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Republican National Committee

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This RNC Daily News Digest is an overnight compilation of political news clippings and editorials from the New York Times, Washington Post, Washington Star, Wall Street Journal and other national newspapers and is delivered by 8:00 a.m. daily. Clippings from other papers and news stories of interest are included in a supplemental edition -- RNC Daily News Digest II -- which is compiled and delivered by 10:00 a.m. daily.

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Daily News Digest I

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The New York Times

The Washington Post

The Washington Star

Chicago Tribune

Los Angeles Times

THE  SUN

The Philadelphia Inquirer

THE WALL STREET JOURNAL

THE CHRISTIAN SCIENCE MONITOR

PUBLIC AFFAIRS DIVISION OF THE RNC

Carter Flays Reagan on Nuclear Arms

'Serious Threat' To Peace Seen

By Edward Walsh

Washington Post Staff Writer

INDEPENDENCE, Mo., Sept. 2—President Carter accused Ronald Reagan today of advocating a nuclear arms policy that would pose a "serious threat" to the "safety and the security and the peace of our nation and of the world."

Coming closer than ever to charging that a Reagan victory in November would increase the risk of world war, Carter accused his Republican opponent of intending to set off "a massive nuclear arms race with the Soviet Union" that would break a tradition of arms control negotiations dating back to President Dwight D. Eisenhower.

"Therein lies one of the sharpest differences between myself and Gov. Reagan" and one of the key issues in the 1980 presidential election, the president said in response to a question at a "town meeting" at Truman High School here this morning.

Carter cited the efforts of his predecessors to negotiate arms control agreements with the Soviets and said, "Ronald Reagan is the first one to depart from that commitment."

"I consider this one of the most serious threats to the safety and the security and the peace of our nation and of the world that is being dramatized in this 1980 election," he said.

The president added that he favors a steady but gradual increase in defense spending "not only to keep our nation secure, but to keep us out of war, not in a war."

See CARTER, A5, Col. 1

CARTER, From A1

Carter's comments on nuclear arms policy were his sharpest attack yet on Reagan as he continued his strategy of trying to portray the GOP nominee as a political ideologue who would make a risky chief executive.

The president arrived here this morning in the hometown of President Harry S. Truman with two purposes in mind.

One was to wrap himself in the mantle of the once embattled Truman, whose 1948 come-from-behind victory over Republican Thomas Dewey is one of the legends of American politics.

Carter's other purpose, which is a theme he is likely to use throughout the campaign, was to paint Reagan as the embodiment of fringe politics outside the historic traditions of the Republican Party.

In response to a question of "why in the hell do you think Reagan would want to be president," Carter said:

"Reagan is different from me in almost every basic element of commitment and experience and promise to

the American people. The Republican Party is now sharply different from what the Democratic Party is and the Republican Party is sharply different under Reagan from what it was under Gerald Ford and presidents all the way back to Eisenhower.

"I believe in peace; I believe in arms control; I believe in controlling nuclear weapons; I believe in the rights of working people of this country; I believe in looking forward and not backward; I don't believe the nation ought to be divided one region from another. In all these respects, Gov. Reagan is different from me."

A friendly, enthusiastic crowd greeted the president in the gymnasium of Truman High School for the one hour town meeting one of the most effective political devices Carter has used throughout his presidency. In response to other questions, the president:

- Said neither he nor the Senate will consider action on the pending strategic arms limitation treaty with the Soviet Union until there is "positive movement" toward a Soviet troop withdrawal from Afghanistan.

- Pledged that there will be no

change in U.S. policy in the Middle East "in the foreseeable future" and appeared to suggest the possibility of a new summit meeting on the Middle East peace negotiations fairly soon. However, White House officials later said there are no plans now for such a summit.

- Endorsed voluntary prayer in the public schools, but said he is opposed to "the government telling people they have to pray in a certain way at a certain time."

Throughout the town meeting Carter stressed the theme of peace, saying that he was grateful the country has been at peace during his term and suggesting by implication that a Reagan presidency might pose a threat to that peace.

Carter said he is "looking forward to a chance to debate Gov. Reagan," but he suggested no change in his opposition to the inclusion of Independent presidential candidate John B. Anderson in an initial debate. A dispute over whether Anderson will be included in the first debate as Reagan wants has deadlocked the negotiations over arranging a Carter-Reagan confrontation.

The president's stop here, on the second day of his general election campaign, was meant to identify his candidacy with the Truman tradition of 1948. Over the years, the Truman victory has become a symbol of political vindication, cited by embattled Republicans as well as Democrats, a development that undoubtedly would have offended the deeply partisan Truman.

On his way to the high school, Carter stopped at the Truman residence for a 10-minute visit with the late president's 85-year-old widow, Bess. Following the town meeting, he also toured the nearby Truman Library.

At this early stage in the campaign, however, Carter, who has drawn nearly even with Reagan in most national polls, looks like far less an underdog than he did over the summer or than Truman was at this point in his famous come-from-behind campaign.

Carter returned to Washington immediately after his three-hour visit to Independence, his only campaign appearance today. He is to resume campaigning Wednesday in Philadelphia.

Carter Assails Reagan Remark

About the Klan as an Insult to the South

By TERENCE SMITH

Special to The New York Times

INDEPENDENCE, Mo., Sept. 2 — A remark by Ronald Reagan yesterday that President Carter had opened his Presidential campaign in the birthplace of the Ku Klux Klan set off another political dispute today and provoked some of Mr. Carter's sharpest criticism of his Republican rival.

