

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Reagan, Ronald: 1980 Campaign Papers
1965-80

Folder Title: [Transcript – 1980 Presidential Forum, Midwest
Region Republicans, 03/13/1980] (1 of 2)

Box: 247

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

1 1980 PRESIDENTIAL FORUM

2 MIDWEST REGION

3 REPUBLICANS

4
5
6
7 TRANSCRIPT OF PROCEEDINGS had at the
8 1980 Presidential Forum, Midwest Region, sponsored
9 by the League of Women Voters, held at The Continental
10 Plaza Hotel, Wellington Ballroom, Chicago, Illinois,
11 on the 13th day of March 1980, commencing at
12 8:00 o'clock p.m.

13
14 INVITED CANDIDATES:

15 John B. Anderson

16 George Bush

17 Philip Crane

18 Ronald Reagan

19
20 MODERATOR:

21 Howard K. Smith
22
23
24

1 MS. RUTH HINERFELD: Good evening. I'm Ruth
2 Hinerfeld, National President of the League of Women
3 Voters.

4 Tonight here in Chicago where the League
5 was founded 60 years ago, we're continuing our
6 tradition of providing the public with nonpartisan
7 information about candidates and about issues by
8 presenting this, the second event, in our series
9 of 1980 presidential forums. Our moderator is the
10 distinguished news correspondent, Howard K. Smith.

11 MODERATOR SMITH: Thank you, Mrs. Hinerfeld.
12 Good evening. We're pleased to have with us tonight
13 four candidates for the nomination for the presidency
14 of the United States by the Republican Party. They
15 are Congressman Philip Crane of Illinois, former
16 Ambassador George Bush of Texas, former Governor
17 Ronald Reagan of California, and Congressman John
18 Anderson of Illinois.

19 Gentlemen, the format for this forum will
20 be rather different from those of past forums. The
21 campaign has now gone a fair ways, and there are
22 fewer candidates, and your views are known generally
23 on most issues to most of the public. So we hope to
24 turn this into a kind of an informal discussion,

1 possibly even a kind of a debate among you.

2 The forum will last for 90 minutes. It
3 will be divided into three segments, the first,
4 domestic affairs, second, foreign affairs, and the
5 third, the presidency and politics. Towards the end
6 of the forum we will take some questions from the
7 audience and then at the end you will have your time
8 to sum up in your closing statements.

9 Before we go down to issues of substance,
10 I would like to tell you that I've had an assurance
11 that former President Gerald Ford is watching us
12 tonight, and I wonder, are there any messages?

13 Mr. Crane?

14 PHILIP CRANE: I think Governor Reagan said
15 it, you know, break out the long johns and come join
16 the fray if he's so inclined. He missed all of the
17 cold weather, though, up there in New Hampshire and
18 Massachusetts.

19 MODERATOR SMITH: Mr. Bush?

20 GEORGE BUSH: No, I have nothing to add on that
21 particular question. I served under President Ford,
22 have great respect for him, and come on in, the
23 water's fine. It's going to be very competitive
24 right on down to Detroit. I think everybody knows

1 that, and there's another room up here, so come on,
2 let's go.

3 MODERATOR SMITH: Governor Reagan?

4 RONALD REAGAN: Well, I go along with all this
5 that's been said, but I think at least someone here
6 ought to point out if he's sitting in Palm Springs,
7 it's snowing here.

8 JOHN ANDERSON: All I was going to say for my-
9 self, Howard, that as that brooding omnipresence
10 watches us from Palm Springs, I would at least like
11 to send him greetings. And like the others, I have
12 known the former president for some 20 years, served
13 with him in the leadership of the U. S. House for a
14 number of years, I respect and admire him greatly.
15 But I, for one, would not want to see him disturb
16 his well-deserved retirement. I think we have plenty
17 of candidates in the field.

18 MODERATOR SMITH: Gentlemen, certainly the
19 topic of most concern to the American public remains
20 that awful topic of inflation. Tomorrow President
21 Carter will announce his plans to fight inflation.
22 You can almost guess what's in it.

23 Very simply, there are going to be cuts
24 in Government expenditures, highway programs, jobs

1 programs and other things, going to be additional
2 Federal revenue from an import on oil, all of this
3 designed to fulfill the pledge which he has made
4 and which you have made to balance the Federal budget.

5 Now, I would like to ask you a question
6 about balancing the Federal budget. Every Republican
7 presidential candidate that I know of for the past--
8 since World War II has made a pledge to balance the
9 budget. None has yet succeeded.

10 President Eisenhower, who took it as a
11 matter of faith almost, accumulated the biggest eight-
12 year deficit of any president we'd had up to that
13 time. In six years President Nixon, Republican, got
14 a bigger deficit. And President Ford presided over
15 the biggest one year deficit in American history,
16 60 billion dollar deficit in one year.

17 Now, why should voters believe that if
18 those men, who are strong men and who intended to do
19 what they said, fail, that you will succeed in your
20 pledge to balance the Federal budget?

21 Mr. Anderson?

22 JOHN ANDERSON: Mr. Smith, I think because the
23 motivation this time is quite different. No president
24 in many, many years, possibly since the Great Depression,

1 has faced the situation confronting the country today.
2 We have conservative financial advisors around the
3 country speaking in very apocalyptic terms about
4 a national emergency, even about the prospect of
5 national bankruptcy.

6 And we learned today that the prime rate
7 had advanced once more to the highest point I think
8 in a hundred years perhaps. And given that situation
9 and given the impact that I think it's having, not
10 simply on our domestic affairs, but the very obvious
11 effect that that has on the ability of this country
12 to discharge its burden of responsibility as a world
13 leader.

14 I think the next president of the United
15 States, whoever he be, and indeed the current
16 president, Mr. Carter, will have my support in any
17 reasonable effort that he makes to that end.

18 I proposed on Thursday of this past week,
19 I proposed about 11.3 billion dollars in cuts and
20 some revenue adjustments that would total up to about
21 22 billion dollars in all in an effort to bring down
22 what otherwise was projected as a 25 or 30 billion
23 dollar deficit for the coming fiscal year.

