice but that we do justice.

Our nation did justice when the Senate ratified the Panaman Canal Treaties. That action was right and has given us new credibility and opportunity in the world.

We did justice when we resisted pressures from many quarters and supported majority rule in Zimbabwe.

We did justice when we vigorously tackled the problems of inflation. While many cried for quick fixes they perceived to be painless, we decided on the more difficult but far more substantive approach. The future of our nation is more secure because we have done the right thing with the economy. Sure our problems here are not over, but we are moving forward with significant accomplishment and unswerving determination. We, and other nations of the world who struggle with an even greater rate of inflation than we do must continue our partnerships if stability is to be achieved in a world with wildly escalating energy costs.

We do justice when we continue to make human rights a fundamental part of our domestic and foreign policy. We long for the day, and work for the day when all men every where have their own governments' guarantees of the basic freedoms that belong to men and women as an inalienable gift from God.

We do justice when we strive to see the Equal Rights Amendment ratified and part of the United States Constitution. It is right that men and women be treated fairly before the laws of the land. I reject the arguments that many put forth that ERA will erase God-ordained distinctions between men and women. I do not deny that there will be a time of clarification after the amendment is
ratified but such a broadly based, morally right amendment needs to be added to our foundational document.

We do justice when we strive to provide quality education for the people of the nation.

We do justice when we take measured steps to strengthen our national defenses without becoming obsessed with bigger weapons that have no actual net effect on our national security.

We do justice when we ensure that America's families will continue to be the fundamental building block of our society. I believe that the Judaic/Christian understanding of the family is the enduring model for America's families. At the same time, let us recognize the diversity of America's families. At all points, we must work to see that government helps, not hurts our families.

We must encourage public and private, social and religious institutions to help strengthen our families.

Soon I will see the combined reports of the White House Conference on Families. In spite of the criticism of the conference, some justified, most unjustified, I am told some solid recommendations will be forthcoming. I eagerly await the report. I trust that it will be a guide as we study future legislation for our families.

As I have done on other occasions, I declare that families have primary responsibilities for themselves. Government ought to come into the homes of the American people as little as possible. Child rearing, education, teaching of values are primarily the responsibility of the parents.

Private institutions, especially voluntary and religious institutions are best equipped to minister to families. Local, state
and federal family oriented agencies should combine their efforts with responsible private agencies to strengthen our families.

When we fight inflation, we help America's families. When we strengthen our national security, we help America's families. When we secure energy independence, we strengthen America's families. When we work for national health, equal rights, fair housing, youth employment, we strengthen America's families.

America's families, thought under pressure will survive handily. We are tough, resilient, resourceful, and above all we love each other. I celebrate our families.

As a people, we love mercy even though our practice of mercy is not always even handed.

Our sense of mercy is outraged over the continued holding of hostages in Iran. We who have reached out to the huddled masses of the world, who are indeed part of the world's huddled masses, have demonstrated a love of mercy. Even dissident Iranian students presently residing in this country who have demonstrated in front of the White House have received fair treatment before the laws of our land.

Now it is time for the Iranian Government to end this unmerciful holding of American citizens. It is time, in the name of the All Merciful God to release these men and women to their families, to the American people.

The Iranian people are suffering needlessly because the authorities in that chaotic, yet ancient and proud land, refuse to do the right thing and let our brothers and sisters come home.
We are prepared to talk about reconciliation but only after those heroic American citizens are released and returned safely to our shores.

We are grateful that the Iranians government showed mercy on Richard Queens letting him come home for medical treatment. That simple but important act demonstrates that the nation of Iran is not devoid of mercy. Let justice and mercy transcend political differences. Let our people come home.

We show that we love mercy in our ongoing commitment to peace in the world. Even though the process is far from over, Israel and Egypt talk about their problems rather than fight about them. Bit by bit, progress is made as those two great peoples seek to come to terms with their differences.

We show that we love mercy as we work to enable Third World countries to realize their own destinies with as little outside interference as possible.

We show we love mercy as we create new and meaningful ways for men and women to work. Work is a gift. People in the work place want to earn their money. They want to do a good job. They want to make their own way rather than have government hand out welfare that tends to rob them of dignity.