Mr. Carter, displaying a combative campaign style reminiscent of Harry S. Truman, began a brief visit to the former President's hometown by accusing Mr. Reagan of "slurs and innuendo" in his remarks about the Klan.

Mr. Reagan made the comment yesterday in Detroit, telling a crowd at the Michigan State Fair: "I am happy to be here where you are dealing at first hand with economic policies that have been committed, and he's opening his campaign down in the city that gave birth to and is the parent body of the Ku Klux Klan."

In fact, Tuscumbia is the headquarters of one of several competing branches of the Klan, but it is not the founding city. Pulaski, Tenn., is most frequently cited as the birthplace of the Klan.

Anderson Joins in Criticism

Sensing a politically inviting opportunity, Mr. Carter practically bounded off his plane here this morning and into a knot of waiting reporters and photographers to chastise Mr. Reagan for his remarks.

Later today the President's criticism was echoed by Representative John B. Anderson, the independent Presidential candidate; seven Southern Governors, all Democrats, and several members of Congress from the South.

Mr. Reagan issued a formal reply to Mr. Carter late this afternoon, saying his remarks had been "misinterpreted" to mean something that was never intended. Mr. Reagan also telephoned Gov. Fob James of Alabama, who has not yet endorsed anyone for President. Mr. James termed the call an apology.

The President's response to Mr. Reagan's comments on the Klan came at the start of a day in which he also contended that the Republican, if elected, would "initiate a massive arms race against the Soviet Union" that would threaten the peace of the nation and the world.

'Town Meeting' in Independence

Arriving here this morning for a "town meeting" in Truman's hometown, Mr. Carter said, "I wasn't going to answer any questions but I will respond to that one," when a reporter asked him about Mr. Reagan's comment on the Klan.

"I resent very deeply what Ronald Reagan said about the South and about Alabama and about Tuscumbia when he pointed out erroneously that I opened my campaign in the home of the Ku Klux Klan," the President continued. "Anyone who resorts to slurs and to innuendo against a whole region of the country based on a false statement and a false premise is not doing the South or our nation a good service."

Arguing that Mr. Reagan was attempting to divide one region of the country from another by alleging that the Klan was representative of the South or Tuscumbia, Mr. Carter said of the Republican nominee's comment: "I think it was uncalled for. I think it was inaccurate, and I think it was something that all Southerners will resent."

In Detroit last night, asked what had caused Mr. Reagan to make the remark about the Klan, Lyn Nofziger, his press secretary, replied: "Nothing in particular. He was trying to contrast the fact that he was up here talking to the workers

and Carter was going to a safe part of the country for him."

However, Mr. Nofziger reminded his questioners that Patricia Roberts Harris, the Secretary of Health and Human Services, last month commented at a meeting of black professionals in Dallas about Mr. Reagan's endorsement by a Klan newspaper, an endorsement he repudiated.

Although Mr. Reagan appeared yesterday to have casually dropped the remark about the Klan into his speech after seeing someone in the audience wearing a Carter mask, aides later acknowledged that it had been planned. However, they said he had made a mistake and should have identified Tuscumbia only as the site of a Klan headquarters.

Mr. Reagan, campaigning in Detroit this afternoon, issued a formal reply to Mr. Carter that said in part:

"I am greatly disturbed about efforts to make the Ku Klux Klan an issue in this campaign. I also regret that certain remarks I made yesterday are being misinterpreted to mean something that was never intended."

Carter Appointees Blamed

"I intended no inference that Mr. Carter was in any way sympathetic to the Klan, and in no way did I intend to disparage the town of Tuscumbia or the state of Alabama. Nor do I believe there is any place for the Klan in the hearts of the people in the South. Since that time Mr. Carter and members of his campaign staff have tried to exploit this situation for political purposes."

"The issue of the Ku Klux Klan was first injected into this election season several weeks ago by Mr. Carter's former appointee, Andrew Young, when he criticized me for attending the Neshoba County Fair in Philadelphia, Miss., and by Carter's Secretary of Health and Human Services, Mrs. Patricia Harris, who referred to the Klan in an attack on my candidacy."

"I have phoned both Mayor Sparks of Tuscumbia and Governor James of Alabama to express my disappointment that the Carter campaign has deliberately distorted the intent of my remarks. I also expressed my regret that anything I may have said was interpreted as reflecting adversely on Alabama or the city of Tuscumbia — birthplace of Helen Keller — or its people. Alabama is a state whose tradition and people I respect."

"At the same time, I call on Mr. Carter to publicly disavow the comments of Andrew Young and Patricia Harris and to ask them to apologize for their unfair attempt to associate my campaign with the Ku Klux Klan."

Denounced by 7 Governors

Besides Governor James of Alabama, other Southern Governors who denounced Mr. Reagan's comments as a "callous and opportunistic slap at the South" were William F. Winter of Mississippi, George D. Busbee of Georgia, James B. Hunt Jr. of North Carolina, Bob Graham of Florida, Bill Clinton of Arkansas and Richard W. Riley of South Carolina. All except Mr. James have endorsed the President for re-election.

The President's accusations about the Reagan plan for an arms race against the

Soviet Union were similar to comments he made last month in his acceptance speech at the Democratic National Convention in New York. Today he sharpened the attack and said that Mr. Reagan had "announced" that he would initiate such a race. He added, "I consider this one of the most serious threats to the safety and security and the peace of our nation and the world that is being dramatized in this 1980 election."

Mr. Carter did not specify where Mr. Reagan had made such an announcement. Instead, the prospect of an arms race seems to be the President's interpretation of Mr. Reagan's call for military superiority over the Soviet Union.