24 And I think the situation today is simply

1 so critical that this president and undoubtedly his
2 successor is going to have to call on the American
3 people, and yes, on the Congress, unwilling as they
4 may be, to make the kind of sacrifices that are
5 needed to bring down that deficit.

6 MODERATOR SMITH: Mr. Crane?

7 PHILIP CRANE: Well, the point I think needs
8 to be stressed is that the Republican Party has
9 historically been committed to balanced budgets, and
10 our Democratic friends have told us for years that
11 we don't have to worry about debt. They came up with
12 all kinds of convenient cliches like, "We only owed
13 it to ourselves." They're the party that has never
14 worried about inflation until most recently because
15 they said that a little bit of inflation was not
16 like a little bit of pregnancy; it didn't have to go
17 to term. They are the same party that has controlled
18 the Congress in my 49 years for all but four years,
19 and the Congress alone has the responsibility for
20 appropriating and spending the public money.

21 And so whether you have a Republican
22 president or you don't have a Republican president,
23 until the American people realize that it is Demo-
24 cratic controlled Congresses by overwhelming margins,

1 in fact, in two to one, three to one margins, it's
2 democratic Congresses that run up the national debt
3 from under 16 billion dollars the year I was born,
4 1930, to almost 1 trillion dollars in terms of our
5 conventional national debt by the end of this next
6 fiscal year.

7 Frankly I question seriously whether
8 President Carter even has an understanding of how
9 to get at a balanced budget when he's got that Congress
10 to cope with.

11 The only other thing I'd add is, John,
12 with all due respect, you know, we've got a lot of
13 fiscal conservatives now suddenly who ran for
14 Congress in 1978. But I would argue that those
15 fiscal conservatives are not being properly monitored,
16 and unless the voters pay attention to how much money
17 those members of Congress are spending, and this
18 means looking to guides like the National Taxpayer's
19 Union which provides an ample one, and your record
20 doesn't come up all that well, John--

21 JOHN ANDERSON: Well, Phil, if I can interject
22 at this point. I voted-- I don't know how you voted.
23 I voted in May of last year for the substitute budget
24 resolution that was submitted by the party in the

1 House that would have called for an 18 billion dollar
2 deficit instead of a 29 billion dollar deficit that
3 was proposed by the Democratic majority.

4 PHILIP CRANE: John, I've always voted for
5 balanced budgets. But my point is if you check the
6 National Taxpayer's Union's record, you'll find
7 that you voted for more than a 48 billion dollar
8 deficit in fiscal 1978.

9 JOHN ANDERSON: Well, I don't think the National
10 Taxpayer's Union, Phil, is the only record on which
11 we rely as to whether or not--

12 PHILIP CRANE: It tells you how much you voted
13 for fiscal--

14 GEORGE BUSH: Mr. Smith, I didn't pay for this
15 mike, but I'd like a little of the action, I'll tell
16 you.

17 MODERATOR SMITH: Mr. Bush?

18 GEORGE BUSH: The Congress, you mentioned
19 history. Let's face it. Democratic Congress, 44
20 out of the last 48 years. That's part of it.

21 We do need a balanced budget. But it's
22 not balance, per se, it's how you get there. I
23 disagree with John. Cutting back on social security
24 benefits.

1 JOHN ANDERSON: Now, wait a minute, George.
2 Wait a minute, wait a minute.

3 GEORGE BUSH: I'm sorry, I do not-- I will stay
4 with what I supported in '68.

5 I did not interrupt you.

6 JOHN ANDERSON: I did not propose to cut back
7 in social security benefits. That's not true. I
8 have to interrupt you when you do not tell the truth.
9 That is not true.

10 GEORGE BUSH: Let's be calm. Let's calm down.
11 Well, I saw what you said.

12 JOHN ANDERSON: That is not true.

13 GEORGE BUSH: I saw what you said.

14 JOHN ANDERSON: That is not true.

15 Mr. Moderator, if I may be recognized--

16 MODERATOR SMITH: Mr. Smith, I promise you you
17 will have an opportunity to rebut following Mr. Bush
18 to correct that statement.

19 JOHN ANDERSON: If I may be recognized then
20 following Mr. Bush to correct that statement?

21 MODERATOR SMITH: All right.

22 GEORGE BUSH: I voted to increase social security
23 benefits to have them keep pace with inflation in '68.
24 I do not want to see this be brought into balance

1 by treating lightly those that need it the most.

2 Veterans' benefits, you're going to have
3 to cut somewhere, but I'd be very, very careful
4 about cutting there much to the opposition of what
5 some have been saying. I have put forward specific
6 cuts that I would adhere to.

7 I do not favor-- you talk about "the
8 difference," a 50 cent a gallon gasoline tax that
9 would wipe out every working person in order to try
10 to get this budget in balance.

11 JOHN ANDERSON: Do you favor a 50 percent
12 reduction in social security taxes? Will you mention
13 that as part of your program?

14 GEORGE BUSH: I would say it when we get in
15 balance. And when-- yes, I would.

16 PHILIP CRANE: Mr. Chairman, Mr. Moderator--

17 MODERATOR SMITH: I think that Mr. Reagan has
18 not had a chance to say anything. Governor?

19 RONALD REAGAN: Thanks, Howard. I thought that
20 not having bought the mike myself I couldn't talk.

21 I have to go along with what Congressman
22 Crane said here and what George has said about the
23 number of years. This is the thing that I think
24 most people have forgotten.

1 It's very easy for the other party to
2 point to the man in the White House. And we've had
3 occasional Republican presidents and they-- it's easier
4 to get people upset at one man than it is at 500.
5 And so we forget that Congress is the one that's
6 been responsible for most of those programs.

7 But I also believe that when we mentioned
8 the debts under President Eisenhower, if you go back
9 about a half-- quarter of a century, he had one of
10 the two year periods in which there was a Republican
11 Congress. And if you look at that one two years, when
12 there was a Republican president and a Republican
13 Congress, there was virtually no deficit and no
14 inflation.

