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**Citizens<sup>for</sup> the Republic**  
a political action committee

2030 "M" Street, N.W., Suite 403  
Washington, D.C. 20036  
202/659-5675

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**COUNTERPOINT**

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May 1, 1977

**PARTICIPANTS:** Governor Ronald Reagan  
Senator Paul Laxalt  
Representative Jack Kemp

**MODERATOR:** Dr. Gloria Toote

**GOVERNOR REAGAN:** Ladies and gentlemen, we have a program in which we are going to try to present some viewpoints on issues of concern to Americans, possibly viewpoints that aren't commonly heard. The American people, we believe, are concerned about a tax burden that takes 44 cents out of every dollar that they earn, an inflation that has gone on for years that since World War II has eroded their insurance and their savings by some estimated \$1 trillion in purchasing power; other issues of this kind. And so in the next half hour you are going to hear some viewpoints on these as well as other issues having to do with energy and a number of other things that are on people's minds today.

**ANNOUNCER:** Welcome to this discussion of important issues brought to you by Citizens for the Republic. Our participants are the Honorable Ronald Reagan and three other leading

Republicans: Senator Paul Laxalt of Nevada, Representative Jack Kemp of New York, and Dr. Gloria Toote, former Assistant Secretary of Housing and Urban Development, who will serve as Moderator.

Now, Dr. Toote.

DR. TOOTE: Hello, I'm Gloria Toote, former sub-Cabinet member of the Government in Washington, D. C., and it is my pleasure today to be here, of course, with Governor Reagan, Senator Paul Laxalt, Congressman Jack Kemp.

I would like to ask the first question of you, Governor Reagan. Mr. Carter has been in office for a reasonable period of time. He made quite a few commitments to the American people as a candidate for the office of President, in particular that government would not grow so large as to confound the American people in conforming to its rules and regulations.

I would like to know how you feel as to whether or not the President has fulfilled and stood by those commitments he made as a candidate.

GOVERNOR REAGAN: Well, Dr. Toote, Gloria, I must confess to a disappointment. When I was campaigning in the primaries, he and I were both former governors; we both campaigned on the basis that too much authority had been centralized in Washington; both campaigned on the idea that something should be done to lessen that power, and he was going to bring new faces into Washington from the outside and so forth to challenge the buddy system; and yet most of his appointments have been former veterans of government, of previous administrations, with long bureaucratic experience. He has kept a specific promise almost immediately with regard to the pardon of the draft evaders who left the country in the Vietnam

War.

But it seems to me now that most of his suggestions, whether in the field of energy or welfare or whatever, are seeking more answers by way of Washington, that the Federal Government has the answers to these problems, when I happen to feel that the answers can best be found if we would take away from the Federal Government some of the things the government is trying to do that it isn't equipped to do, and put them back at levels of government closer to the people.

DR. TOOTE: Well, Senator Laxalt, I know you have a theory on this.

SENATOR LAXALT: Well, I have to share the Governor's disappointment. I had some hopes for Governor Carter, frankly, for the reasons that Governor Reagan has indicated. He was from outside Washington. He had an attractive campaign. He indicated he was going to cut down the bureaucracy and exercise fiscal responsibility and all the rest of the things that we believe in. But the track record hasn't demonstrated that. I have come to the conclusion that in a short 100 days that President Carter and his people are already afflicted with Potomac fever.

We saw a tax rebate program come down costing some \$11 billion in borrowed money, which didn't make any sense, no justification. That was fortunately abandoned.

We now see an energy program which in many respects doesn't make any sense. It doesn't at all instill any hope in the American people to solve the problem as opposed to Washington.

So I feel that thus far the Carter Administration in these vital areas to me has been a disappointment.

DR. TOOTE: Well, Congressman Kemp, I as an attorney am rather concerned when I see the systems of government used possibly in a manner not intended. I am thinking in particular about the use of a tax program for other than the purposes for which a tax program should be designed. I would like to hear your comments on that.

REPRESENTATIVE KEMP: Well, Gloria, on April 15th, which was income tax day for the American people, the President announced that he would veto a Republican tax cut proposal. Of course, it was the first time that the American people knew that the Republican Party wanted to cut taxes, which I was encouraged about, but the fact that on that day he said he would veto a tax cut, and knowing full well that the high rate of taxation on the backs of the American working people and on the backs of investors and savers is holding down the growth of our economy, it seems to me that he would be well advised -- he has shown flexibility, I think, in terms of backing off the rebate idea, but I would hope that we can lend some strength to his conviction that the way of encouraging the economy is to reduce the drag of heavy taxation. It is a discouragement to work and production and thrift and savings and growth. And this country needs to grow again, not only in energy, but in the economy to provide jobs, and jobs without inflation.

So I am hopeful that we can encourage that aspect of his Administration that has been flexible, and point him in a different direction.

DR. TOOTE: But then you are referring to incentives.  
Governor Reagan, what is your feeling?

GOVERNOR REAGAN: Well, Jack Kemp is being pretty modest

there. Jack Kemp had a program that I think would create millions of jobs in this country and would put us on the track by simply, as you say, using taxes to raise revenue, not to influence the social structure of the country. And Jack's program was based on an across-the-board cut of as much as 22 percent, and I think finally settled on about 15 percent, every bracket of the income tax, across the board. And of course, this was greeted with horror, and as he says, the President said he would veto any such program.

Now, under the Kennedy years, during John F. Kennedy's administration, they had such a tax cut, across the board, and all of the usual economic experts in Washington said oh, this is going to cost the government \$89 billion in revenue, inflationary, which is what President Carter has said. The truth of the matter was, they had the tax cut. The stimulant to the economy was so great that the Federal Government got \$54 billion more revenue at the lower tax rates than they had been getting, which means the experts were wrong by a total of \$143 billion in their estimate.

But very few people know the tax bill attracted a great deal of Democratic support in the House, and it is the way to go. We've tried the other way. I'm glad, too, that the President backed away from the rebate. I disagreed with his economic policy, and I was glad to find that he did, too, after he looked at it.

Maybe if we work hard enough and if the people understand the situation, we can get back on a sound fiscal track, where people can keep more of their earnings in their own pockets, but everyone will be better off.

DR. TOOTE: Senator Laxalt, do you believe that possibly

this is President Carter's way of balancing his budget with this new program of taxation on energy?

SENATOR LAXALT: Yes, he's indicated that. We had a tax cut proposal in the Senate which we acted on last week. We attracted 39 votes in support of it. It was straight down partisan lines. I know a lot of Democrats believed in that tax cut but didn't have the freedom, political freedom to support us.

The fact is that we have millions of taxpayers out there who today are worse off in terms of disposable income than they were ten years ago, and what's happening here in Washington too frequently is a theory of tax 'em and regulate 'em, every one of these proposals that get down here gets to be a conflict as to whether we are going to leave this money in taxpayers' hands by the millions out there, or whether we in our wisdom in Washington are going to collect it and dispose it all around the economy throughout this country.

To me it is the wrong way to go, and I think that we have a lot of people out there who feel it is the wrong way to go, and it is that kind of interest that I think we should represent.

DR. TOOTE: Well, Governor, it appears as if no incentive is being given to industry -- and we can cite the oil industry for one -- to discover new oil or to create jobs, as if President Carter intends for the government, the Federal Government, to assume the responsibility for the American people and of our business.