We will continue to show our love for mercy as we promote understanding between labor and management, employee and employer, students and teachers, parents and children. We show mercy as we re-emphasize the value of the person.

We show mercy when we extend the mandatory retirement age so that able bodied men and women can work as long as they want to or as long as they can still handle their duties.
We show mercy as we struggle for welfare reform.

We show mercy as we provide opportunities for the youth of our nation to secure a college education regardless of their own lack of funds.

Let's not lose sight of what it means to walk humbly with God.

There is nothing weak about true humility. George Washington, Thomas Jefferson and other great Americans had a clear understanding of themselves that enabled them to walk with true humility.

Do not lose sight of this fundamental fact: As the strongest, freest, greatest nation on earth, we are sufficiently secure so we do not have to bluster our way around the world. We can take measured steps to strengthen our defense posture without becoming an armed camp. We have the strength, and will continue to build on that strength so that we can work for strategic nuclear arms limitations without being threatened by our enemies.

A true sense of humility puts us in the position of working to aid other nations without losing our own identity. True humility lets us say Yes and No to foreign aid. Yes, where it is needed. No, where it would be harmful to those to whom it is offered as well as detrimental to our own national interests.

As a truly humble nation, we can walk with grace and gentleness through a world that is all too often torn and frightened.

With the understanding of the source of our greatness and as we gain perspective and humility, we can take our place with sister nations not only as leader but as friend and partner. We can be vigorous in our foreign policy without interfering in the affairs of our sister nations. We can let would-be aggressors against ourselves or our allies know clearly that they will not be able to act with impunity. We can send that important message and still avoid the hypocrisy of rattling sabers.
We have been and will continue to be good stewards of our strength.

We will have the personal and national security to walk humbly before God and man in such a way that we retain our place of leadership because we earn our place of leadership.

What of the future? What do we want in the next two decades? If you are like me, we long for the freedom, the stability, the peace to develop the incredible gifts in persons, natural resources and creative endeavors that beckon.

I believe we want a strong, compassionate, democratic government.

Strong from within.

That means getting inflation under control in a way that benefits our own and other economies around the world. That means working to stabilize our economy so that we avoid the roller-coaster effect that often characterizes modern, complex economies.

We want to be strong militarily so that none would dare threaten the peace. Strong so that we can make our military presence felt at crucial times. Strong so that we can get on with the business of living without having to worry unduly about aggression from potential enemies.

We will be strong because we are willing to pay the necessary personal and national prices to free ourselves from undue dependence on foreign oil.

Strong because we claim and repeatedly reclaim the best of who we are as a people. Strong because we look to government as a partner not as a parent in seeking the abundant life.
We want a compassionate government.

We must not, we must not forget the elderly, the poor, the handicapped, the minorities in our land nor in the world. We must not forget struggling cities or blighted pockets of rural poverty.

We will show compassion as we continue to educate our people in the public and private schools of the land to the truth that frees.

We will be compassionate as we work for a comprehensive health care program that more equitably distributes our nation's great system of medical services.

We will act with compassion as we continue to revitalize our urban centers.

We will demonstrate compassion as we champion human rights at home and around the world.

We will be compassionate as we continue to build bridges of understanding between groups in our own country and between ourselves and the nations of the world.

Compassionate strength reaches out in prayer in concern as well as through a dozen initiatives to see our hostages home safe.

We want a democratic government:

One that understands that everyone has a point of view that ought to be heard and honored.

A democratic government that responds to the voters but that does not let one group steamroll others with intimidation, half-truths and out-right lies.
The Democratic Party is the Party of strength, compassion and democracy. We do not shy away from difficult issues. We have had healthy debate about the issues. We stride eagerly into this campaign with the confidence born from and undergirded by the knowledge that what we want is what American wants and needs. We will win in November because our cause is just and fair. We will perpetuate strong, compassionate democratic government in this land.
MEMORANDUM FOR THE PRESIDENT
FROM PATRICK H. CADDELL
RE ACCEPTANCE SPEECH
DATE AUGUST 8, 1980

I think the speech/speeches are coming along well (as I told you yesterday). Rick is doing an outstanding job.