Missouri Regarded as Crucial

The town meeting, Mr. Carter's 18th as President, gave him a chance for local television exposure in Missouri.

campaign managers regard as crucial to his prospects for re-election.

An enthusiastic audience of some 2,000 townspeople and students crammed the gymnasium of Truman High School here for the hourlong town meeting. On one wall a poster read: "Jimmy Carter — the Truman of the 80's."

In his remarks, Mr. Carter wrapped himself in the mantle of two of the town's home-grown heroes: Truman and George Brett, the third baseman of the Kansas City Royals who is leading the American League in hitting and could become the first player since 1941 with a season batting average above .400.

The ballplayer met Mr. Carter at the airport and accompanied him to the high school, where the President drew his loudest burst of applause when he held aloft a bumpersticker reading: "Carter

Carter Strikes Hard at Reagan, by Name, Claiming Nuclear Arms Race Threatened

By TIMOTHY D. SCHELLHARDT

Staff Reporter of THE WALL STREET JOURNAL

INDEPENDENCE, Mo.—In a "give 'em hell" attack from Harry Truman's hometown, President Carter charged that Ronald Reagan would start "a massive nuclear arms race" that could lead to war with the Soviet Union.

Discarding his political aides' advice, Mr. Carter frequently referred to his Republican opponent by name and peppered his responses at a "town meeting" here with stinging references to Mr. Reagan.

Mr. Carter's aides said they didn't know why the President suddenly decided to go after Mr. Reagan, whom he didn't even mention in his Labor Day speech the day before. But they suggested that he was extremely upset by comments Mr. Reagan made Monday concerning the Ku Klux Klan.

The Republican nominee said that by choosing Tuscumbia, Ala., as the site to kick off his fall campaign, the President "opened his campaign down in the city that gave birth to and is the parent body of the Ku Klux Klan." Actually, Tuscumbia is a headquarters of one of the Klan's branches, but it isn't the birthplace of that white supremacist organization.

Arriving here yesterday, President Carter blasted the Reagan remarks: "Anybody who resorts to slurs and to innuendo against a whole region of the country based on a false statement and a false premise isn't doing the South or our nation a good service," Mr. Carter contended.

He called Mr. Reagan's comments "uncalled for" and said that "as an American and a Southerner, I resent it."

Later yesterday, Mr. Reagan sought to defuse the Klan issue by releasing a two-

and-a-half page statement. In it, he expressed "regret" that his earlier remarks were being "interpreted as reflecting adversely on Alabama or the city of Tuscumbia."

He also lashed out at Mr. Carter for "attempting" to make the Klan an issue in the campaign. He charged that the President's former United Nations Ambassador, Andrew Young, and Health and Human Services Secretary Patricia Harris first sought to link the Klan to his own candidacy and called on President Carter to "publicly disavow" these comments.

On Monday night, Reagan aides were passing around to reporters newspaper clippings quoting Mrs. Harris as telling a Dallas audience in early August that "When I hear Reagan's name, I see the spectre of white sheets." But a spokesman for Mrs. Harris said that in her Dallas appearance she actually said that when Mr. Reagan "speaks to a black group today, many will see the spectre of a white sheet behind him." The remark stemmed from the endorsement of Mr. Reagan by Klan leaders in California. Mr. Reagan has repudiated the endorsement.

At the town meeting at Truman High School in Independence yesterday, President Carter didn't have much to say on major policy issues. Instead, he concentrated on contrasting himself to Mr. Reagan.

"Reagan is different from me in almost every basic element of commitment and experience and promise to the American people," Mr. Carter insisted. And he declared that the choice this November represents the "sharpest difference" between the major party candidates in his lifetime.

Mr. Carter went on to say that he believes "in peace . . . arms control . . . controlling nuclear weapons . . . the rights of working people and in looking forward, not backward." In "all these respects," he



Carter in Independence

President attacks opponent over Klan comment

By Gilbert A. Lewthwaite
Sun Staff Correspondent

Independence, Mo.—In "Give 'em Hell" Harry S. Truman's home town, President Carter yesterday launched an unusually direct and scathing attack on Ronald Reagan, accusing him of trying to start a "massive nuclear arms race" and

George Bush assails Democrats' "groin-kicking" campaign. A4

saying he "deeply resented" Mr. Reagan's suggestion that the Carter campaign had begun in Ku Klux Klan territory.

Mr. Carter, who has previously made a point of avoiding personal comments about his opponent and rarely even names him, dropped both restraints yesterday to object to Mr. Reagan's remark that the

president started his campaign on Labor Day "in the city that gave birth to and is the parent body of the Ku Klux Klan."

Tusculum, Ala., where Mr. Carter made a Labor Day speech, is the headquarters of the Knights of the Ku Klux Klan, one of the racist organization's branches, but not its birthplace.

"I resent very deeply what Ronald Reagan said about the South and about Alabama and about Tusculum when he pointed out erroneously that I opened my campaign in the home of the Ku Klux Klan. Anybody who resorts to slurs and innuendo against a whole region of the country based on a false statement and a false premise is not doing the South or our nation a good service."

"This is not the time for a candidate trying to get some political advantage to try to divide one region of the country from another by alleging that the Ku Klux Klan is representative of the South or Tusculum, Ala."

Asked if he thought Mr. Reagan's remark was a low blow, Mr. Carter responded: "I think it was uncalled for. I think it

See CARTER, A5, Col. 1

CARTER, from A1

was inaccurate, and I think it was something that all Southerners will resent. As an American and a Southerner I resent it."

Mr. Reagan responded by contending that the Carter camp had first raised the Klan issue and charging that the president's comments were "a desperate and I believe futile attempt to divert attention from the real issue of this campaign, which is his sorry record."