15 We tend to forget that the Democrats about
16 three or four decades ago started the idea that a
17 budget deficit and a little inflation was good for
18 us. That it was the alternative to recession and
19 unemployment. And there were many of us back there
20 for years ago out of the mashed potato circuit saying
21 that you couldn't control inflation; that you couldn't
22 keep it at one and a half or two or two and a half
23 percent; that one day, like radioactivity, it's
24 cumulative, it gets out of control. And it has gotten

1 out of control.

2 I don't believe in election year con-
3 versions. And, therefore, I don't have much faith in
4 the president. I know he's going to announce tomorrow
5 that he's going to-- he's asked all the department
6 heads to cut back on spending. But if they can cut
7 back in the spending in his proposed budget that
8 goes into effect next October, why was that spending
9 in the budget to begin with? Why did they put it in
10 there if it was so easily eliminated? And I think
11 that there are layers of fat in Government.

12 When we're talking about whether we have
13 to cut back on someone in need or not, all we have to
14 recognize is the combination of fraud and waste that
15 is so implicit in everything done in the Federal
16 Government, the administrative overhead. And that's
17 why I have proposed that you not balance the budget
18 by increasing taxes, as he's going to do.

19 And, John, I have to tell you that when
20 you talk about, well, we're going to raise one tax but
21 it's to cut another tax over here, the Government
22 always seems to come away with more money and the people
23 end up with less.

24 I, therefore, and I'll quit on this. I
think there are a number of programs, and I've been

1 saying it all over the country, that the Federal
2 Government has usurped, which it is attempting to
3 run, and which in a planned and orderly manner
4 should be transferred back to the states and local
5 communities with the tax sources to pay for them,
6 and we wouldn't find that much waste.

7 MODERATOR SMITH: Ladies and gentlemen, may I
8 beg you not to applaud or otherwise react, because
9 that has an influence and we're trying to let these
10 gentlemen settle it among themselves.

11 Congressman Anderson, you wanted to say
12 something.

13 JOHN ANDERSON: Thank you, Mr. Smith. I
14 certainly want to welcome Mr. Bush and his campaign
15 to the State of Illinois. And I want this to be a
16 warm and friendly evening together.

17 But I have to tell him that a half truth
18 is as dangerous and deceptive as a lie. And two of
19 the comments that were made this evening I learned
20 just two hours before coming to this platform are
21 being aired in last minute commercials in the last
22 four or five days of this campaign charging that
23 John Anderson is for reducing social security benefits.

24 What John Anderson said on Thursday in

1 Naperville, Illinois, of last week was that in
2 computing the cost of living adjustment for social
3 security beneficiaries, one of the-- you use the
4 Consumer Price Index. One of the components of that
5 Consumer Price Index is home ownership cost. Monthly
6 that, therefore, reflects the advancing median price
7 of cost of a new home in this country which is about
8 \$73,000 at the present time. And home interest rates
9 in Illinois just went up to sixteen and a quarter
10 percent.

11 What I said was that people who are over
12 65 and retired are not buying new homes, they are
13 not paying sixteen and a quarter percent interest
14 on home mortgages, and, therefore, there ought to be
15 a change in the calculation that is made in the
16 Consumer Price Index.

17 GEORGE BUSH: Do they get less money or more
18 money?

19 JOHN ANDERSON: Well, let me complete my
20 statement, Mr. Bush, and then I will be very glad
21 to reply.

22 That miscalculation is costing the Federal
23 Treasury, which you profess to be so concerned about,
24 5 to 7 billion dollars a year. And a very respected

1 member of the House Budget Committee, Paul Simon of
2 Illinois, whom I talked with just the other day, he
3 has said that that figure is absolutely sound and
4 that you could save about three and a half billion
5 dollars a year if you revised that Consumer Price
6 Index.

7 Now there are many economists that have
8 been saying that for a long time. It doesn't mean
9 that social security benefits are going to be reduced.
10 It means that come July 1 they will be increased, but
11 they might not be increased by 13.2 percent. They
12 might be increased by something like 10 percent.
13 That is not a reduction.

14 MODERATOR SMITH: Congressman, we have no time
15 limits except my own judgment.

16 JOHN ANDERSON: Could I just reply to the 50
17 cent briefly?

18 MODERATOR SMITH: Briefly.

19 JOHN ANDERSON: Because that again is a half
20 truth when you say that we are going to wipe out the
21 working people of this country by assessing them a
22 50 cent tax.

23 I'm going to give them under that program,
24 and Governor Reagan, you have a right to be skeptical,

1 I appreciate your concern in that regard. But this
2 is one legislative package and it was introduced in
3 one bill. And what it provides is that there would
4 be a 50 percent reduction in social security taxes.
5 That would be the largest tax cut in history, 46
6 billion dollars, and the purpose-- the purpose is
7 to bring down the consumption of imported oil, because
8 we believe that when that median wage--

9 MODERATOR SMITH: I think you've made your
10 point, Congressman. I think Mr. Bush should have
11 an opportunity to talk.

12 RONALD REAGAN: You know, we may never get past
13 this first question.

14 MODERATOR SMITH: This happens to be the most
15 important question tonight.

16 GEORGE BUSH: The person who is already retired
17 is not paying the tax. He would get hurt by the
18 gasoline tax. This idea of taking it in, we're
19 going to raise a great more revenue and then pay it
20 out the other way doesn't work that way. And I am
21 against that 50 cent gasoline tax. I'm strongly
22 opposed to it, because it never works if we pay it
23 in one-- take it in one hand and pay it out.

24 I was on the Ways and Means Committee,

1 you've been in the Congress. We both know that it
2 doesn't work that way. And I am opposed to it, and
3 that's it period. That's the Anderson difference;
4 that's the Bush difference.

5 JOHN ANDERSON: I don't mind your opposition.
6 Just state the case correctly.

7 MODERATOR SMITH: Let's let Mr. Crane speak
8 now.

9 PHILIP CRANE: If I could address this question
10 of that 50 cent a gallon tax on gasoline, and my
11 understanding is that this is designed to try and
12 reduce social security taxes. What I think that
13 overlooks, John, is the fact that there are 10.2
14 million car owners age 65 and over. Now, those
15 people have qualified for those retirement benefits.
16 They paid into the social security program up to 65,
17 and if you're imposing that tax on them, what you're
18 asking those people to do is to, in effect, pay the
19 taxes for their own benefits.