I. SOFT DRAFT

Some specific points on the Soft (B-8) Draft that require possible attention:

1. On Page 3 - The Democratic vision section provides an opportunity for some thoughts from the paper enclosed, particularly the idea, "we must not fail the country now."

2. On Page 7 - It would be good vis-a-vis our research if we could have some word pictures on the technology of 2000.


4. On Page 17 - Energy - Reagan's speech on Production got excellent response. We need to more graphically paint a picture of synfuels, etc., producing more, which is very popular.

5. On Page 19 - the Economy section needs more work. First, we need to spell out that the tough chores on the inherited economic structures, while painful, have succeeded. And,

Second, now and only now are we ready to launch the rebuilding of our Economic Sector.

These ideas need more word pictures. It needs to be exciting, bold, general rhetoric about the process and result of rebuilding. At the moment, it is too dull.

This area is crucial for it offers our only hope to defusing our performance on the Economic issues.
Additionally, these are a few points that need to be fitted to the speech.

A. Kennedy - As I told you yesterday, the Kennedy inserts would nail EMK to the wall and make you gracious. We should consider this kind of approach -- perhaps not put it in text -- make it appear spontaneous.

B. "I have learned" - This is absolutely vital. It needs to come early and be well done. You have one insert idea already. The "Draft Thoughts" paper has even a better exposition on Page 1. Given our 21% job rating -- to be credible this must be addressed. From the polls it is the door through which our voters must walk.

C. Ending - I think the ending is still very so-so. I think a word picture of your vision, the world in 2000, etc., might work. This needs to be addressed again.

II. DRAFT THOUGHTS

This small document has some good ideas. I think we should read it and draw from it. I asked someone, who must remain anonymous, to prepare it. The language can be used or altered. Some of the ideas that appeal to me are:

A. Page 1 - The Party vision - not fail.

B. Page 1 - "I Learned"

C. Page 2 - The country - and Pope John Paul - (an idea about Communism like the Urban League - but with a sophisticated Northeast Catholic appeal).

D. Pages 3-4 - The idea of continuity of Presidents -- pro and con -- Reagan does not understand.

E. Page 4 - Use Panama Canal/China - Positive for us given right wing gone on those already.

F. Page 5 - Nuclear war.


I. Page 7-8 - Setting the Agenda - Presidential continuity.
III. HARD DRAFT

Rick prepared the six page draft start on a harder version of Draft B-8.

Given the relatively good shape that B-8 is in, I think we should move to try a Hard version -- raising the tone and urgency more dramatically.

I am convinced, probably more than Rick, that the structure of the "soft" version will work for the "harder" version. Given our standing and our needs I think we should try this approach. If successful I think we would go from an excellent speech to a great speech.

I have talked to Jerry and Jody. I think it would be good -- while you work at Camp David this weekend -- for Rick to join us in New York and work on the speech as is and to try a Harder Tone Draft. If that works we could blend on Monday to a near final, and I think terrific, speech.

For the first time, I can really see evolving on paper the great speech we need to launch the general election and to set the definition of the general election so strategically needed.

cc Jody Powell
Rick Hertzberg
Fellow Democrats, fellow citizens:

I thank you for the nomination you have offered me, —

the highest honor the Democratic Party can bestow.

And I especially thank you for choosing as my running
mate the best partner any President has ever had -- our first
and only choice -- Fritz Mondale.

I want to get two things straight right at the start.

With gratitude and with determination,

First, I accept your nomination.

The second is this: I want you to know that we -- a campaign that
Fritz and I are going to wage the most effective campaign
defines the real issues --
you have ever seen -- a campaign that respects the intelligence
of the American people -- a campaign that talks sense. And we
are going to win this election!
We are going to win because we are the party that honors its principles. We are the party of a great President who knew how to get re-elected -- Franklin D. Roosevelt.

We are the party of a courageous fighter who knew how to give 'em Hell -- Harry Truman. He said he just told the truth, and the Republicans thought it was Hell. We are the party of a gallant man of spirit -- John F. Kennedy.