Alabama Governor Fob James and six other Southern governors, who are among the strongest Carter supporters in the country, denounced "Mr. Reagan's callous and opportunistic slap at the South." Accusing the Republican presidential nominee of "a dangerous preoccupation with the past," they added, "America cannot afford as its president a man who has such a limited, uninformed and simplistic view of a great region of our united country."

The other governors were William Winter of Mississippi, George Busbee of Georgia, James Hunt of North Carolina, Bob Graham of Florida, Bill Clinton of Arkansas and Richard Riley of South Carolina.

Mr. Carter came to Independence to demonstrate his admiration for Mr. Truman, but did not hesitate to use the occasion to express scorn for his Republican opponent's policies.

In the home town of the only American president to authorize a nuclear attack, Mr. Carter particularly took issue with Mr. Reagan's defense policy, calling it one of the "sharpest differences" between them.

The direct criticism was in marked contrast to Mr. Carter's Labor Day speech, in which his fault-finding was implied and neither Mr. Reagan nor the Republican Party was mentioned.

under Reagan from what it was under Gerald Ford and presidents all the way back to Eisenhower."

Mr. Carter then said: "I believe in peace. I believe in arms control. I believe in controlling nuclear weapons. I believe in the rights of working people of this country. I believe in looking forward and not backward. I don't believe the nation ought to be divided one region from another. In all these respects [former] Governor Reagan is different from me and I have confidence that when November 4th comes that the people will make the right decision as they did in November of 1948 [when Mr. Truman won an upset victory]."

For Mr. Carter, still slightly behind Mr. Reagan in the opinion polls both nationally and locally, the visit to Independence was something of a pilgrimage to the home of the archetypal political underdog, a president Mr. Carter admires for setting a come-from-behind precedent he hopes to

emulate.

Accusing Mr. Reagan of reversing bipartisan policy followed by every president since Dwight Eisenhower to control nuclear weapons and avoid an arms race no one could win, he said: "Ronald Reagan is the first one to depart from that commitment. He has announced that if he is elected president, he will initiate a massive nuclear arms race against the Soviet Union. This would mean that if he did that, then there would no reason . . . to try to negotiate an arms control treaty."

Mr. Carter told a town meeting at the Truman High School here that Mr. Reagan's policy is "one of the most serious threats to the safety and the security and the peace of our nation and the world that is being dramatized in this 1980 election."

Mr. Carter said he supports gradual, steady, determined growth in U.S. defense capability for the next five years but added that he also favors searching for peace and "using our military strength, not only to keep our nation secure, but to keep us out of war, not in a war."

Answering questions from the local community, Mr. Carter expressed confidence of winning in November when voters compare his "own experience and proven record" to Mr. Reagan's and "what he has to offer and the Republicans have to offer."

"This year it will be the sharpest difference in the voters' choice that I remember in my lifetime that Americans have had to make," he said. "Reagan is different from me in almost every basic element of commitment and experience and promise to the American people, and the Republican Party now is sharply different from what the Democratic Party is, and I might add parenthetically that the Republican Party now is sharply different

emulate.

Mr. Carter called on Bess Truman, 95 and ailing, at the Victorian white wooden home that was the summer White House from 1945 to 1953, and found her in "good spirits." He called the visit "inspirational" and later laid red roses, Mr. Truman's favorite flower, on his grave.

Senator Thomas Eagleton, who welcomed Mr. Carter to this swing state—Missouri has voted for the victorious presidential candidate in every election this century except 1956—told reporters Mr. Reagan has a 4 or 5 percentage point lead in the state. But he noted that the current momentum is toward Mr. Carter.

Senator Eagleton attributed the shift to Mr. Reagan's "foot-in-mouth-disease" and said: "If we can keep Reagan talking we have got a good chance."

He said Mr. Carter should "keep the focus on Reagan, not in an incessant way but with class and style."

THE SUN, Wednesday, September 3, 1980

Little Old Town Is Turning Off

By Bill Prochnau
Washington Post Staff Writer

LIBERAL, Mo., Sept. 2—Jimmy Carter was a long way from Liberal today, 100 miles and a light year or so away in Independence, and the whole thing kind of bothered Maye Bell.

Bell is 71, which is about average in Liberal where the old are getting on and the young are getting out. And she wasn't trying to be harsh toward the president, who has enough problems already, when she made the point that he wouldn't learn much in Independence. She surely wasn't being smart-alecky by saying he only went there because of Harry Truman, anyway.

It's just that, while she knows Independence has a better ring to it than Liberal in the hard summer of 1980, she wishes some politician would get out in the small towns and see how things really are. Independence, after all, has become no more than a suburb of Kansas City.

Bell figures that television fella, David Brinkley, had it about right when he said that the politicians have lost touch with the people that "they all live out there together in somethin'-or-other Heights in Washington, D.C., and have forgotten how the rest of us live."

If Jimmy Carter had come to Liberal, she says, he would have seen how people are living on \$175 a month. And he might have gained a new perspective on the drought—beyond those dollar-sign losses with so many zeroes on the end that they all lose meaning.

See COAST, A6, Col. 1

A 6

THE WASHINGTON POST Wednesday,

COAST, From A1

The sun pinched back the beans in Bell's garden and her tomatoes wouldn't set when the temperature stayed over 100 for 30 straight days this summer. That's tough when it takes away about \$20 or \$25 of food and you're on a pension check, which she figures two-thirds of the people in Liberal are.