20 JOHN ANDERSON: Well, I just would simply want
21 to repeat, and very quickly, we have accounted for
22 that by providing for a 4 percent increase. That
23 would enable the retired person to drive about a
24 hundred miles a week, 400 miles a month, and that

1 would come out of the revenues of the gasoline tax.
2 That would cost about 4 percent.

3 MODERATOR SMITH: All right, I think that's
4 clear now.

5 Governor Reagan?

6 RONALD REAGAN: Well, and I hope we get on to
7 the next carbon. I just have to say one thing.

8 We've been talking here about tax increases
9 of various kinds. I happen to believe there's a new
10 school of economics and it's a sound school. In
11 four times in this century we have done what I'm
12 going to suggest, and it has worked every time and
13 even the Government has gotten more revenue.

14 I think we have come to a point in this
15 country where it is Government that is the problem.
16 It's Government that is a drag on the economy, and the
17 time has come for us to have the courage to cut the
18 income tax rates across the board for everyone in
19 such a heavy manner that we increase incentive and,
20 as a result, increase productivity in this land and
21 get back to the thing that made this country great,
22 which is to be an industrial giant, able to out produce
23 anyone else. And we need the incentives to do it, and
24 I think the graduated tax coming up against inflation

1 is probably the thing that is making everyone in this
2 country poorer every year, not richer.

3 The standard of living in the United States
4 is going down four and a half percent a year.

5 MODERATOR SMITH: Gentlemen, if we cut taxes
6 the way you say and if we increase defense expenditures
7 and then balance the budget, something has to go.
8 And we have 26 million people in this richest country
9 in the world living below the poverty line.

10 Won't they be effected? Can we in all
11 conscience do that?

12 RONALD REAGAN: Howard, let me just, if I may
13 say something about this. The last president, and
14 I hate to have to admit he was a Democrat, the last
15 president who tried this across the board tax cut
16 was John F. Kennedy. His economic advisors, and some
17 of them are still advising the Democratic leaders,
18 his economic advisors told him that if he cut the
19 taxes across the board the Government would lose
20 89 billion dollars in revenue. The economists were
21 143 billion dollars wrong. He went ahead and cut the
22 taxes, the last time it's been done, and the
23 Government got 54 billion dollars more in revenue
24 at the lower rate than they'd been getting before,

1 and that makes the total of 143.

2 There's a funny thing about the dollars
3 out there in the people's hands that have a multiplier
4 effect, and it stimulates the economy far more than
5 Government spending.

6 This administration is still pledged-- and
7 maybe some of the gentlemen here, John, maybe you are,
8 or still believe in the idea that it is Government
9 spending and Government fine tuning that can cure
10 the problems and it is that that has caused the
11 problems.

12 MODERATOR SMITH: Congressman Anderson?

13 JOHN ANDERSON: No, I don't feel that way,
14 Governor. But very quickly, you see where I disagree
15 with you is that the revenue impact in the first year
16 of your proposal, which is the Roth-Kemp Proposal,
17 30 percent in three years. The revenue impact in
18 the first year, I believe, would be almost 20 billion
19 dollars. It would be about 36 or almost 50 billion
20 dollars in the second year, and 95 billion dollars
21 in the third year. What I'm worried about is you're
22 comparing the success of the Kennedy tax cut, which
23 was about 12 billion dollars in an economy that was
24 less than a quarter of the size of our economy today,

1 and at a time when the inflation rate was about 2
2 percent. And I just think that the conditions today
3 are so different.

4 I'm so worried about inflation that I
5 think in the long run, sure we want to cut taxes, but
6 the immediate impact, I think, would be to make that
7 inflation even more variable, because it would increase
8 the inbalance.

9 MODERATOR SMITH: Mr. Bush, would you-- Mr.
10 Bush wants to say something.

11 GEORGE BUSH: I'm interested, John. I thought
12 you were on that airplane espousing the Kemp-Roth
13 tax cut in 1978.

14 JOHN ANDERSON: In 1978--

15 GEORGE BUSH: Let me finish, please.

16 What I favor is, and as a goal, I agree
17 with Ron. As a goal I believe that that theory would
18 work. We're in a tough time today. What I want to
19 see is a tax cut divided between increasing savings--
20 say to a person trying to buy a home with interest
21 rates at their what, 15, 16 percent, put it into a
22 savings account, leave it there, but you begin to
23 form savings that immediately stimulates investment
24 in housing or to a business.

1 Go into the ghetto area. Take some job
2 training credits or rapid depreciation. Put your
3 plant there. Help people. And that 20 billion cut
4 of that nature is what I'm proposing. I think it will
5 stimulate investment. I think it won't risk the lag
6 effect that I believe would be on Kemp-Roth, and I
7 couldn't agree more. The thing I disagree with
8 John's recent plan is more and more taxes. We don't
9 want that. We need a 20 billion dollar tax cut, and
10 that's what I support.

11 MODERATOR SMITH: Gentlemen, I'm sorry that
12 we've run out of time just on this first question
13 about inflation and your differing views.

14 We have to talk about foreign affairs now,
15 and I would suggest to you as a first question, with
16 Russia taking over Afghanistan, with Pakistan too
17 intimidated even to accept arms from the United
18 States, Saudi Arabia keeping a distance from us,
19 we need friends in a Muslim country down in southern
20 Asia. And many people have suggested that the whole
21 Arab world would become friendly if we could secure
22 an agreement on Palestinian autonomy.

23 Now, what would you do as president to
24 bring about this change?

1 PHILIP CRANE: First of all I think with respect
2 to any resolution of the Middle East problem one should
3 respect the Israeli position. The Israeli position
4 is face-to-face negotiations between the parties
5 involved. Secondly, no prior conditions to sitting
6 down at the negotiating table. And thirdly, no
7 externally imposed solutions either by the United
8 States, the Soviet Union or any supra-national body
9 like the United Nations.