GOVERNOR REAGAN: Well, you know it's possible that -- it's been said that his principal support came from the poor and the unemployed, and maybe he is trying to increase the number of poor and unemployed.

DR. TOOTE: I think he's going to be successful at that.

Yes, Jack.

REPRESENTATIVE KEMP: Well, I was just going to say it is not enough for us to just oppose what President Carter is for. I think what we are trying to show is that there are very positive and constructive solutions to the problems of the country without resorting to just more government interference and more excessive regulations that Paul Laxalt talked about. But on one hand, the President said that he wants to encourage conservation, so we are going to raise taxes, and he said that we are going to raise taxes on energy in order to encourage conservation.

Then later it was said that the purpose of the taxation was not to dampen the use of energy; it was to raise revenues for the government, so what -- and then redistribute it.

Well, I think, as you pointed out, Governor, earlier, with 44 percent of the national income of America going to taxes of the Federal, state or local level, the working people of this country, savers, investors, this is an incentive system, and we are destroying the incentive of people to work harder, to produce, to grow, to save and take that risk that is so necessary to make this nation provide the jobs without inflation that we certainly are interested in providing.

SENATOR LAXALT: That's absolutely right.

DR. TOOTE: Well, I think one thing we all realize is that the cost of government administration is very, very costly in dollars, for the number of employees that it will take simply to man this new department that he proposes.



But we have talked nothing about exploration for new sources of energy, of oil, and that is critical. And we must find some new avenues. As great as this country is, I can't conceive that we can't.

GOVERNOR REAGAN: There is such a classic example in our history. Years ago whale oil was used for lighting most homes in America, and the whales began to grow thin, and up went the price something like ten or twelve times what it was. Government never lifted a finger. But when the price of energy went up, there was a supply and demand situation there in the free market place. Some people in Pennsylvania decided to dig that stuff out of the ground that now is called oil and invented kerosene, and suddenly the market took place of everything, and down came the prices, and we had a whole new source of energy.

Today they have told us for several years they are trying to keep the greedy oil companies from raising the price of fuel oil and gasoline for us, so this is why the government has to regulate the price. But now the government is raising the price by putting the tax on top. But that tax will go to government for other purposes.

If the market place let the <sup>oil</sup> price follow supply and demand, sure it would go up for a while, but it would also encourage the drilling and finding of more, and as you found more oil and natural gas, then the price would come back down again and you would have the incentive that we are talking about.

And it is true it is a tax program. Conservation, yes; we shouldn't waste as much as we do. But there is nothing in this -- how many people remember that in 1920 -- the President has panicked

us with the thing that we are, the CIA report, that we are going to run out. Well, the United Nations has a report that says that we are not going to run out. 1920, experts told us that there was only enough oil left in the world for 15 more years, and before that, some of the experts in the U.S. Geological Survey told us that Texas and Kansas were barren of any prospect of finding oil or gas there.

SENATOR LAXALT: Sure.

GOVERNOR REAGAN: Tell that to the Texans and Kansans today.

SENATOR LAXALT: What concerned me, I think, as much as anything about the energy message of the President was that he was basically preaching the politics of despair. You tell the American people, you know, we have had it. We are running out of energy and there's not much that can be done about it. The American people aren't going to be turned on by that because, first of all, there is a real conflict as to whether we have the kind of crisis that has been indicated. I haven't seen any figures that really support the CIA figure that we are running out of energy that quickly.

The problem, as the Governor indicated, is that government has put a straightjacket on the exploration and the production of fossil fuels in this country. We may not have an energy crisis at all. Where we have a crisis is the fact that we are importing 50 percent of our oil from other countries. Now, that is a crisis, but there is a solution, if we just permit private industry in this country to go out and explore and develop.

REPRESENTATIVE KEMP: Let me just take a minute to agree,

but also to take it a step further. It's a demand-oriented conservation program, as you pointed out, Gloria, does nothing to increase the incentives for producing and exploring for alternatives, and when, just as an example, in the northeast United States, the Federal Power Commission for years artificially regulated the price of natural gas so low that it encouraged consumption, discouraged production, and even worse, discouraged searching for alternative sources. The coal industry never had the capital investment necessary to provide the technological process for gassification and liquefaction. Now we are getting into it. And that part of the President's energy program I think should be encouraged --

GOVERNOR REAGAN: Yes.

REPRESENTATIVE KEMP: -- and is a positive. But nonetheless, it simply operates on the demand side of the economy. It doesn't do anything, as you say, to increase the supplies of new sources of energy. And it is a government-contrived crisis. They are blaming the people for being energy gluttons when in reality the government's been setting the price so low, it has encouraged gluttony, it has encouraged consumption..

SENATOR LAXALT: And one of the biggest consumers, too, Jack. Government is one of the biggest consumers.

REPRESENTATIVE KEMP: It took the Congress eight years to build the Alaskan oil pipeline. There are no refineries being built. We are not on the Outer Continental Shelf. They are not leasing as much as they should. We're not trying to crack the shale sources of natural gas and oil. There are just so many things that seem to me to be contrived, but the blame by the politicians is put on the American people. It ought to be put on the politicians

where it started in the first place.

GOVERNOR REAGAN: Yes. And what Paul said a moment ago, the President has likened this to a war emergency, so the people must pitch in and help. That's fine. The American people are great at doing that, but when you pitch in and sacrifice in a war, you do it with the expectation and hope of ending, winning and ending the war.

Now this is despair in that they have said no, all we must do is just shrink back in, don't travel as much, don't heat as much, stay here, and no hope that you are doing this temporarily to bring about an answer to the problem. Do this if you have got at the same time an effort going forward that down the road you can see where we will find not only these additional fossil fuels, but alternative sources.

In fact, they are experimenting in one university in the west right now with a plant in which they can make oil from the leaves of this plant. Well, what if one day we find that instead of a finite source that will someday run out, we have got oil for the planting and harvesting, that it can go on forever as long as you plant it and harvest it. But they are not holding out that hope.

SENATOR LAXALT: And as long as we look to Washington to provide the solution, we are going to be in trouble. The strength of this country lies in the millions of people out there in private enterprise who would do these things if we would give them freedom to do it. Instead of that, as Jack indicated, we sit here in an energy crisis, the problem created mainly by Washington. But what are we doing? We are punishing millions of Americans, saying

it's your fault. You're the one that has to cut down your automobiles, you're the one that can't use gas, and all the rest of it.

DR. TOOTE: If we assume that this energy program is going to bring about inflation, what are we going to do about unemployment, which is high now?

GOVERNOR REAGAN: Well, the unemployment results from the inflation, and the inflation -- this is the thing that people should understand -- inflation is deliberate on the part of government. When a government has so many programs that it wants to spend money on, and it knows it has taxed the people to the point that they don't dare, if they want to get re-elected, ask for any more taxes, you resort to inflation by way of deficit spending.

Now, how does inflation contribute to government? Well, those people that Paul was talking about out there that are worse off in their purchasing power, the people that Jack wants to help, all Jack is suggesting is that the income tax cut match the fact that the number of dollars, the dollars are depreciating in value.