But, as Bell knows, no presidential campaign is coming to Liberal to find out why the young people are leaving, why the paint is peeling off the 30-cent-wash sign at the Coin-o-Matic on Main Street, or why Bob Suschnick felt compelled to close down the fountain counter at Jones Drug Store, which was the last place in Liberal where people had a chance to just stop and talk.

Maybe those aren't election issues, as important as they seem in Liberal and a thousand other little towns lost in the void between the freeways that hold Americans together these days.

Power follows the freeways, the way it once followed the railroads that helped get Liberal started a century ago way out in the nowhere of southwestern Missouri. Presidential campaigns follow the freeways too—even if that means the candidates, the media and the powerful sometimes get a strange view of the country.

isn't selling well this year, and then there's the history of Liberal.

The town was started by a group of Freethinkers who wanted a place without churches or saloons, a place where the mind could roam unmuddled by either rum or religion. Bell understands that, might not sit well with three born-again presidential candidates.

But like most of the dreams that started little towns throughout the Midwest, the Freethinkers Eden faded fast. The saloons came in four years, the churches in seven. For what it's worth to the far-off candidates, the churches now outnumber the Liberal Lounge 4 to 1.

Ray Smith was born here 90 years ago, about the time the churches and saloons came in, and he figures it's been downhill ever since the dream faded in Liberal.

If the candidates ever came to town and asked Smith how the country was doing, he'd reply that it was not doing well, that in fact the country was burned brown right outside Liberal. But he'd bend their ears about a few other things, too.

He'd ask them how come there's so much welfare floating around when people like Willis Strong are working

Presidential campaigns follow an interstate skeleton, an I70 shinbone connecting to an I35 thighbone, no flesh in between.

Vision rarely ranges beyond eight marrow-grey lanes. Variety along the campaign trail is a grits option off a clover left to a Ramada Inn in Savannah, hash browns being the eggs' garnish off the octopus right to a Holiday Inn in Santa Cruz. The art plastique is the same at all stops, the Magic Fingers, too.

A cloverleaf leads to Independence, but there isn't a concrete shamrock within 50 miles of Liberal.

Getting to Liberal would require the Secret Service to hang left down Rte. 43, stopping at the flashing red light at the railroad tracks even though the train isn't coming.

It would take the press buses past signs that said Joe Rose for Sheriff, instead of Jimmy Carter for President, and hold them up behind hay trucks that are taking one and a half of the two lanes passing through Moundville, population 149.

Then it would require the candidates' limo to make an artful right at a county road marked only "K," skirt past the sewage lagoon and keep a careful eye out for the unmarked left to Main Street.

Before getting to city center, the

Strong, who had ink up to his elbows on Labor Day as if to prove Smith's point, would nod at that one.

But beyond that, Ray Smith would raise the question of how come the drug store fountain counter had to close.

"It's the worst thing that's happened to Liberal since the churches and saloons came in," says Smith, who may be 90 but looks and acts about Bell's age. "Worse than when the coal ran out at the shovel mine, worse than when the brick factory closed down."

Maye Bell agreed that it was serious, that neither the old folks nor the kids had anyplace to go now. But she defended Bob Suschnick's decision.

"He wasn't making any money," Bell said. And she could understand that, with her beans burned back to the ground and trying to stretch a pension check.

Smith was a long way from the hum of the freeways, a long way from the madding crowds of a presidential visit to Independence. But he looked right through Maye Bell on that one, just as he would have looked right through Jimmy Carter, reckoning that the reasons ran deeper than that.

COAST TO COAST



group would pass a nice Americana row of white clapboard houses with porch swings that still get used every evening. Then it would pass the Golden Homes of Liberal, a handful of subsidized fourplexes which, except for the post office with its "Here Come the Marines" sign, represent the only federal presence in town.

Maye Bell doesn't expect to see the candidates. With a waning population of 644, Liberal probably couldn't even muster the electrical power for Brinkley's TV cables, much as Bell would like to see him.

So Bell figures Liberal has too many strikes against it to arrive as an election dateline—the isolation, although she's not really sure who is isolated from whom; the name, which

Reagan Beats A Retreat on Klan Remark

By Martin Schram
Washington Post Staff Writer

Ronald Reagan, having ambushed his own southern bandwagon in his anxiousness to link President Carter and the Ku Klux Klan, came under attack from all sides yesterday—and finally issued a statement of retreat, regretting that his remarks had been “misinterpreted.”

It was, according to Reagan's vice presidential running mate, George Bush, an apology. And, in an observation that stands as the oratorical benchmark of this two-day-old presidential campaign, Bush also accused the Democrats of conducting a campaign of “groin-kicking.”

Reagan contended, in his statement, that it was the Democrats who first raised the issue of the Klan, anyway.

At issue in this latest controversy surrounding Reagan was the Republican nominee's ad lib on Labor Day criticizing Carter for “opening his campaign down in the city that gave birth to and is the parent body of the Ku Klux Klan.”

This prompted the president to counter yesterday that Reagan had committed “slurs and innuendo” against Tuscumbia, Ala., where Carter had opened his campaign Monday, and against the entire South. Carter, who desperately needs to hold his southern base intact if he is to win reelection, added: “... as an American and a southerner, I resent it.”

Reagan's statement also prompted seven southern governors—all Democrats—to demand an apology, in a joint statement attacking “Mr. Reagan's callous and opportunistic slap at the South.”

It prompted the local congressman, Rep. Ronnie Flippo (D-Ala.), to inform Reagan by telegram that he had committed “an insult to Tuscumbia and the people who live there.”

And it prompted Democratic National Chairman John White to call a press conference to say that Reagan had slurred one region of the country “in a shoddy attempt to get an applause line” in another region.