And a leader of compassion -- Lyndon Johnson. And a big-hearted man who should have been President and would have been one of the greatest Presidents of all time -- Hubert Humphrey. And we're the party of Governor Jerry Brown and Senator Edward M. Kennedy.

* * *

Let me say a personal word to Senator Kennedy.

Ted, you are a tough competitor and a superb campaigner --

I can attest to that.
Ted,

Now I reach out to you, your country and your party need you. There is no doubt that great lies ahead of you, and we are grateful to have [but we need] your strong voice, now in the larger cause for which your brothers became martyrs and to which your own [long] life [of public service] has been dedicated. We will be truly grateful for your support.

*

We're Democrats, and we have just come through the final rounds of a typical rough-and-tumble fight for the nomination. We have had our differences. But we agree on our goals for America. We share a bright vision of America's future -- a vision of future. It is a vision of a good life for all our people -- we want a vision of a secure nation, a just society, a peaceful world -- we want a vision of a strong America, confident and proud and united.

Forty years ago President Franklin Roosevelt said that there are times in our history when concerns over our personal lives are overshadowed by a broader worry as to
"what will happen to the country we have known." Now is such a time. [Americans now face two roads from which to choose. The future hangs in the balance.]  

* 

During the last presidential campaign I criss-crossed our country and listened to many, many thousands of people -- housewives and farmers, teachers and small business leaders, workers and students, the elderly and the poor -- people of every race and background and walk of life. It was a powerful experience -- a total immersion in the vast human reality of America.  

Since then, I have had another kind of total immersion -- being President of the United States. I want to talk for a moment about what that job is like and what I have learned from it.
I have learned that only the most complex and difficult tasks end up in the Oval Office. There are no easy answers are found there because no easy questions come there.

I have learned that the Presidency is a solitary job where experience is the best guide to right decisions.

Experience is a pathway to knowledge and understanding.

I am wiser tonight than I was four years ago — and better equipped to do the job.

I have learned that the Presidency is a place of compassion, not of refuge. My own heart is burdened for troubled Americans. The poor, the jobless and the afflicted. They have become part of me. My thoughts and prayers for our hostages are in my heart and mind. My own heart is burdened for those in Iran are as though they were my own sons and daughters.

I have learned that despite all the checks and limitations that are woven into our system, The President's power for building and his power for destruction are awesome.
And the power is greatest precisely where the stakes are highest -- in matters of war and peace. The life of every human being on earth can depend on the experience, knowledge, and patience, vigilance and judgment of the person in the Oval Office.

I have learned something else -- something that I have come to see with extraordinary clarity. As President, I must -- of course -- deal with hundreds of current problems and decisions. But my duty goes far beyond that. Above all, I must look forward -- because the President of the United States is the guardian of the future of the United States. Through his actions and his judicial appointments, his philosophy will endure for beyond his own time.

The President, more than anyone else, is the steward of the nation's destiny. He must look beyond the present year or next year or even the year after that. He must protect our children -- and they will have --
and the children of generations to follow. He must speak and act for them. That is his burden and his glory.

That is why a President cannot yield to the short-sighted demands of special interests, however rich or powerful. That is why the President cannot bend to the passions of the moment, however popular. That is why the President must sometimes ask for sacrifice when his listeners would prefer to hear him speak of comfort.

The President is the servant of the people. But his true constituency is the future. That is why the election of 1980 is so important.

* * *

Some have said it makes no difference what happens in this election. They are wrong.

This election is a stark choice between two men -- two parties -- two sharply different visions of America and the world. But it is more than that.
It is a choice between two futures. The year 2000 is less than 20 years away -- just four Presidential elections from this one. Children born this year will come of age in the 21st century.

The time to shape the world we want in the year 2000 is now. The choices of the next few years will set our course, perhaps irrevocably -- and the most important of all will be made by the American people at the polls less than three months from tonight.

That choice could not be more clear -- or more crucial.