But now the government sees a man that is in this bracket of the tax, and he gets a cost-of-living increase, no better off; he's just supposed to keep pace with the cost of living. But it moves him up into a surtax bracket, a higher rate. And he now is paying a higher tax to the government which now puts him down below what his purchasing power had been. In those states where there's a sales tax, the same thing happens. It happens with excise taxes that are based on a percentage of the price. If you raise the price through inflation, the percentage the government gets is more.

So the government -- Lenin, the great Communist leader,

said that this is how you can get control, by debauching the currency. He said inflation is a means whereby the government can quietly and unobtrusively steal the resources of the people.

REPRESENTATIVE KEMP: And they've done it. They have -- literally did it in European, in Central and Eastern European countries in order to destroy the middle class, the Russians inflated the money supply.

But, you know, for years the liberal has told us in Washington you could spend your way to prosperity. Well, there -- I think that is dying out, hopefully; not quick enough. You can't spend your way to prosperity, as you have pointed out so many times, and Paul, and myself as well. If you could spend your way to prosperity, Great Britain would be prosperous, New York City would be prosperous.

But you know, it seems to me, somehow some of the conservatives, I think, have just said, well, balance the budget and all problems will melt away. What I think you're talking about, what I'm talking about, and what we are trying to do as a Republican Party in the Congress is to increase the production sector of the economy. It isn't important just that you balance the budget. It's how you balance the budget. President Carter wants to raise taxes to balance the budget. We think, as Kennedy did in the early 1960s, if you lower the rates of taxation on the backs of the American people right across the board, you'll encourage investment and work and production and risk-taking and savings, and we will be investing our way to prosperity. We will balance the budget by increasing the tax base of the country and help fund the social programs that are necessary, but at the same time

provide jobs for the millions of Americans now and in the future who are going to need them.

GOVERNOR REAGAN: Gloria, you said something a little earlier about government and your own experience there in it, and overhead, administrative overhead.

Let me just give, if I could, one example that no one has thought about. We are spending an estimated \$288 billion a year on programs that have to be called social welfare. They are a variety of programs, but they are all aimed at helping the people who live below the poverty line. Now, there are 13-1/2 million people living below the poverty line. Divide 13-1/2 million into \$288 billion and you would find that prorates out to \$21,000 for each individual living below the poverty line. An average family of four would be getting \$84,000, which they are not getting, which means that it is costing government upward, someplace around 90 cents in administrative overhead to get one dime down to that person in need who must have help.

And when we talk about doing something about this, we are not being hard-hearted and saying turn off the people who have need who must be helped. What we are saying is turn off that administrative overhead. How long would we support a private charity that asked for our dollars, and we found out that only a dime out of each dollar was going to the victim, the person who needed help?

SENATOR LAXALT: It is so important that we emphasize that the solution to a lot of our problems in this country is to cut back on government. We had in town the other day Dennis Healey, Chancellor of the Exchequer, and of course, Great Britain

has really been through it. They are there because they are on the brink of bankruptcy as a country. And what they did was enact austerity measures on the spending side. They cut back on social spending, and they have done this now for the last several months, and you know, the people in Great Britain are getting along just fine. Maybe we've cut back on a few bureaucrats and administration of a lot of spending programs, but otherwise they are getting along just fine, and so could we.

REPRESENTATIVE KEMP: Well, you know, interestingly, the best way to reduce the cost of government and the growth of government is to increase the size of the private sector's ability --

SENATOR LAXALT: That's right.

REPRESENTATIVE KEMP: -- to put people to work, producing revenues rather than just consuming in the transfer payment syndrome that you talked about a little earlier. We are spending \$6 billion a year on food stamps; we are spending \$7 billion on public works and public service jobs programs; and we are spending \$30 billion to \$40 billion in unemployment insurance programs and other welfare payments that are unemployment-related. If we could get people back to work in the private sector, they are producing revenues for government, they are helping themselves, and they are reducing concurrently the need for government transfer payments.

We are talking I think today about increasing the size of the pie. You know, a rising tide lifts all boats, Governor, as you pointed out.

GOVERNOR REAGAN: Yes.

REPRESENTATIVE KEMP: And we have got to get that tide



rising again.

GOVERNOR REAGAN: You used the term "pie." There is an ever-shrinking pie. We are producing less. In 1972 we were producing 9.6 million barrels of oil a day. Now we are only producing 8.1 million. That's why we're poor in energy. But the pie is shrinking and government's answer is, well, let's make this fellow's slice smaller so we can make somebody else's slice bigger.

What's wrong with just making a bigger pie?

REPRESENTATIVE KEMP: ~~Here, here.~~ <sup>Hear, hear</sup>

DR. TOOTE: Well, I think that the concern has to be the cost-effectiveness of government programs, and also that we take advantage of whatever programs come about, to train and employ people so they can have employment. We are talking about using coal for energy? We need more miners. We need to improve our roadbeds for the railroad.

Now, what is needed is a program coming out of this great Democratic-controlled Congress that is going to find a solution for the American people that is cost-effective.

REPRESENTATIVE KEMP: Cut the tax rates. That's the most cost-effective way to do it. It's worked in the early '60s as Governor Reagan pointed out. It worked in the early -- in the '20s. Every single time in this century that the government has reduced the tax burden on the backs of the American people, we have increased the size of the pie and helped get that train moving again --

GOVERNOR REAGAN: That's right.

REPRESENTATIVE KEMP: -- so the people can have a better

life and provide the needs for themselves that they want.

SENATOR LAXALT: And there is no room in the pie presently for the American people, because the fact is that I have found it here in Washington, there is no faith in the American people. The only faith that we have as politicians in Washington is that we in Washington, with our benevolent wisdom, can take care of all the problems of the country. I don't buy that, and I think that there are very few people out in the country who buy that. I think they feel that they are well capable of taking care of their own affairs without any solutions from Washington.

GOVERNOR REAGAN: Sure they are.

Paul has just -- Paul has heard me say this before. Sometimes I have often thought if government would just close the doors and slip away for a few weeks, you would be surprised how long it would take the people to miss them.

Jack?

REPRESENTATIVE KEMP: The trouble is today we have got so much to do in government just to get the roadblocks out of the way of the people who want to go out and work and do, you know, take part in the type of investment and savings and thrift and production that does lead to an increase in the size of the pie that you have been talking about.

I couldn't agree more. It seems to me that too many politicians are interested in carving up the pie into more egalitarian slices, and there aren't enough politicians talking about increasing the size of it and getting this country going again, and the way to do it is just to remove that bias against growth that is built into the President's energy program, and it

is built into --

SENATOR LAXALT: All of it.

REPRESENTATIVE KEMP: -- the President's veto of a good, solid Republican tax cut.

SENATOR LAXALT: Bigger and better, more expensive government. It is the biggest political force that we have in the country today, and it is the enemy of all of us.

DR. TOOTE: Well, gentlemen, I am afraid our time has come to a close. I am quite sure there are many subjects that we wanted to discuss that we can't today.

Governor Reagan, it has been a pleasure serving as moderator here with you today. And I have never had the opportunity to thank you for allowing me to second your nomination at the Convention.

GOVERNOR REAGAN: Thank you.

DR. TOOTE: And Senator Laxalt, I think that your participation today, and that of Congressman Kemp, has really been quite meaningful to our audience.