10 I think as far as the Palestinian problem
11 goes, it means observing the Israeli insistence on
12 no participation by the PLO. And I think rightly
13 so. The PLO does not speak for any identifiable
14 constituency. The PLO is engaged in acts of terrorism,
15 murders committed against women and children, and I
16 think the PLO to date still has not disavowed its
17 commitment to the extermination of the State of
18 Israel.

19 The Israelis have indicated that they
20 recognize that there are Palestinian problems within
21 Jordan and that Palestinians participating in any
22 Jordanian negotiating team would not meet the
23 resistance of the Israelis so long as they were not
24 PLO spokesmen. And I think further one must recognize

1 that the Palestinians by definition today are
2 Jordanian citizens. So, you know, even if Israel
3 pulled back behind the borders, the pre-'67 borders,
4 that there is still presumably a Palestinian problem
5 to be negotiated with King Hussein. And, therefore,
6 in my judgment the United States must maintain an
7 evenhanded and neutral posture encouraging both
8 sides to participate in negotiations but that in no
9 way, in my judgment, involves any recognition of
10 the PLO.

11 MODERATOR SMITH: Governor Reagan, by May the
12 20th they're supposed to settle this problem with
13 Egypt and Israel. They are not close to it now.
14 What would you suggest?

15 RONALD REAGAN: Well, I have to go along with
16 what Phil said there. The Israelis, I think, for many
17 years, the Palestinian problem has been imposed as
18 if it is-- the refugees are all from Israel and,
19 therefore, they're Israel's problem.

20 Palestine was never a country. It was
21 a territory, an area, and it was a British mandate.
22 And it was the British Government that, simply by
23 signing a paper, created the Kingdom of Jordan which
24 is 80 percent of what used to be Palestine. The

1 Israelis have less than 20 percent of what was
2 Palestine. The Palestinian refugee problem, it seems
3 to me then, is an 80 percent 20 percent problem of
4 Jordan and Israel. But I think they could also-- you
5 could extend it to the other Arab nations.

6 I go along with this, that I think that
7 there's been too much effort on the part of this
8 administration to mandate terms in the settlement
9 there. I think that we should stand by ready to help
10 in any way we can recognizing this also.

11 In Israel we have a moral obligation that
12 we assumed and we should never forget, the State of
13 Israel and to guarantee its existence. But it is not
14 a one way street in which we are simply being
15 generous. Israel is the only stable democratic
16 government left in the Middle East with a combat
17 trained and indeed combat experienced military as
18 a deterrent to further aggression on the part of the
19 Soviet Union. If they weren't there paying their
20 way to us in this alliance between the two of us,
21 we'd have to be there.

22 And I agree also that the PLO is one of
23 the contributing problems to all of this. No one
24 elected the PLO, and I don't believe that anyone

1 should be asked to negotiate looking down the barrel
2 of a terrorist gun.

3 MODERATOR SMITH: Mr. Bush, let me add this to
4 that same question before you speak. Three presidents,
5 two of them Republicans, have now regarded Israeli
6 settlements in occupied Arab territories to be illegal
7 and have opposed them. Is that a major obstacle to
8 a settlement? How do you feel about those settlements?

9 GEORGE BUSH: I don't think they should go
10 forward with more settlements, but I don't think
11 they should pull back off all settlements. A lot of
12 those settlements have very legitimate security of
13 provisions with them.

14 I support the Begin-Sadat agreement. I
15 think before there should be any discussion with PLO
16 they must revise the '68 Convention that equated
17 Zionism with illegality and Israel as the agent of
18 Zionism. This area, having wrestled with that
19 problem at the United Nations, did not lend itself
20 to a comprehensive settlement which would, in my
21 view, bring the Soviets back into the equation. I
22 think this administration was absolutely outrageous
23 what they did in terms of this U. N. resolution. It
24 undermined what confidence Israel had left, and it

1 made the Arabs and everybody else think that this
2 administration was absolutely ridiculous in the
3 process.

4 And so I would favor going forward as
5 best you can. You mentioned the time limit with the
6 Begin-Sadat agreement, recognizing you're not going
7 to impose a settlement, and that the strategic and
8 moral commitment to Israel must be kept. And there's
9 nothing in that that precludes improvement of
10 relations with some of these shiekdoms or with
11 Jordan. That's the folly of some of the argument
12 that is has to be one way.

13 And lastly, do not trade off even
14 inferentially the security of an ally for hoped for
15 economic gain. Our problem is credibility in foreign
16 affairs, and we must not add further to our problem.

17 JOHN ANDERSON: Mr. Smith, it's nice that
18 we've finally found something on which we all seem
19 to agree. I don't think that there's much in what
20 has been said with which I would disagree, if anything.

21 I would make the further point that I
22 think the mistake that the administration has made,
23 and it's already been alluded to, is that when they
24 do the kind of thing that occurred a week ago Saturday

1 in the United Nations, when they vote for a resolution
2 condemning Israel, and, of course, folding in the
3 Jerusalem question with the whole West Bank Gaza
4 District, that's a separable question. I've talked
5 many times about Mr. Henry Kissinger. He makes the
6 point and, I think, quite correctly, that that is
7 going to be the most difficult problem of all to
8 solve, and it certainly ought not to be just folded
9 in as that resolution did with the whole question
10 of the West Bank and the Gaza District.

11 The other point that I would make is that
12 when the administration undertakes in public to
13 condemn the Israelis rather than to use the channels
14 of quiet diplomacy to register any dissent that we
15 may have, and we may dissent. There isn't everything
16 that the Israeli Government does that we're going to
17 agree with. But I'm told in my talks with leaders
18 in that country that when we make a public declaration
19 such as that, that unites Israel in an absolutely
20 inflexible position. Then even the Labor Party,
21 which has disagreed with the settlement policy of
22 the Begin Government, finds itself locked in in a
23 position of national solidarity to stand against the
24 enemies of Israel and the world.

1 So I think the administration has got to
2 learn the bitter lesson that hopefully that they
3 now have absorbed that we do this by quiet, patient
4 diplomacy. And I think as far as the whole Middle
5 East settlement is concerned to establish arbitrary
6 deadlines, I don't believe that policy is going to
7 work.