In one of the futures we can choose -- the future we have been building together -- I see security, justice and peace. I see a future of economic security -- security that will come from tapping our own great resources of oil and gas,
coal and sunlight -- and from building the tools, technology
and factories for a revitalized economy based on jobs and
stable prices for all.

We can have

I see a future of justice -- the justice of good jobs,
decent health care and quality education, and full opportunity
for all people, regardless of color or language or religion;
the simple human justice of equal rights for all men -- and
for all women, guaranteed Equal Rights at last in the
Constitution of the United States.

we can have

And I see a future of peace -- peace grounded in
fairness and wisdom toward all the countries of the world --
a peace guaranteed both by American military strength and
by American moral strength.

That is the future I want for our people. It is
a future of confidence and hope and a good life. It is the
future America must choose -- and with your help and your commitment, it is the future America will choose.

But there is another possible future,

In that other future, despair -- the despair of millions who would have to struggle for equal opportunity and a better life -- and struggle alone.

surrender -- the surrender of our energy future to the merchants of oil; the surrender of our economic future to a bizarre program of massive tax cuts for the rich, massive service cuts for the poor and massive inflation for everyone.

risk -- the risk of international confrontation; the risk of an uncontrollable, unaffordable, and unwinnable nuclear arms race.
No one, Democrat or Republican, would consciously seek such a future. I am sure that my opponent does not. No one questions his intentions, but I do question the disturbing commitments and policies already made by him and his associates who have now captured control of the Republican party. The consequences of those commitments and policies that would drive us down the wrong road. It is up to all of us to make sure America rejects this alarming and perhaps perilous future.

The choice in 1980 -- this perhaps irreversible choice between two futures -- makes all the difference in the world -- all the difference in the whole world.

The path to the future must begin with the realities of the present. But while we Democrats grapple with the real challenges of a real world, others talk about a world of tinsel and make-believe.
Let's look for a moment at this make-believe world.

In this fantasy America, inner-city people and farm workers are forgotten. Women, like children, are to be seen but not heard. The problems of working women simply do not exist. The elderly do not need Medicare. The young do not need more help for a better education. Workers do not require the guarantee of a healthy and safe place to work.

In this fantasy world, all the complex global changes since World War II have never happened. All problems have simple solutions. Simplistic -- and wrong.

It is a make-believe world of good guys and bad guys, where politicians shoot first and ask questions later.

No hard choices. No sacrifice. No tough decisions.

It sounds too good to be true -- and it is.
The path of fantasy is the path of irresponsibility.
The path of reality is the path of hope and peace. The two
paths could not be more different, and neither could the
futures to which they lead.

Let's take a hard, specific look at these two futures.

You and I have worked toward a secure future by
rebuilding our military strength -- steadily, carefully, and
responsibly.

The Republicans like to talk about military strength.
But they were in office for 8 out of the last 11 years --
and in the face of a growing Soviet threat they steadily cut
real defense spending -- by more than a third.

We have reversed the Republican decline in defense.
Every year since I have been President we have real increases
in our commitment to a stronger defense -- increases which are balanced and rational. There is no doubt that the United States can meet any threat from the Soviet Union.

Our modernized strategic forces, a revitalized NATO, the Trident submarine, the cruise missile, the rapid deployment force -- all these guarantee that we will never be second to any nation. This is action, not words -- fact, not fiction.

We must and will continue to build our own defenses. But just as clearly, we must continue to seek balanced nuclear arms reduction agreements. The security of our country demands it. The peace of the world demands it.

The new leaders of the Republican party, in order to close the gap between their rhetoric and their record, have now promised to launch an all-out nuclear arms race which would negate any further effort to negotiate a strategic arms limitation agreement.
There can be no winners in such an arms race -- and all the people on earth could be the losers, could be every human being on earth. You and I must never let this come to pass.

The novel and radical course advocated by the Republican nominee is to abandon the arms control policies which have been supported by every Democratic President since Truman and every Republican President since Eisenhower. This irresponsible course would threaten our security -- and it could put the whole world in peril.

* *

It is simple to call for a new arms race. But when armed aggression threatens world peace, tough-sounding talk is not enough. An American President must act -- responsibly.