And now we have a friend of all of ours who has a few words to say.

His name is Efrem Zimbalist.

(Thereupon, the taping of Counterpoint was concluded.)

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# Citizens <sup>for</sup> the Republic

a political action committee

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## COUNTERPOINT

May 1, 1977

**PARTICIPANTS:** Governor Ronald Reagan

Senator Paul Laxalt

Representative Jack Kemp

**MODERATOR:** Dr. Gloria Toote

**GOVERNOR REAGAN:** Ladies and gentlemen, we have a

Crossfiled Under:

Tax Reduction 3-7

Energy Supplies 8-11

Inflation 12-13

Govt Waste & Mismanagement -14

RONALD REAGAN SPEECH ON ENERGY

NATIONAL TV - June 2, 1977

As I've traveled across America in the past few weeks, talking with people about the energy crisis, a single message has come through again and again: we must regain control over our own destiny as a nation.

The United States cannot afford to place its foreign policy or its future in the hand of other nations that tried to blackmail us only a few short years ago. Nor can we look to our friends to bail us out. We must work our way out of this crisis ourselves.

We can and we will do exactly that -- if only our leaders in Washington will give us the freedom to get on with the job.

Unfortunately, President Carter has proposed a solution that is not only the most expensive but the worst possible way to approach the problem.

He tells us, as the first principle of his program, that the government in Washington, D.C. should be annointed as our national energy savior. Let's have more taxes, more controls, and more regulations, so that we can halt our wasteful ways.

Well this program will bring us to a halt all right. It will stop us dead in our tracks.

For the average family, the President's program could eventually cost over a thousand dollars a year in new federal taxes. And who is naive enough to believe that once Washington gets its hands on all that money, it will return it dollar for dollar? Already, under its breath, the Administration is talking about using those extra taxes to pay for welfare reform, tax reform and for balancing the budget. Let's face it: This isn't an energy program -- it is a tax program, with the extra costs for gasoline and family-sized cars amounting to the biggest tax increase in our history -- over \$70 billion a year.

And that's not all. Whether you're a wage earner, a farmer, a salesman, or a housewife, you'll find that the prices of almost everything you buy will be going up again. Our work force will be less productive. There will be fewer jobs and less income.

Learning to live in an economy with no growth will be like turning off the engine to your car and throwing away the key: we just won't be heading anywhere anymore.

Worst of all, we will surrender just a bit more of ourselves to the government. The same folks who brought us the post office and Amtrak will now be running the energy industry. We will be servants of a new bureaucracy, not masters of our own destiny.

If there is any lesson that we should have learned from history, it is the fact that we the people are better at solving problems than is the government.

Think of the magnificent achievements of the past hundred years -- harnessing the great power of electricity, putting America on wheels, conquering the atom, and sending men to the moon. None would have been possible without the self-reliance and ingenuity of private citizens. Indeed, climbing the next mountain, keeping our eyes on the stars is the very spirit of America.

Some would have us believe we're running out of everything these days -- energy, food, space, even love. Those are the same voices who told us we only had a 15 year supply of oil in 1920. We're not running out of anything except confidence in ourselves.

There is plenty of energy still available to us -- there's enough oil and gas in the world to last more than a hundred years, there's enough coal right here in the United States to last for several centuries, and -- most importantly, there's enough genius and determination among our people to find new energy sources that can last as long as civilization itself. Our problem isn't a

shortage of fuel -- it's a surplus of government.

In a few moments, you'll hear about some concrete, alternative proposals to the president's program. Listen, if you will, to the details, but then step back and ask yourself: What kind of country do you want for your children?

Do you want an America that slinks into the future with higher taxes, bigger government and its tail between its legs? Or do you want an america that is proud, dynamic and self-confident in its freedom? That is the choice that all of us must now make.

# # #

June 7, 1977

RONALD REAGAN

Article for the Alabama Republican

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America was built on energy. We have used everything from elbow grease to axle grease to forge this nation and now we are being asked to cut our usage; to put our economy in low gear.

That is what the Carter energy program seems to add up to at any rate. I don't agree with it. Fortunately, the Republicans have an alternative program developed by the Senate Republican Policy committee. I think it is a plan that every Republican can support energetically.

We Republicans do agree with President Carter that we have a serious energy problem on our hands. We cannot afford to place our future in the hands of oil-producing nations which tried to blackmail us a few short years ago. Nor can we look to our friends to bail us out. We Americans must find our own solutions. We can do it if the leadership in Washington will give us the freedom to get on with the job.

It doesn't look as if they trust us to do it, though. President Carter's plan starts from the assumption that Washington should be annointed as our national energy savior. He prescribes more taxes, controls and regulations to make us stop our wasteful ways.

Every one of us must learn to use energy more sparingly, but look at the price tag if the Carter program goes into effect. It could cost the average family over \$1,000 a year in new federal taxes! And, who is naive enough to believe that once Washington gets its hands on all that new tax money, it will return it dollar-for-dollar to the taxpayers? Some in the Administration are already talking about using those new taxes to pay for welfare schemes or to balance the budget.



RONALD REAGAN

Article for the Alabama Republican

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Underneath all that rhetoric about sacrifice the Carter program is not an energy program, it's a tax program. The extra cost for gasoline and family-sized cars would amount to the biggest tax increase in U.S. history, more than \$70 billion a year.

You will also feel the effects on nearly everything else you buy. Prices will go up; productivity will go down. This, in turn, will aggravate unemployment. That will be the result if the Carter energy program passes in Congress. The economy will shift into lower gears.

Worst of all, if it does pass we will surrender a bit more of ourselves to the federal government. The same folks who brought us the Post Office and Amtrak will be dictating the energy industries. And, we will be servants of yet another bureaucracy.

Think of the great achievements of the past hundred years -- harnessing the power of electricity, putting America on wheels, conquering the atom and sending men to the moon. None would have been possible without the self-reliance and ingenuity of private citizens. Indeed, climbing the next mountain; keeping our eyes on the stars is the very spirit of America.

Some would have us believe that we're running out of energy. They are a little like the voices that said we had only a 15-year supply of oil in 1920. There is still plenty of energy available to us. Yes, we need to be less wasteful of our fossil fuels as we shift our sights to coal, solar and more nuclear energy. But the first thing we need to do is get the government out of the price-setting business in energy so we can produce as much oil and gas as possible.

Unlike the Carter energy program, which concentrates on conservation

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RONALD REAGAN

Article for the Alabama Republican

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and pays little attention to production, the Republican plan stresses production, not only of fossil fuels, but also of practical alternative sources. In all, it contains 62 positive recommendations. Space doesn't permit a listing of them, but you can get a copy from the Republican National Committee in Washington, D.C. Read it. Then, let us all unite to get our representatives in Congress to support these sensible alternatives.

# # # # #

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EMBARGOED: Release 12:00 Noon (EDT)  
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Excerpts of remarks by the Hon. Ronald Reagan  
former Governor of California

Foreign Policy Association  
Waldorf Astoria  
New York  
June 9, 1977

It is an honor to be here today. Thank you, Mr. Burgess, and all of you ladies and gentlemen for inviting me.