8 MODERATOR SMITH: Let's get away from this
9 area of agreement as fast as we possibly can.

10 In Iran we've had new disappointment about
11 the hostages.

12 Mr. Reagan, in South Carolina you indicated
13 you thought that President Carter has handled the
14 Iranian situation badly. Senator Goldwater on
15 television the night after that, I think, disagreed
16 with you. He said he's thought Carter had done it
17 very well. You said that we should take, in South
18 Carolina, appropriate action. Does that possibly
19 mean force that might cost the lives of the hostages
20 or force Iran into the arms of the Russians?

21 RONALD RAAGAN: No, Howard, and none of us
22 here and none who have been candidates on our side,
23 we've all kind of observed a kind of a rule of not
24 making a suggestion as to what actually should be done

1 for fear we might endanger the hostages further or
2 that we might unwittingly touch upon something that
3 may be being negotiated.

4 I have felt free, however, after we're
5 going into the fifth month of their captivity and
6 we've been humiliated throughout the world by this
7 rag tag mob, that it is-- there's no objection to
8 criticizing what we think has been done. Now, every-
9 thing that's been done so far has been through the
10 diplomatic channels, the United Nations and all of
11 this. And they have, in turn, the other-- the captors
12 have been using the salami tactic on us. As soon as
13 we suggest that we would agree to something such as
14 this U. N. Commission if the hostages are released,
15 and then the understanding is given to us that, well,
16 if they set up that Commission, the hostages come
17 home and then the Commission will go forth with its
18 work. But, oh, no, that's changed and then another
19 demand.

20 As long as they can continue to get another
21 slice of that salami from us, as long as this
22 administration negotiates, and when refused on one
23 point, or they turn their backs on one point on the
24 other side, we're willing to negotiate the next

1 demand that they make, then it's to their advantage
2 to hang onto those hostages.

3 I believe, and what I said in South
4 Carolina was, that in the first 48 to 72 hours you
5 do all the things diplomatically, and I think they
6 would include everything the president has done so
7 far over all these months, all the diplomatic channels.
8 And if there is no way diplomatically to get release
9 of the hostages, then, and I will admit that only
10 a president has the knowledge of the options that are
11 open to him when you speak of action, so none of us
12 have the information that you would have in that
13 position. But then privately, not publically,
14 privately you communicate with the captors once you've
15 failed diplomatically and you tell them that as of
16 a date certain those hostages will be turned over to
17 a neutral country or an action will be taken that
18 they will find decidedly unpleasant. That does not
19 necessarily mean force of arms. But whatever you've
20 decided will be the most unpleasant for them, you
21 say to them that will happen as of that date. And
22 when you let it go on this long, this is a failure
23 of foreign policy and a failure of our Government
24 to carry out its responsibility to its own citizens.

1 MODERATOR SMITH: Mr. Bush, some people have the
2 impression that by waiting patiently we've gained
3 some allies inside Iran who are beginning to articulate
4 themselves like the new president, Bani-Sadr, and
5 the foreign minister. Do you believe that?

6 GEORGE BUSH: No, I don't. And I believe that
7 you hear some-- you see some division. But frankly
8 I'm getting tired of it. The American people have
9 had it with this thing. There are more people coming
10 in now, apparently there's a higher level of students
11 from Iran in this country than there were when this
12 all started. There's spare parts we're still shipping
13 to Iran, and I've supported the president. And I
14 do believe the president, in my experience in foreign
15 affairs, sometimes has much more information.

16 But he hasn't leveled with us. I felt
17 when that Commission went there that the fix was on.
18 The hostages are coming out. And yet we haven't
19 heard a word as to what happened. I'm inclined to
20 feel that the time has come to tighten up economically,
21 to shut down that embassy, and to really start looking
22 like we're serious about this.

23 We've tried conciliation for a long, long
24 time. I'm not sure I agree with you, Ron, on drawing

1 the line in the sand on the date certain. But there
2 are things the United States can do and should be
3 doing. And I think we have been awfully patient in
4 the country, and I believe we ought to start taking
5 some of these actions, including increasing strong
6 economic pressure on Iran.

7 MODERATOR SMITH: Mr. Crane?

8 PHILIP CRANE: First of all, the president,
9 Howard, has to assume total responsibility, it seems
10 to me, for those people being held hostage in the
11 first place, and that's a point that I think all of
12 us can agree upon and should be driven home forcefully.
13 He had better than six months warning, the details
14 spelled out to him as to exactly what was going to
15 happen over there as a result of admitting the Shah
16 into this country. And repeated warnings. So it
17 wasn't something that should have caught him by
18 surprise.

19 The first question then is why were those
20 people there, they never should have been there, and
21 the president is the one that must assume personal
22 and total responsibility for our people being held
23 hostage.

24 Having said that I have abstained from

1 second guessing him in a public way, but I would
2 simply remind everyone of a period in recent history
3 when we had a man in the White House who wasn't of
4 our party, had that sign on his desk that said, "The
5 buck stops here." And I'm talking about Harry Truman.
6 And when you think about things that might have been
7 done, one thing I think all of us would concede,
8 Democrats and Republicans alike, is Harry Truman
9 didn't have trouble making decisions. And forceful
10 decisions, and often times unpopular decisions.

11 Can you honestly imagine if Harry Truman
12 had been in the White House during this period that
13 we would be at this impasse today? So obviously
14 there are better ways.

15 MODERATOR SMITH: Mr. Anderson, every president
16 would like to begin his career as president writing
17 on a fresh page, but he's forced, as Woodrow Wilson
18 says, to write between the lines of what was there
19 before him written by the last president. So we
20 have to assume that the situation is where it is now,
21 what would you do about it?

22 JOHN ANDERSON: You're referring still to the
23 situation in Iran. Well, of course there will be
24 some developments conceivably starting tomorrow in

1 those elections for the parliament, and there will
2 unfold perhaps, whether or not Bani-Sadr who is
3 supposed to be a relative moderate, who is supposed
4 to be interested in the settlement of this problem,
5 can best the clerics, the so-called Islamic
6 Republican-- I'm a little bit embarrassed that that
7 happens to be the name of the party, but I guess it
8 is. The Islamic Republican Party to whom the
9 clerics belong, or to which the clerics belong, and
10 whether or not he can sort out of the chaos and all
11 of these competing power centers, you have the
12 militants who are holding the embassy, you have the
13 Ayatollah Beheshti (phonetic) and the revolutionary
14 tribunal, then you have Bani-Sadr.