When Soviet troops invaded Afghanistan, I moved quickly to take action. I restricted sales of high technology and reduced grain sales to the Soviet Union, called for draft registration, and joined the Congress and the U.S. Olympic Committee in leading the worldwide movement to boycott the
big Soviet propaganda show -- the Moscow Olympics.

The current Republican leader opposed every one of these forceful but peaceful actions. When asked what he would do about aggression in South West Asia, he suggested blockading Cuba! Even his running mate could not go along with that!

He does not seem to know what to do with the Russians. He is not sure if he wants to feed them, play with them, or fight with them.

* 

As I am grateful that I can look back at the end of my first term and see a full four years of peace for our country. And that is what we want for the next four years -- peace!

It is only common sense that if America is to stay secure and at peace, we must encourage others to be peaceful as well.
We have helped in Zimbabwe-Rhodesia, where we stood firm for racial justice and democracy. We have helped in the Middle East. Some have criticized the Camp David Accords and delays in the implementation of the Middle East peace treaty. Before I became President there was no Camp David Accord and there was no peace treaty! Just look at the difference. Before, Israel and Egypt were poised across barbed wire, confronting each other with guns and tanks and planes. After, they talked face-to-face with each other across a peace table, and now they also communicate through their own Ambassadors in Cairo and Tel Aviv.

That is the kind of future we Democrats offer in the Middle East.

I am proud that fully half of the aid that our country has given Israel in the 32 years of her existence has come during my Administration. I am proud that unlike our Republican
predecessors, we have never stopped or slowed that aid. Our commitment is clear: peace and security for Israel, peace for all the peoples of the Middle East.

*

If the world is to have a future of freedom as well as peace, America must continue to defend human rights.

The new Republican leaders oppose our human rights policy. They have promised to scrap it.

They seem to think it is naive for America to stand up for freedom and democracy. What do they think our country should stand for?

Ask the former political prisoners who now live in freedom if we should abandon our stand on human rights.

Ask the dissidents in the Soviet Union about our commitment to human rights.
Ask the Hungarian-Americans, the Polish-Americans.

Pope John Paul II.

Ask those who are suffering for the sake of justice and liberty around the world.

Ask the millions who have fled tyranny if America should stop speaking out for American principles.

We all know what the answers will be!

Here at home, the choice between the two futures is equally important. In the long run, nothing is more crucial to our future than energy. Nothing was so disastrously neglected in the past. Long after the 1973 Arab oil embargo, the Republicans in the White House had still done nothing about this threat to our nation's security. Then, as now, their policy was dictated by the big oil companies.
We Democrats fought

That is why we had to fight so hard to rally our nation behind a comprehensive energy program. Now, after three years of struggle, we have that program—a new foundation for challenging—and exciting progress.

The battle to secure America's energy future has been fully and finally joined. Americans have responded--with dramatic results,
patriotically and well. We have reversed decades of dangerous and growing dependence on foreign oil. We are now importing

That is

20% less oil, a 1½ million barrels less every day -- than when I took office. And now with our energy policy in place we can discover more, produce more, create more and conserve more energy -- and we will use American resources, American technology, and millions of American workers to do it.

*

What do the Republicans propose, as an alternative?

Basically, their energy program has two parts.
The first part is to get rid of almost everything we have accomplished for the American public over the last three years.

They want to reduce our abolish the synthetic fuels program, the solar energy incentives, the conservation programs, and aid to mass transit. They want to cut aid to the elderly to help pay fuel bills, and eliminate the 55-mile speed limit.

And while they are at it, the Republicans would like to get rid of the Clean Air Act. They never liked it to begin with.

That's one part of their program.

The other part is worse.

To replace what we have built, here is what they propose:

To destroy the windfall profits tax, and to "unleash" the oil companies and let them solve the energy problem for us!
That's it. That is their whole program. There isn't any more.

Can this nation accept such a program? No!

It is an outrageous fraud. This is a vital issue, and we Democrats will fight every step of the way!

* *

When I took office, America faced a heavy agenda of serious economic problems besides energy -- and we have met them head-on.