But if applause was what Reagan was seeking, it was not what he received upon uttering his ad lib about the Klan. The audience at the Michigan State Fair Mon-

See KLAN, A6, Col. 1

Under Heavy Fire, Reagan Retreats On His Klan Ad Lib

KLAN, From A1

day night groaned audibly as Reagan tried to contrast his decision to campaign in unemployment-ridden Detroit with Carter's appearance in the city he said “gave birth to” the Klan. (In fact, Tuscumbia has been the headquarters of one of the competing branches of the Klan, but it was not the founding city of the Klan.)

Carter, seeking to solidify his shaky southern political base, had opted to kick off his fall reelection effort with an appearance at a huge Labor Day rally in the South. When the Klan showed up to picket, the president launched into a stinging attack on the KKK.

Reagan had been endorsed by the Klan shortly after his nomination, and he quickly repudiated their endorsement.

Yesterday, Reagan campaign officials traveling with the GOP presidential nominee were clearly subdued, as they saw the impact from Reagan's one ad lib undoing much of the good they thought had come out of the otherwise carefully planned Labor Day kickoff. Several southern campaign chiefs telephoned senior campaign officials to express concern about Reagan's comment and the impact it could have on his chances of carrying several southern states.

“The governor had intended to say something that would draw a contrast between where he was campaigning and where Carter was campaigning,” said one Reagan official. “And it just came out wrong.”

Reagan officials have envisioned, based on their own polling, carrying at least two southern states—Mississippi and Louisiana.

Yesterday, Reagan's Mississippi chairman, Rep. Trent Lott, said he did not believe that Reagan had seriously damaged his chances of carrying that state because of his Klan comment. But Democratic chairman White said he believes that Reagan “now has no chance of carrying any state in the South ... because he has slurred the entire region.”

Reagan's statement yesterday was issued after several telephone conferences between officials traveling with Reagan and those here in Arlington headquarters.

“I am greatly disturbed about efforts to make the Ku Klux Klan an issue in this campaign,” Reagan said at the outset of his written statement. “I also regret that certain remarks I made yesterday are being misinterpreted to mean something that was never intended.”

As Reagan went on to tell it, someone in his audience wearing a Jimmy

Carter mask had inspired him to make the adlibbed reference to the Klan.

“A member of the audience who wore a Carter mask attracted my attention,” Reagan said. “Jokingly, I said, ‘I thought you were in Alabama.’ I then added that Mr. Carter was speaking in the locale of the Ku Klux Klan headquarters, which statement had been included in a network newscast the evening before. I intended no inference that Mr. Carter was in any way sympathetic to the Klan and in no way did I intend to disparage the city of Tuscumbia or the state of Alabama. Nor do I believe there is any place for the Klan in the hearts of the people in the South. Since that time Mr. Carter and members of his campaign staff have tried to exploit this situation for political purposes.”

Reagan went on to say that the Carter people started it.

“The issue of the Ku Klux Klan was first injected into this election season several weeks ago by Mr. Carter's former appointee, Andrew Young, when he criticized me for attending the Neshoba County Fair in Philadelphia, Miss., and by Carter's Secretary of Health and Human Services, Mrs. Patricia Harris, who referred to the Klan in an attack on my candidacy.”

On Aug. 3, at the Neshoba County Fair, Reagan uttered familiar code words of decades past. “I believe in states' rights,” he told an overwhelmingly white audience.

Shortly afterward Young, who was Carter's first ambassador to the United Nations, wrote in a column that appeared in The Washington Post's editorial section about his won Philadelphia, Miss., journeys when three civil rights workers were murdered in that city in 1964, and said Reagan's choice of language reminded him of that era.

Harris, in a speech to the United Steelworkers convention on Aug. 6, noted that the Klan had endorsed Reagan and that Reagan had repudiated the endorsement.

Earlier yesterday, Carter, responding to a question upon arrival in Kansas City for campaigning, called Reagan's initial comment “uncalled for, inaccurate, and I think it was something all southerners would resent.”

Independent presidential candidate John Anderson said: “I'm disappointed the campaign will begin on that note. I think it was a very unfortunate comment. I don't think it speaks well of Gov. Reagan.”

Staff writers Felicity Barringer, Lou Cannon and Edward Walsh and researcher Valarie Thomas contributed to this report.

Reagan Vows to Try To Halt 'Deluge' of Japanese Autos

By Lou Cannon
and David S. Broder
Washington Post Staff Writers

DETROIT, Sept. 2 — Ronald Reagan campaigned for Democratic votes in this recession-ridden auto capital today and said that as president he would try to get rid of "several thousand" federal regulations of American automakers and move to halt the "deluge of Japanese auto imports."

In a departure from his usual free trade advocacy, Reagan said he would attempt to convince the Japanese that it was in their own best interests to slow down the sale of their cars in this country "until our industry gets back on its feet."

Reagan was speaking to Chrysler employees alongside the assembly line of the troubled corporation's new "K-car," which Reagan referred to as a car of the future that would be fully able to compete with Japanese compacts. His message about the K-car and federal regulations was music to the ears of Chrysler chairman Lee Iacocca, who introduced Reagan.

Over a vending machine lunch with Iacocca and seven workers, Reagan also said that he now thinks the federal legislation that halted out Chrysler and kept it in business has been "the proper answer." Until now, he had opposed the bill.

Reagan acknowledged his original opposition but added, "I also said when government has been as responsible as it has been for the problems of the automobile industry, then maybe government's got an obligation to cure what it has caused."