Your format for guest speakers is one of which I heartily approve; that we should have a dialogue rather than a monologue. I'm aware of course that there must be some of the latter before we get to your questions. So, I would like to share with you some observations on United States foreign policy and world realities as we face them today.

In his commencement address at Notre Dame University, President Carter said that he believes that, since Vietnam, "we have found our way back to our own principles and values, and we have regained our lost confidence."

He also called for an American foreign policy that is based on "constant decency" in U.S. values and "on optimism in its historic vision."

I hope he is right on both counts. Our historic desire for all men and women to share in our tradition of individual human rights and freedom, with government the servant and not the master, should continue to guide us.

Yet, it must be tempered by the reality that other powers with which we must deal simply do not and probably never will agree with our concept of constitutional republicanism, let alone human rights.

President Carter's commendable concern for human rights has been well

stated, but to make it the cornerstone of United States foreign policy offers problems that are both balky and contradictory.

If human rights around the world are going to be our principal concern, then we must adhere to a single, not a double standard in our policy. For example, if we deplore alleged violations of human rights in Chile, Argentina and Brazil, can we ignore them in Panama?

Can we, on humanitarian grounds, carry on a constant drumbeat of criticism toward South Africa and Rhodesia at the same time we talk of recognizing a regime in Cambodia that has butchered as much as a third of its population? We negotiate with the conquerors of South Vietnam who routinely violate human rights, and who cynically signed and then scrapped the Paris Peace Accords. We nudge closer to recognizing Castro's Cuba, which Amnesty International estimates holds <sup>4-5,000</sup>~~80,000~~ of its citizens political prisoner.

That same Amnesty International, by the way, counts only <sup>217</sup>~~217~~ political prisoners in South Africa. And yet, partly because of past mistakes here at home and partly because of our basic belief in majority rule, we insist on applying our own political standards to South Africa. We do not insist on these standards for the rest of that continent, where one-party, one-tribe or military dictatorship are less the exception than the rule. In 40 odd of the newly emerged African states they believe in one man, one vote -- once.

Human rights are basic, applicable to all and we should apply them with consistency. But, so far, with the exception of some earlier and highly publicized comments about the Soviet Union's treatment of dissenters, the new Administration's foreign policy has aimed most of its human rights criticisms at governments which are no threat to others and which, despite not always behaving precisely as we might like, have nevertheless been our friends.

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Perhaps the most important reality facing us today is the shrinking global influence of the West. The signs of it are all about us, but as our Ambassador to the North Atlantic Treaty Organization, Robert Strausz-Hupe', said on his recent retirement from that post, "...throughout the West, it seems to have engendered in the Western public at large that sense of fatalistic indifference which, so I have read, living by the side of a volcano induces in the local population."

That indifference, presents the Western world with its greatest challenge in ages. I am talking not only of Western loss of natural resources and materials, though that is occurring, but beyond it to the decline of the Western concepts of political responsibility and individual freedom. Perhaps President Carter, in his quest for human rights, has recognized this decline and wants to reverse it. I hope so, but I am disturbed by the unevenness with which the policy has been applied.

While Western influence has been declining, Western living standards continue to improve and, indeed, have begun to spread to less developed countries. That much is to the good. We should be able to make the productive genius of Western industry and technology work for the betterment of all mankind.

But, despite our miracles of agricultural production, sending men to the moon and creating for hundreds of millions of people the highest standard of living the world has ever seen, complacency we can't afford.

Halfway around the world our principal challenger, the Soviet Union, is ready to offer us continued and new challenges.

In the decades since World War II, there have been two main thrusts in the external affairs of the Soviet Union. In the early years following the war, conflicts (of varying degrees of intensity) involving the major powers, occurred -- for the most part -- along the edges of that part of the world dominated by Soviet communism. For example:

- The U.S.S.R.'s attempt to expand its own empire by absorbing northern Iran. That didn't work.
- It's efforts to overthrow the constitutional government of Greece through Civil War. That didn't work either.
- Its demand for two border provinces from Turkey. Another blank.
- Its attempt<sup>s</sup> to replace Tito in Yugoslavia, which were all thwarted by U.S. countermeasures. And.
- The Soviet blockade of Berlin, which was broken by the Allied air lift.

The Soviet Union did, of course, succeed in consolidating its hold on much of Central and Eastern Europe.

These events all happened a number of years ago and they were reflective of Russia's historic concern for its own defense and security.

Since that time, the Soviet Union whenever possible has moved outward, turning non-Western peoples against the West and against the United States in particular and taking advantage of those conflicts it didn't have a hand in starting.

Western nations with colonial holdings have systemically relinquished them. This is consistent with our own views of self-determination, but it has created political voids the Soviets haven't been bashful about filling.

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This Soviet policy of seeking to alienate non-Western peoples from the West and to mobilize them against the West whenever and wherever possible seems to many observers to have been a thoroughly consistent one since the end of World War II, and it is certainly consistent with Lenin's goal of ultimate Communist victory worldwide.

The Soviet Union has a global objective. That fact, alone, makes our idealism vulnerable. We Americans would dearly love to let everyone live in peace and harmony. We cling to the belief that if only a few essentials of democracy are adhered to in any land, reason will prevail. This may be described as a global objective, I suppose, but it is no substitute for a coherent global policy in the face of real challenges.

The United Kingdom's new Foreign Secretary, David Owen, put the West's problem succinctly when he said recently, "The basic premise from which we in the West must start is that the Soviet Union is a world power with national interests and ambitions to match which inevitably bring it into competition, and sometimes confrontation, with the West. To this we must add that Communist ideology invests the natural rivalry between East and West with a dynamic of increasing struggle."

Despite its huge arms buildup in the last few years, and a massive civil defense program designed to let it survive a nuclear war, the Soviet Union doesn't want to fight a war if it can be avoided. Instead, the Soviets' buildup seems to be designed primarily for political leverage -- to achieve their aims indirectly.

What they want to accomplish, namely, the gradual encirclement of the West, and reduction of its strategic and economic influence, they believe can be accomplished by several means. "Proxy" wars are an important one. The wars in Korea and Indochina are examples. So was the Angolan civil war following Portugal's withdrawal from its

former colony. So was the so-called Katangan incursion into Zaire, recently, though that one failed. And, so is the growing Soviet influence in Ethiopia in its battle with independence-minded Eritrea province.

"Detente" between the United States and the Soviet Union, may actually have improved the climate for Soviet promotion of proxy wars and skirmishes. American public opinion had turned against the Vietnam War. Our people, weary, wanted peace and no more nuclear threats. We were content with maintaining the status quo between the major powers. After all, we don't want to conquer anyone. We just want to be at peace with the world. And, we tend to believe the other fellow sees things through the same set of eyes we do. In the case of Detente we believed that if we exposed the Soviet Union's people to more of our own people -- through various exchange programs -- the magic of democracy would somehow rub off on them.

Our assumption was false. First, the Soviet Union does not see itself as a status quo power, but a dynamic one, interested in the ultimate goal of its philosophical fathers, the global triumph of its political system. And, interestingly enough, the trappings of that system -- a police state; a judicial system that functions for the state, not the individual; and monolithic control of public opinion -- aren't so very different from those of Czarist Russia.

Even a cursory reading of the Soviet press shows you that it rails constantly against what it calls the "imperialists" of the West, the United States and its allies.