15 And I feel pretty much as Mr. Crane said
16 a moment ago that this has been a test, I think, of
17 restraint, not only on the part of the president,
18 but of presidential candidates. And when you have
19 no really solid clear alternative it's very difficult
20 to be terribly critical, except that I have felt that
21 the timetable of the administration has been somewhat
22 leisurely. A whole month went by, for example, the
23 4th of November the hostages were seized, and it
24 wasn't until the 4th of December that that unanimous

1 resolution condemning the seizure was finally adopted
2 in the Security Council of the United Nations. And
3 I do believe that some more expedition could have
4 been practiced on the part of the administration.

5 But I do believe that we have to continue
6 to show some restraint. I don't know the military
7 option myself that would be available to guarantee
8 the safe rescue of those hostages. But it may be
9 that we can diplomatically isolate them as time goes
10 on.

11 MODERATOR SMITH: Let's get away from this
12 agreement. We're too close to agreement.

13 PHILIP CRANE: John-- well, could I just
14 inject just one thing here?

15 I think something, John, that everyone
16 has got to realize is that there is the possibility
17 that no one is going to come out of this alive anyway.
18 And there's where I think the man who is President
19 of the United States and Commander in Chief has to
20 be prepared to make, at some point, some very strong
21 decisions and be prepared to take the heat for it.
22 Because, you know, all of this anguish and this torment
23 and the, at least, psychological torture being
24 inflicted on those people, and for all we know,

1 physical torture, too. They haven't even let the
2 Red Cross come in and actually see each and every
3 one of those 50 hostages.

4 But that, to me, is an ingredient of
5 leadership, and I'm not going to spell out what the
6 particulars are. All I'm saying is that at some
7 point a President of the United States has to face
8 up to the same kind of hard decision that, say,
9 General Eisenhower made when he was planning the
10 invasion of Normandy.

11 Now, you know, it's not a pleasant thing.
12 Anyone who has been in combat will vouchsafe for the
13 fact it's not a pleasant decision to make. But I
14 think the president has demonstrated no policy,
15 vacillation, weakness, indecision, and it's been
16 compounded by his seeming capitulation to conditions
17 that we said were totally unacceptable. Even that
18 U. N. Commission, totally unacceptable. There's
19 no basis for any linkage whatsoever between the
20 Shah, the Shah's regime, our identification with the
21 Shah and their holding those people hostage. They
22 are outlaws by definition in the whole community of
23 nations.

24 RONALD REAGAN: Howard, could I just add one

1 thing here to what has been said?

2 Has anyone stopped to think that the
3 policies of this administration in this situation
4 have endangered Americans wherever they may be in
5 the world? There isn't an embassy any longer that
6 is safe when once upon a time an embassy could stand
7 there with a war going on around it and it was
8 sovereign territory of another nation and wouldn't
9 be touched.

10 But they are all endangered now as they
11 see this country unable to cope with this kind of a
12 problem. And I would add one thing to what Phil
13 has said about the president's responsibility. It
14 began even earlier than the capture. It began when
15 he pulled the rug out from under our ally of 30-some
16 odd years standing, Iran, the Iranian Government.
17 All he had to do was stand up and stand beside the
18 Shah's Government and there wouldn't have been a
19 successful revolution. That we betrayed an ally as
20 we betrayed Taiwan, as we betrayed others.

21 MODERATOR SMITH: I want to see if I can stir
22 up some more dissent. Mr. Anderson, you opposed
23 some plans to beef up defense, especially around the
24 Persian Gulf, saying, "There aren't many Americans

1 who want our young to die defending oil that we could
2 learn to live without."

3 Well, if the oil which we've not yet
4 learned to live without were cut off, it is our allies,
5 Japan and West Europe, who suffer most.

6 John Roach, the columnist, called your
7 statement, "vintage isolationism and America
8 firstism." What do you--

9 JOHN ANDERSON: Not at all, not at all. Mr.
10 Roach is wrong. Because what I have criticized,
11 Mr. Smith, is the unilateralism of the administration's
12 approach to this problem. I feel that Mr. Carter was
13 so anxious to enhance his quagging aura of leadership
14 that what he did on the 23rd of January was to rush
15 into the House of Representatives and deliver a
16 State of the Union message in which he unilaterally
17 proclaimed the doctrine, the so-called Carter
18 Doctrine, in which he said we would defend by
19 military force, if necessary, this vital interest.
20 And then one week later he met with news editors
21 and admitted that, of course, we can't do this without
22 the cooperation of our friends and allies.

23 What he should have done, and where he
24 made his fundamental error, he should have been

1 patiently, carefully, quietly, diplomatically
2 stitching together the fabric of western unity,
3 telling the Japanese, you import 75 percent of your
4 oil from that region; telling the West Germans
5 and the French, you get more than 60 percent of
6 your oil from that region. Join us in designing
7 a set of collective security measures by which we
8 will assert the vital interests of the west.

9 I'm not an isolationist. I'm not a
10 neoisolationist. But I do not want to see the
11 United States simply become the protector of the
12 Persian Gulf when other nations with equally vital
13 interest in that area ought to be willing to
14 cooperate with us. And that's where I think Mr.
15 Carter has been wrong on this particular occasion.

16 And I also have to disagree with my
17 friend on my right who says that we made a fundamental
18 mistake when we didn't stand tall in the saddle and
19 defend the Shah of Iran as the protector of the
20 Persian Gulf. I think we made a fundamental error
21 back in 1970 when we submitted to his megalomania
22 and said that we were going to sell them 18 to 20
23 billion dollars worth of arms and make him the
24 protector, and look what happened.

1 We cannot base a solid foreign policy
2 of this Government on propping up the kind of
3 autocratic regimes that do not enjoy the popular
4 support of their people. We do. We are building
5 a foreign policy upon shifting sands.