We have slashed government regulation and put free enterprise back into the airline, trucking and financial systems of our country -- and we are now doing the same for the railroads. This is the greatest change in the relationship between business and government since the New Deal. We have increased our nation's exports dramatically. We reversed the decline in basic research and development. We have created nine million new jobs -- the biggest three-year increase in history.
But the road has been bumpy, and last year's skyrocketing OPEC oil prices helped to trigger a severe worldwide inflation crisis.

We took forceful action, and interest rates have fallen, the dollar is stable and, above all, inflation has been reduced sharply -- and you are going to see it fall still more.

We are now at a critical turning point in our economic history. Because we made the hard decisions -- because we guided our economy through a rough but absolutely essential period of transition -- we have laid the groundwork for a new economic age. We are now within reach of a great opportunity and we will seize that opportunity.

Our economic renewal program for the 1980s will meet our immediate need for jobs by attacking the very long-term problems that caused unemployment and inflation in the first place.

It will move America simultaneously towards our five great
economic goals -- lower inflation, better productivity, revitalization of American industry, energy security, and jobs.

It is time to put all America back to work -- not in make-work, but in real work.

There is real work in modernizing American industry and creating new industries for America.

Here are just a few things I see in our economic future:

-- new industries to turn our coal and shale and farm products into fuel for our cars and trucks, and to turn the light of the sun into heat and electricity for our homes;

-- a modern transportation system of railbeds and ports to make American coal into a powerful rival of OPEC oil as a worldwide energy source;
-- industries that will bring the convenience of futuristic computer technology and communications into millions of American homes, offices and factories;

-- job training for workers displaced by economic change;

-- new investment pinpointed in regions and neighborhoods where jobs are needed most;

-- better mass transit in our cities and between them; and

-- a whole new generation of American homes and vehicles and building that will house us and move us in comfort -- on a lot less energy.

I have no doubt that the ingenuity and dedication of the American people are up to the job. We are talking about the United States of America -- and those who count this country out as an economic superpower are going to find out how wrong they are.
Let us
We are ready to build, and to modernize. We will become more competitive in the world, as we join in the exciting enterprise of making the 1980s a decade of growth for America.

The Republican alternative is the biggest tax giveaway in American history. They call it Reagan-Kemp-Roth. I call it a free lunch Americans cannot afford.

The Republican tax program offers rebates to the rich and fierce inflation to the rest of us. Their party's own vice-presidential nominee said that Reagan-Kemp-Roth would mean an inflation rate of more than 30%. He called it "voodoo economics." Then, recently, he suddenly changed his mind. But he was right the first time!

Along with this gigantic tax cut, the new Republican leaders promise to protect retirement and health programs, and to make massive increases in defense spending.
If they are serious about these promises -- and they say they are -- then a close analysis shows that the entire rest of the government would have to be abolished -- everything from education to farm programs, to the night watchman at the Lincoln Memorial! And the federal budget would still be in the red.

The only alternative would be to run the printing presses full time to print cheap money. Either way, the American people lose. We cannot let it happen. We won't stand for it!

* * *

The Democratic party has always embodied the hope of our people for justice, opportunity, and a better life -- and we have always led the fight to realize those dreams. We have worked in every way to strengthen the American family, to encourage self-reliance, and to follow the Old Testament admonition:
"Defend the poor and fatherless: do justice to the afflicted and needy."* We have struggled to assure that no child in America goes to bed hungry, that no elderly couple lives in a substandard home, and that no young person is excluded from college because the family is poor.

What do the Republicans propose to do to fulfill those kinds of hopes?

Again, very little -- except the tax cut for the wealthy and an attack on almost every achievement in social justice and decency we have won in the last 50 years -- since Franklin Roosevelt's first term. They would reverse our progress on the minimum wage, full employment laws, housing, Medicare for senior citizens, safety in the work place, and a healthy environment. And they would replace our progress towards a fair and professional judiciary with narrow-minded loyalty oaths

* Psalms 82:3
for judges chosen in their own image. The founders of our country would not have accepted that, and the American people will oppose it, too.