The Republican presidential nominee told the Chrysler employees that

Washington was even more responsible than Japan for their problems. He mocked President Carter's promise to ease the burden of federal regulations "by tinkering with a few environmental test procedures."

"If I am elected and have an administration, I'd go a lot further than a little tinkering with regulations," Reagan said. "I'd like to get rid of several thousand of what I think are unnecessary regulations that have caused your problems. We'll give government regulation a major overhaul and prove you don't have to lay people off to have clean air, safe cars and good fuel economy."

All cars sold in the U.S. must meet the same safety and environmental standards.

Reagan gave no clue as to how he would go about his regulatory overhaul. His chief domestic adviser, Martin Anderson, said afterward that Reagan was talking about complicated regulations dealing with environmental restrictions and gas mileage that would have to be examined once Reagan took office.

The speech in the Chrysler plant was the highlight of a day and a half in Detroit aimed largely at the normally Democratic working-class vote here.

Michigan is a key target state for the Reagan forces. The GOP strategy is to cast Reagan as what state campaign chairman John R. Gnau Jr. calls "the blue collar candidate."

Gnau said he anticipates that Reagan and his running mate, George Bush, will make a combined total of six campaign appearances in Michigan and that former president Ford will spend five days here. Bush, Ford and Gov. William G. Milliken will concentrate on traditional Republican constituencies and ticket-splitting voters while Reagan will spend his time in blue-collar areas.

In keeping with this strategy, Reagan emphasized—as he did on Labor Day in Jersey City, N.J.—that he is the only nominee for president who ever served as president of a labor union. The former California governor was six times president of the Screen Actors Guild.

Reagan's contention that the United States is gripped by a Carter-caused depression rather than a mere recession stands up better in Michigan better than anywhere else.

Michigan's unemployment rate is 14 percent, with autoworker unemployment reaching 18 percent in Detroit and 25 percent in Flint. Unemployment is even higher among blacks and young people.

As a result, four of five Reagan events today—all but one of which were closed to general press coverage—were aimed at the economic issue. The exception was a fund-raising reception at the Renaissance Club which Gnau said was expected to raise \$200,000 for the GOP in Michigan.

Reagan ate breakfast in his suite with auto industry leaders, toured the Chrysler plant, lunched on a meatloaf sandwich he bought from a vending machine while eating with Iacocca and the workers and then held another private meeting with steel industry leaders.

His most successful event was a backyard barbecue Monday evening at the home of steelworker Emil Petri in the Detroit suburb of Allen Park. Reagan brought the sausage for the barbecue. Milliken brought the potato salad and Petri and his steelworker friends provided the beer.

Reagan was greeted by cheers mixed with some boos when he was introduced by Iacocca at the K-car plant. The autoworkers applauded loudly when he talked about repealing the federal environmental regulations on automobiles.

Reagan Says He Regrets Klan Flap

Carter Is Accused Of Distorting Remark

By James R. Dickenson
Washington Star Political Writer

DETROIT—Ronald Reagan yesterday charged that President Carter "deliberately distorted" his remarks about Tuscumbia, Ala., being the home of the Ku Klux Klan, and apologized to the mayor of the town and the governor of the state for the incident.

Reagan also demanded that Carter immediately apologize to the people of Alabama "for using this issue in a way which may be detrimental to them" in attacking the Republican presidential nominee's remarks.

Reagan had reopened a month-long campaign controversy over the Klan with a remark at the Michigan State Fair on Monday, when he tried to contrast his campaign opening in Northern industrial cities while Carter had started in the "safe" political territory of the Deep South.

"President Carter is starting his campaign in a city that gave birth to and is the parent body of the Ku Klux Klan," Reagan said.

By yesterday afternoon, Reagan was obliged to issue his apology after a storm of angry reaction.

Carter responded yesterday morning by accusing Reagan of unfairly implying that the people of the South in general and Alabama in particular were Klan sympathizers.

"I resent very deeply what Ronald Reagan said about the South, about Alabama, about Tuscumbia, that he pointed out erroneously that I opened my campaign in the home of the Ku Klux Klan," Carter said. He noted that the Klan had been born in Pulaski, Tenn., about 50 miles from Tuscumbia, and that a Klan organization had just moved its headquarters to Tuscumbia about a month ago.

Carter denounced what he described as the "slurs and innuendos against a whole region, based on a false statement, a false premise."

"This is not the time for a candidate to try to get political advantage by trying to divide one region of the country from another by alleging that the Ku Klux Klan is representative of the South, of Alabama or the city of Tuscumbia," Carter said.

See REAGAN, A-5

Reagan Apologizes For Remark on Klan But Blames Carter

Continued From A-1

In another response to Reagan's impromptu remark, seven Southern governors joined in a statement demanding an apology for "Mr. Reagan's callous and opportunistic slap at the South."

Reagan and some of his advisers appeared still to be irked by the criticism of Carter supporters, such as former U.N. Ambassador Andrew Young and Patricia Harris, secretary of health and human services. Young had scolded Reagan for attending the Neshoba County Fair in Philadelphia, Miss., the scene of the murder of three young civil rights workers in 1963, and Harris had attacked him for not being quick enough to disavow a Klan endorsement.

Some of Reagan's advisers defended his statement about Tuscumbia, but others worried that it might antagonize Southern voters when he appears to have an excellent opportunity to cut into Carter's Southern base. They also are concerned that Reagan is spending too much time explaining his statements on such issues as U.S. relations with Taiwan, his defense of the Vietnam war as a "noble venture," and his questioning the theory of evolution at a convention of evangelist ministers.