6 PHILIP CRANE: Would you yield for a question
7 on that point?

8 JOHN ANDERSON: Of course.

9 PHILIP CRANE: Would you have supported General
10 Zia?

11 JOHN ANDERSON: General Zia?

12 PHILIP CRANE: Right, in Pakistan.

13 JOHN ANDERSON: To what extent?

14 PHILIP CRANE: Well, I mean would you have
15 given him the military and economic assistance as
16 the president proposed?

17 JOHN ANDERSON: I would certainly have not
18 suffered the humiliation I hope that this administration
19 has suffered.

20 PHILIP CRANE: Well, I know that. I mean,
21 John, the question-- the question I asked you is
22 did you or did you not favor providing assistance
23 to Pakistan?

24 JOHN ANDERSON: Short term.

1 PHILIP CRANE: Short term, all right.

2 JOHN ANDERSON: Short term, not a long term
3 military relationship as we had with the Shah.

4 PHILIP CRANE: The question I want to ask is,
5 there is no evidence whatsoever that President Zia's
6 record on human rights is any better than the Shah's
7 was. And even the Washington Post, which no one
8 can accuse of being a conservative journal, engaged
9 in a discussion of what to do over there in that
10 region. And the president, of course, had recommended
11 giving all kinds of aid to Pakistan, and the Indians
12 were upset over that. And the bottom line, and the
13 Washington Post editorial was we should recognize
14 President Zia for what he is, the man who runs
15 Pakistan. And just because the decision is not an
16 easy and clear cut one to make, we should nevertheless
17 give the aid to Pakistan.

18 Now, I happen to rarely agree with the
19 editorial positions of the Washington Post, but
20 there's one time they spoke a truth. Now, that same
21 truth with respect to General Zia, they should have
22 articulated about the Shah. Because the fact of the
23 matter is, this administration scuttled the Shah's
24 Government. They're the ones that sent General Heiser

1 over there to tell the generals not to back him up
2 when he had internal problems. And, you know, the
3 Ayatollah Shariat-Madari, who is Khomeini's com-
4 petitor, said in a blistering sermon a couple of
5 months ago conditions in Iran today are no better
6 than they were under the Shah. That may be for
7 Iranians. I tell you for the rest of the world
8 conditions are infinitely worse. We've got the
9 potential threat, because of the foolishness of this
10 administration, of a nuclear confrontation over
11 there because of their own actions and the perversity
12 of all of this is the president enjoys a wave of
13 popularity because of it.

14 MODERATOR SMITH: All right. We've got to
15 move away from foreign affairs.

16 Please don't applaud. Before we move
17 away from foreign affairs, Mr. Bush wants to say
18 something and Governor Reagan wants to say something.

19 Mr. Bush?

20 GEORGE BUSH: Well, in my view, when you see
21 the world as it is and not as you wish it were, you
22 have to sometimes make tough choices. You're not
23 dealing with perfection on human rights or no human
24 rights at all. And I will not engage in a revisionistic

1 view of the Shah of Iran. Yes, there was some
2 brutality. But is human rights better off today?
3 America held hostage, revolutionary tribunals with
4 no legal procedures at all, lining up people and
5 shooting them? And you have to consider your human
6 rights. I would have a foreign policy that was
7 moral and steeped in the tradition of human rights.
8 But I also would consider the strategic interests
9 of the United States.

10 And I'm sick and tired of hearing us
11 apologize for people that we've supported around
12 the world. Let's look at the whole record. And,
13 yes, there was some brutality. But at least there
14 was some adherence to international law.

15 MODERATOR SMITH: All right. Governor?

16 RONALD REAGAN: It's along this same line. I
17 feel that I have to defend myself against appearing
18 as if I am one who would support any kind of monster
19 because of my inordinate fear of communism, which
20 the president told us we got rid of in Notre Dame
21 University in his first five months in office.

22 I was in Iran less than two years ago.
23 There's been a great deal of demagoguery about that
24 regime. But this man, whatever faults we may find

1 in their treatment of criminals or their treatment
2 of dissidents or whatever, is typical perhaps of
3 the whole area and many countries in the world. It
4 would not meet our test of human rights.

5 But at the same time, this man was trying
6 to lift his people up to the level that we enjoy.
7 Those women today are not allowed to be educated.
8 They're back in the 15th century. They weren't
9 allowed to be educated in Iran until he came in.
10 When I was there, young women were in the university
11 learning to be doctors and lawyers, studying for the
12 professions. He had created a land reform program,
13 and the first land that he put into it was his own
14 personal land holdings to be divided up among the
15 peasants in farms. Maybe the reason he's in trouble
16 with the Mullas was because they were the next biggest
17 landholders, and he took their land and gave it away
18 to the individual farmers, and they all got mad.

19 But I saw the low cost housing that he
20 was building. I saw the streets teeming with auto-
21 mobiles and traffic, and he was really-- maybe he
22 moved too fast. Maybe that was one of his problems.

23 But, believe me, this was a progressive
24 regime. And the funny thing is, every president back

1 to Harry Truman, every one of them, Democrat and
2 Republican and up to and including Jimmy Carter,
3 every one of them is on record with a statement
4 endorsing the humanitarianism of the Shah's regime
5 and what they found there that was desirable and
6 acceptable and that we could approve of, and that
7 was-- Jimmy Carter did it in a New Year's toast,
8 probably with ginger ale, but said the most
9 grandiloquent things about it. But a few months
10 later was doing just what Phil Crane said, scuttling
11 that administration.

12 Now, we send a human rights group over
13 there from the United Nations, a Commission, and
14 one representative from Algeria, a representative
15 from Libya. Don't tell me that they're observing
16 human rights. My complaint with the hypocrisy of
17 this administration is simply this, that we seem only
18 able to find human rights violations among our allies.
19 At the same time that we want to cozy up to and hug
20 and kiss, as he did Brezhnev, the Soviet Union where
21 there are no human rights existing at all. If we're
22 going to really mean it about human rights, then let's
23 thumb our nose at the Soviet Union and stop sending
24 them all that technology and all the things that we're