* 

Lately the Republicans have been quoting Democratic presidents -- but who can blame them? Whom would you rather quote -- Herbert Hoover or FDR? Richard Nixon or John F. Kennedy?

The Republicans have always been the party of privilege, but this year their new leaders have gone even further. In their own platform, they have repudiated the best traditions of their own party.

Where is the conscience of Lincoln in the party of Lincoln? Whatever became of the traditional Republican belief in fiscal responsibility? What has happened to their commitment to safe and sane arms control?

*
I do not claim perfection for the Democratic party.

I do not claim that every decision we have made has been right or popular. Certainly they have not all been easy.

But I will say this:

We have been tested under fire. We have neither ducked nor hidden. We have tackled the great, central issues in our nation, the historic challenges of energy and peace; which had been ignored for years. We have made tough decisions and we have taken the heat for them. We have made mistakes, and we have learned from them. We have built the foundation for a better future.

We have done something else -- something perhaps even more important. In good times and bad, in the valleys and on the peaks, we have told people the truth -- the hard truth -- the truth that sometimes hurts.
Being President is one of the toughest jobs in the world. It is also the best, most challenging and gratifying job in the world -- and I don't mind admitting that I want to keep it. Winning this election is very important to me. But it is not the most important thing. It is more important that we face the facts and deal honestly with the American people. It is more important that we hold fast to our nation's highest principles and ideals -- that we move forward together with confidence and courage.

We have earned our dream of progress and peace. Look what our land has been through just within our own memory -- a great Depression, a World War, the technological explosion, the Civil Rights revolution, the bitterness of Vietnam, the shame of Watergate, the twilight peace of nuclear terror.

Through each of these momentous experiences we have learned something about the world, and about ourselves. We have matured and grown stronger as a nation.
We have learned the uses and the limits of power.
We have learned the beauty and the responsibility of freedom.
We have learned the value and the obligation of justice.
We have learned the necessity of peace.

Some would argue that to master these lessons is somehow to limit our potential. [That is not so.] A nation which knows its true strengths, sees its true challenges, understands legitimate constraints -- that nation -- our nation -- is far stronger than one which takes refuge in wishful thinking or nostalgia.

The Democratic party -- and the American people -- have understood these fundamental truths.

All of us can sympathize with the desire for easy answers. There is often the temptation we are all tempted now and then to substitute idle dreams for hard reality.
The new Republican leaders are hoping that this year America will give in to that temptation. But they profoundly misunderstand the character of the American people.

Winston Churchill -- who was himself an American on his mother's side -- once said:

"We havenot journeyed all this way across the centuries, across the oceans, across the mountains, across the prairies because we are made of sugar candy."

Americans have always been on the cutting edge of change. We have always looked forward with anticipation and confidence. I still want what all of you want -- self-reliant neighborhoods and strong families; work for the able-bodied and good medical care for the sick; opportunity for our youth and dignity for the old; equal rights and justice for all our people.
I want teachers eager to describe what a civilization really is, and students eager to learn, eager to understand their own needs and the needs of their own aims, but also the yearnings and dreams of their neighbors. I want women free to pursue without limit the full life they want for themselves.

I want workers to see meaning in the labor they perform -- and work enough to guarantee a job for every worker. I want people in business to be bold and free to pursue new ideas.

I want minority citizens fully to join the mainstream of American life, and I want the blight of discrimination forever wiped away from our land. I want our farmers growing crops to feed the nation and the world, secure in the knowledge that the family farm will thrive and with a fair return on the work they do for all of us. I want all Americans to have a good life, filled with excitement and achievement -- in a nation strong and secure.
Above all, I want us to be what our founders meant us to become -- the land of freedom, the land of peace, the land of hope.

Join me in the fulfilling of that

That is the vision that unites us. That is the life we can have.

The choice -- the choice between two paths to the future -- could not be more clear. If we succumb to what lies down in a dreamworld up to we will wake in a nightmare. But if we start with reality and this country of ours -- this land fight for our dream -- then good things will happen to the country we love, so much -- will become the greater Nation that all of us know it can be.

Thank you. God bless you. And good night.

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