We saw detente as a relaxation of tensions and an opportunity, through trade and cultural exchanges, to gradually modify the Soviet system. They saw it otherwise. For them, it provided a measure of



security. It signified to them the growing strength of the Soviet Union in world affairs and a corresponding weakening of the West. Detente, to the Soviet Union, became not a sign of compromise, but a victory for the U.S.S.R. and a growing sign of Western weakness caused by the internal contradictions of capitalism. And, all of this is part of the steady propaganda drum roll heard by the Soviet Citizen.

Whatever we call it, detente is not what we thought it was. But, what should we do about it? Scrap the trade agreements? Stop the exchanges? No, these can have some positive benefits, provided of course the trade does not involve products and technology which could be turned against us militarily one day. As for arms agreements, we should continue to discuss them with the Soviets and continue to seek reductions in deadly arms. But, we must do so with our eyes open, and any agreements that are reached must be reciprocal and utterly unambiguous.

What should be the underlying principle of our policies?

I believe we should pursue policies that lie in our best interests and those of the West. For, so long as we are also committed to help less developed countries reach their destiny too, these policies will be beneficial to all the world.

Where will the new challenges come, and how should we deal with them? President Carter, in his recent speech (to which I referred earlier) said "It is a new world -- but America should not fear it. It is a new world -- and we should help to save it." Call it a new world, or a new awakening to reality, it will involve challenges from which we must not shrink. They may come at any time, in any one or a combination of places.

In the Southern tier of Europe there could be dramatic shifts in power. Though Portugal's future is not completely certain, it is stabilized at this time. But, in Spain, free elections are soon

to be held and the Communist party, which claims 200,000 members, is now operating legally and doing its best to gain strength among any in that land who are discontent.

Italy's political and economic instability is both chronic and acute. The Communists control the governments of many major cities. Very likely we will see Communist ministers in the governments of Italy, Spain, Greece and Cyprus within the next few years. Portugal already has one. This has ominous mutual defense implications for N.A.T.O. And, we daydream if we think that so-called Eurocommunism is somehow independent of the Soviet Union.

In Yugoslavia, the question is, after Tito what? The U.S.S.R. covets that land and can be counted on to exploit -- to the maximum -- the ethnic divisions in it.

Though the Soviets have lost much of their influence in the Middle East and may be thwarted from attempting to exploit worries arising from the election victory of the Likud coalition in Israel, ~~but~~ they can be expected to exploit every opportunity for gain in the Far East -- Asia.

Waterways hold the key to strength there, from Thailand to Indonesia, with Singapore being the so-called "choke point" between two oceans. To the north, the Japanese are increasingly apprehensive that not only will we withdraw our troops from South Korea, but will pull our Pacific defense perimeter back to Hawaii, and not even defend Japan itself if called upon.

In fact, the small quadrangle where China, the U.S.S.R., Korea and Japan meet could become an area of future conflict. The pending withdrawal of U.S. troops could act as a catalyst for adventuresome challengers. Have we forgotten that the Korean War was a proxy war?

It was only one year ago that the largest Soviet naval exercise ever staged took place -- in the East China Sea, the Sea of Okhotsk, and in the Pacific east of Japan and northwest of the Carolines. It was organized around a simulated disruption of commerce and the nuclear destruction of U.S. bases.

In Africa, the Soviets, partly because of U.S. executive and Congressional indecisiveness over Angola, have hit upon a winning formula: use Cuban troops as proxy mercenaries to stir up things.

Today, there are Cuban troops in Angola, Guinea, Guinea-Bissau, the Congo, and Ethiopia! They are being transferred, too, to Mozambique (along with Soviet arms which are being unloaded at the capital of Maputo) for what they presumably expect to be the final assault on Rhodesia. There is not much doubt that the next target will then be Southwest Africa and, finally, South Africa. Yet, our interest in what, at heart is part of the American civil rights issue clouds our ability to see this international danger to the Western world.

Is there any doubt about the fate of human rights if Southern Africa falls into the orbit of the Soviet Union and becomes, in the next few years, a series of Russian client states?

And, is there any doubt about the consequences to economics of the West if the Soviet Union controls all the sea lanes from the Persian Gulf around to the Atlantic?

Closer to home, in the Western Hemisphere, we have Fidel Castro encouraging Puerto Rican terrorists; the Prime Minister of Jamaica turning his country ever leftward and the Soviet Union and Castro egging on the dictator of Panama to insist that we give him the Canal.

Most of these potential areas of international challenge (and possibly conflict) have three things in common:

- They are farther removed from Soviet borders than those we experienced in the years immediately following World War II.
- They involve our access to strategic resources -- oil and minerals, and;
- they are located on or near the open sea.

These are the realities we must deal with, Areas of potential challenge where the West in general and the United States in particular have operated without too much difficulty in the past. This may change.

The U.S.S.R. has acquired an ability to intervene far from its own borders. For years it did not have this ability. Leonid Brezhnev, in a secret meeting of Eastern European Communist Party leaders in 1973 (quoted in a British intelligence report) said, "Trust us, comrades, for by 1985 as a consequence of what we are now achieving with detente we will have achieved most of our objectives in Western Europe. We will have consolidated our position. We will have improved our economy. And a decisive shift in the correlation of forces will be such that, come 1985, we will be able to exert our will wherever we need to."

The facts emanating from the years since Brezhnev made that statement make it plain his words weren't sheer bravado. They must be taken seriously.

In doing so, our asserting a strong belief in human rights is an important part of our moral ethic. But, we need our friends and before rebuking them I believe we should keep in mind an American Indian maxim, whose origin is lost in time. It is this: "Before I criticize a man, may I walk a mile in his moccasins".

Earlier, I quoted from my friend Ambassador Strausz-Hupe'. Let me quote him again. "Ideally," he said, "the desire to do great things in common -- to build a perfect society and to cure the world's ills -- should move the Western people towards union."

This becomes an imperative as we look at the challenges before us -- not only for the survival of the West, but for the growth and development of less developed countries that need our help. If our concern for basic human rights is to be fulfilled, there must be a favorable world environment in which we can pursue it. Only if we are ready to meet challenges -- peacefully and effectively -- from those who have a quite different view of mankind, can we meet our destiny as a free people. And, only by remaining second to none in our defense capability will we have that opportunity.

Western civilization is not perfect, but it is the only civilization the earth has yet seen which has struck some kind of balance between the material and moral aspirations of its people. It is worth working for. It is worth sharing with others. And, if need be it is worth fighting for.

Thank you.



# Reagan Faults Carter On 'Style

**Question:** President Carter has been in office about five months now. How would you assess his performance?

**Answer:** I think there has been what Caddell (Carter pollster Patrick Caddell) called for, more style than substance. I think that the whole campaign approach regarding being an outsider, changing things in Washington, seems to be a matter of rhetoric not carried out in any of his programs. His energy program, I think, is a disaster. Again, it's turning to the federal government for an answer when the federal government is the problem. In his economic approach, almost everything that he suggests is a direct repudiation of what he said he was going to do in that he turns again to the federal government for the answers.

**Q: How about his foreign policy?**

**A:** There's a certain inconsistency with human rights. At the very time he was talking of the importance of human rights, and jumping on the Soviet Union — which is all right with me — he was talking of renewing trade relations with Cuba, while we were shutting off buying chrome from Rhodesia. I don't know of any country that is any guiltier of violation of human rights than Cuba. The same is true of Vietnam. I don't know how we can sit down and talk about normalizing relations when they hold captive a nation they took in violation of the accords they signed in Paris, an agreement which we forced South Vietnam to sign. It would seem to me that any negotiations with Vietnam would wait until they go back to the Paris accords, and return to their own borders.

**Q: After the election last November people said the Republican Party was down and out. Do you see any signs of it climbing off the floor?**

**A:** I think the party has a great opportunity. We have been down before, but the problem was that there was a disagreement on the part of the majority of the people with some of the things that the Republican Party stood for. Today the answers they give in the polls indicate that what they believe in philosophically is what our party stands for. Now our job is one of communications and convincing them that we offer the mechanical structure to bring their hopes into reality.

**Q: Could you be more specific?**

**A:** When Barry Goldwater was running in 1964, he was a John the Baptist trying to warn the people of the dangers of big government — what would happen if the federal government continued its policy of encroaching control. But the people weren't prepared to listen because more than three-fourths of them at that time felt the government did have the answer. Today, according to the polls, two-thirds of the people of this country hold the federal government and its attempt to solve problems in very low esteem.

**Q: Why have leaders such as Jerry Brown and Jimmy Carter been able to turn such traditional Republican issues such as economy and efficiency to their own political**

stake, they become very pragmatic. One reason why I am not carried away with the Carter administration is because of this kind of cynicism and this willingness to say in a campaign what they think will get votes with apparently no intention of carrying it out after the election. It has been characteristic of them. Their party, to which I belonged for many years, has a great ability of finding which way the wind is blowing. I don't know of anyone in the last campaign that ran on typical Democrat philosophy. They assailed the tax structure — well, it's theirs. We haven't dominated the Congress for the last 40 years, they have. Yet they are the ones that call it a disgrace, that something should be done about it because the tax structure is so unfair to the people. Who passed it? Who could have changed it any time in the last 40 years, if they wanted to?

**Q: Is there any truth to stories that you might bolt the Republican Party if it isn't sufficiently conservative?**

**A:** No. The Republican Party offers the best opportunity for the things that I think the majority of the people, a new majority in this country, believe in. It's our job to make them aware of that. I haven't got all the answers of how we are going to do it, except to keep hammering at the theme. I believe that the platform adopted in Kansas City, offers probably the best oppor-



"I believe that the platform adopted in Kansas City offers probably the best opportunity that we have."

tunity that we have. Before Kansas City, I don't think that either major party has in many many years come forth with a platform that reflected, without any compromise, the thinking of the grass roots. Usually the hierarchy of the party suggests a platform, with the platform committee, a bland statement of generalities that wouldn't embarrass any candidate. This time the delegates threw it out; my contention is that the party should use that as a declaration of principles, and go out after people and say here is what we

**The Carter Administration's from disaster on energy the government controls in the human rights policy — it's former California Gov. Ronald Reagan's editors of The San Diego Union also saw strong hope for the ground in polls indicating government encroachment in**

it down, we are not going to compromise it for anyone.

**Q: What did you think of the David Frost-Richard Nixon interviews?**

**A:** I only got to see two of them — I was making speeches on the other occasions. I have hesitated to comment, not having seen all of them, because I think you really should have seen the whole thing to know. I was impressed by the frankness by which the former president spoke, in the first one particularly, which I understand was taped at the end, and was supposed to have been later in the programming. I thought that taking the blame as he did, he came as close as a man could to totally unmasking himself.

**Q: Did it change any of your views about Watergate and who was responsible for it?**

**A:** No. I wish there had been some questions that, strangely enough, were never asked, as to who did it? How did it come about? I think these are still questions a lot of people would like to have answered.

**Q: With Ronald Reagan and Gerald Ford making speeches around the country, are they competing to lead the GOP?**

**A:** No, and I thought that was all laid to rest at Kansas City. I campaigned in 25 states for him. I did a series of TV commercials for national use, I did a 30-minute speech at the request of the national committee for the ticket. I signed a letter that raised over a million dollars for his campaign. I recognize that there is, obviously, going to be some looking at the two of us to see whether we came out of the ring still swinging at each other. We did not.

**Q: Do you believe that the proposed election day registration of voters in all the states would be very bad news for the Republican Party?**

**A:** I think it would be even worse news for the country. I think it is the most naive and ridiculous thing in the world to suggest that you could do this without disruption. We just got 25 election officials in one state in the South indicted for election fraud in the last campaign. In Texas they had an election for Congress in which the winner had the votes of two city parks, in addition to some oil stations and warehouses. Registration is not the thing that is keeping us from turning out.



# Over Substance' Performance

performance to date ranges from too great a stress on economy to inconsistency in style more than substance, Reagan told a board of the Republican Party to regain lost ground in an exclusive interview. He said the party is losing people favoring less government and more free lives.

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polls. If it were, how would you explain the millions of registered voters who don't go and vote on election day. I think that if anything, we need more safeguards. I think it is very significant that in Democratic Chicago, the head of the commission on elections, a Democrat himself, said that there was no way the city could control the voting with election day registration at the polls. Then the woman who heads the election commission in Philadelphia, also a Democrat, journeyed to Washington to testify against the proposal and said the opportunity for fraud was wide open in it. To start with, you could take a social security card to a polling place as identification to vote and they just found guilty of fraud a woman in Chicago who had 55 social security cards, in addition to being on welfare under 127 different names. I just think that, if anything, we ought to make it a little tougher to vote.

**Q: Will you be running for President in 1980?**

A: I don't know, and I mean that honestly. I refuse even to consider at this point whether there is a decision to be made. I could see circumstances where I would and circumstances where I would not. There may be a whole new cast of characters on stage by 1980, and that would be all right with me, too.

**Q: Would a campaign based on specific issues or one appealing to specific segments of the population be more fruitful for the Republican party?**

A: Maybe this is what has been wrong (with the GOP) politically, but I think it is right philosophically. The Republican Party, I think, has always campaigned on issues. The Democratic party has a great gift for going out on a single issue to a single group. They have said, "We are for you in that issue that concerns you." This harvesting of special interest groups and putting them together in a coalition has been a hallmark of the Democrats for a long time. If we can do this without compromising principles, fine.

**Q: What do you think of the idea of abolishing the Electoral College?**

A: This is like opening up the thing as part of the same package. Changing the Electoral College system to let electors go to the state capitals to confirm what has

already been done at the polls is all right, but I would hate to see us ever give up the choosing of the president by states. If the presidential election is done by popular vote, which is what they are really after when they use the target of the Electoral College, this really means that presidents of the U.S. would be chosen by about the top 20 cities in the U.S., and heaven help the rural areas, or the less urban states. I think that we have a federation of sovereign states. There have been 40 years of effort to end this and to give us a rule of federal government with the states just administrative districts. I think that would be the end of what has been the best system in the world.

**Q: Isn't it unusual that you are staying out of one of the biggest contests in the country, the primary for California governor?**

A: No, staying out of the primaries has definite merit, particularly in my own state. As the last Republican governor, tradition has it that I am more or less the titular head of the party, and I feel as bound to neutrality now as I was when I was governor. How would I choose after serving with virtually everyone who is a candidate? How would I choose and not embitter and divide the party?

**Q: Going to the contest for lieutenant governor, although you haven't said anything, your entire campaign organization is backing Mike Curb, who was your campaign chairman. Would that indicate he has your blessing?**

A: No. When I was governor, I told our people they were free to go any direction they wanted to go, and I said the same thing this time.

**Q: Do you feel that all of the GOP candidates for the governor race are enunciating Republican principles to your satisfaction?**

A: I haven't heard too many of them yet. I think it is a little too early for real campaigning and taking stands. Most of them are still in a position of putting their feet in the water to see what the temperature is. I haven't found any that I could say have departed from the platform.

**Q: If you were running for governor against Jerry Brown, what would you have as issues?**

A: The deteriorating business climate in California; the undeserved fund surplus that the state has, why it isn't given back to the people, and why there hasn't been a move for a tax cut. I say the surplus is undeserved, because the state is making a profit, as is the federal government, on inflation. When inflation continues at the rate it has, incomes go up to meet it; since California has a progressive tax system, people move up into higher surtax brackets and pay the government a higher rate of tax, but their purchasing power hasn't changed at all.

**Q: Do you favor indexing to the income tax.**

A: Yes, because right now for every percentage point you go up in income, you pay 10 percent more in taxes.



*"I say the surplus is undeserved because the state is making a profit, as is the federal government, on inflation."*

ment gets about 1½ per cent more money and this isn't right. The sales tax, which is our other big source of revenue, does the same thing. You double the price of a product, and the sales tax is a percentage of that price, so the state is getting this increased revenue. Now it is true that the state itself is subject to inflation, in its salaries and so forth, but even so, the state could still stay solvent without getting this added profit from the taxes. The other day when the figures were given that last year incomes went up on an average of 9 per cent, and inflation was around 6 per cent, therefore everyone should be three percentage points better off. But no one realized that taxes are not a factor in computing the cost of living. This "gain" was before taxes; after taxes, the people in the U.S. were 3 percentage points worse off in purchasing power in spite of the 9 per cent raise in pay.

**Q: What do you think of Gov. Brown's veto of the death penalty?**

A: That should be a major issue in this campaign. A man is entitled to his own conscience, yes, but here is a unique situation in which the people of the state voted better than 2 to 1 in support of the death penalty. I think the public, by the ballot, made their wishes known; that should be binding. I understand his conscience, but it seems to me that the proper point for him was simply to allow it to become law without his signature.

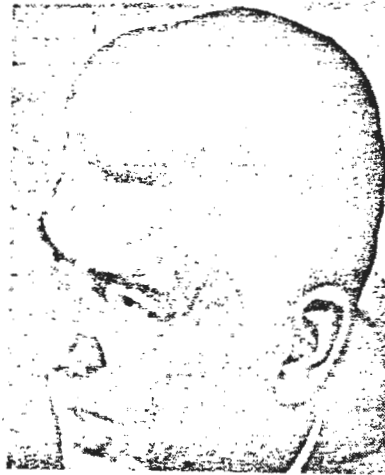
**Q: Sen. John Briggs said he will abstain on voting for the override, on death penalty, in order to try to force it to the initiative route, so that Brown will have to face the issue in the campaign. What do you think of this?**

A: We already have had an initiative. The error lies with the Legislature in implementing the law to meet the terms set by the U.S. Supreme Court. When they found that they were in error, all they had to do is correct that error. This correction is what the governor has vetoed. I believe they ought to go all the way and override the veto.

# er Substance' Performance

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Crossfiled Under:

Republicans  
Election Reform  
Indexing  
Death Penalty



June 15, 1977

Ronald Reagan's guest column for FIRST MONDAY

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Seven months ago, pundits left and right were describing the G.O.P. in these terms: REPUBLICAN PARTY, 1856-1976. R.I.P.

The stonemasons never got a chance to carve that tombstone epitaph, however, for the old elephant managed to struggle to her feet. She staggered about a bit, but then began pulling herself together.

Today, she's exercising regularly and even kicks up her heels now and then. The prognosis is that she has plenty of life in her and her blood pressure is about normal.

Of course, there is nothing like victory to liven up tired blood. So far, the G.O.P.'s 1977 score in that regard is surprisingly good for a party thought to be near death so recently.

In two of three special House of Representative elections this year, the Republicans have won in two, replacing Democrats who had joined the Carter cabinet. One was in Minnesota, the other in Washington. The third remained in Democrat hands.

In 28 state legislature races, the G.O.P. has won 19, 15 of them taken from the Democrats.

On Capitol Hill, though it holds fewer than one-third of the House seats and just over one-third of the Senate seats, the Republican Congressional contingent is unusually well unified and morale is high. What's more, its strategy and tactics are working. Some examples:

-- A solid Republican front blunted the Carter initiative for so-called election "reforms". Earlier, the Carter proposals were thought to be shoo-ins. Now, "instant registration" and modification of the Hatch Act have been moved to the Congressional back burner.

Ronald Reagan's guest column for FIRST MONDAY

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-- Ralph Nader's perennial favorite, the bill to create an Agency for Consumer Protections, is in serious trouble, again thanks in large part to unified G.O.P. opposition.

-- Solid Republican backing for a G.O.P.-sponsored across-the-board income tax cut helped scuttle the Carter \$50 rebate scheme.

Energy may prove to be the most fruitful issue for the Republican party. The Carter program seems to be partly the product of Ford Foundation planners who seriously believe the world will soon run out of energy resources, and partly the work of anti-automobile romantics who long for the pastoral life of the early 19th century. If their scheme ever becomes law, buggy whip manufacturing would become a growth industry.

Fortunately for the average working American and his family the Carter plan is in trouble on several fronts. Strong Republican opposition -- coupled with the skepticism of many Democrats about the adverse impact on jobs -- may succeed in sidetracking most of it.

The Carter proposals have already received several setbacks, but also some victories at the Congressional committee level. Key to the Carter plan is a series of new taxes designed to discourage fuel use, without providing corresponding incentives to the oil and gas industries to explore, develop and deliver more product. One net result, if the Carter <sup>energy</sup> program is adopted, would be even greater U.S. dependence on O.P.E.C. oil than ever before.

By contract, the G.O.P. Senate Policy committee has developed a Republican Energy Initiative. It is critical of the Carter plan because that plan embraces the problem and amplifies it, rather than building productive solutions. But, the G.O.P. alternative goes on to offer 62 specific solutions, virtually all of them production-oriented and

relying on the self-correcting elements of the American market system.

Some, on the other side, would have us believe we are running out of everything these days -- energy, food, space, even love. Those are the same voices who told us we only had a 15-year supply of oil in 1920. We are not running out of anything except confidence in ourselves. That is, if we adopt the Carter energy plan.

Today, Congressional Republicans are showing a renewed self-confidence borne of their successes as a united front. Now, to back them up, they need an army of Republican grassroots workers to sign up new recruits, develop new local-level candidates and to send a blizzard of messages to representatives in Washington supporting good bills and working to stop bad ones. In other words, it's time for the elephant to begin trumpeting.

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