On the Klan affair, Reagan yesterday issued a statement in which he said:

"I have phoned both Mayor Sparks of Tuscumbia and Governor (Forrest) James of Alabama to express my disappointment that the Carter campaign has deliberately distorted the intent of my remarks. I also expressed my regret that anything I may have said was interpreted as reflecting adversely on Alabama or the city of Tuscumbia — birthplace of Helen Keller — or its people."

"At the same time I call on Mr. Carter to publicly disavow the comments of Andrew Young and Patricia Harris and to ask them to apologize for their unfair attempt to associate my campaign with the Ku Klux Klan. I also call on him to apologize to the people of Alabama for using this issue in a way which may be detrimental to them."

Reagan said that he did not believe that there is "any place for the Klan in the hearts of the people in the South" but that Carter and members of his campaign staff had tried to exploit the situation for "political purposes."

"The issue of the Ku Klux Klan was first injected into this election season two weeks ago by Mr. Carter's former appointee, Mr. Andrew Young, when he criticized me for attending the Neshoba County Fair, and by Carter's secretary of Health and Human Services, Mrs. Patricia Harris, who referred to the Klan in an attack on my candidacy," Reagan said.

"The Klan is not an issue in this campaign, although President Carter is attempting to make it one despite the embarrassment it causes the people of Tuscumbia. It is a desperate and I believe futile attempt to divert attention from the real issue of this campaign, which is his sorry record."

Reagan then explained how he happened to make the remark. According to his statement, it was triggered by a heckler in the audience at the Michigan State Fair who was wearing a rubber Jimmy Carter mask.

"Jokingly I said, 'I thought you were in Alabama,'" Reagan recalled.

"I then added that Mr. Carter was speaking in the locale of the Ku Klux Klan headquarters, which statement had been included in a network newscast the evening before. I intended no inference that Mr. Carter was in any way sympathetic to the Klan and in no way did I intend to disparage the town of Tuscumbia or the state of Alabama."

One Reagan adviser said that the Klan statement was intended to draw the contrast Reagan's opening his campaign on Labor Day in Jersey City, N.J., and Detroit, traditional Democratic strongholds, with what they consider Carter's opening in "safe" territory in the South.

"No one wants to be booed on the first day of his campaign, but that's where Carter had to go to avoid it," he said. "On the other hand, we're going right into Democratic country."

THE WASHINGTON STAR, Wednesday, October 1, 1980

Reagan Says He'd Try To Curb Auto Imports

He Pledges to Urge Restraint on Japan

DETROIT (NYT) — Ronald Reagan promised autoworkers here yesterday that if elected president he would attempt to get the Japanese to curtail the export of cars to the United States until the American auto industry recovered from its severe economic troubles.

Monday, at a backyard barbecue with auto and steel workers in the working-class suburb of Allen Park, Reagan said that he did not "think our problem is as much in Japan as in Washington, D.C."

But yesterday, after meeting privately and separately with Henry Ford II, the former chairman and chief executive officer of the Ford Motor Co.; Thomas A. Murphy, chairman of the General Motors Corp., and Lee A. Iacocca, chairman of the Chrysler Corp., the Republican nominee appeared to shift more of the blame for the domestic industry's problems to Japan.

Accompanied by Iacocca, Reagan toured the plant in which Chrysler is producing its new K-car. The former governor of California departed from his prepared text in a brief speech to assembly-line workers to say:

"There is a place where government can be legitimately involved — and this is where I think government has a role that it has shirked so far — and that is to convince the Japanese that, in one way or another and in their own best interest, the deluge of their cars into the United States must be slowed while our industry gets back on its feet."

The workers, some of whom had booed when he was introduced, applauded.

Reagan also adjusted the wording of his speech in remarking on "the concern many of you have with imports from Japan" and declaring that "Japan is just part of the prob-

lem — the other part of the problem is Washington, D.C."

"Recently Jimmy Carter's secretary of labor went to Japan to scold Detroit for its sins of omission, for building the wrong kinds of cars," Reagan said. "Well, I'm here today to tell you and the world that the workers of Detroit don't need a lecture on morality. They need jobs."

Martin Anderson, Reagan's chief adviser on domestic affairs, later explained that the candidate was not proposing legislation to stem the flow of Japanese imports. The adviser said that what Reagan had been discussing recently was "some sort of negotiations with the Japanese for a voluntary cut in imports."

After the plant tour and speech, Reagan ate a meat loaf sandwich in the company lunchroom with Iacocca and five Chrysler workers.

In the conversation, Reagan remarked that "if Japan keeps on doing everything that it's doing, what they're doing, obviously, there's going to be what you call protectionism."

"What's your position on the bail-out, now, as we sit here?" one worker asked, alluding to the federal government's \$1.5 billion worth of loan guarantees for Chrysler.

"It is working," Reagan said. "and I am happy about it. And I think it was a proper answer."

"But you opposed it earlier?" the questioner continued.

"I opposed the original idea," Reagan replied. "I said that I was reluctant to see the government set the precedent, coming into the bail-out business. But everyone seems to have forgotten that I also said when government has been as responsible as it has been for the problems of the automobile industry, then maybe government's got an obligation to cure what it has caused and maybe at the same time to eliminate the regulations and the things that brought the problems on in the first place."

Reagan Promises Auto Workers To Seek a Cut in Japan's Exports

By DOUGLAS E. KNEELAND

Special to The New York Times

DETROIT, Sept. 2 — Ronald Reagan promised auto workers here today that if elected President he would attempt to get the Japanese to curtail the export of cars to the United States until the American auto industry recovered from its severe economic troubles.

Yesterday, at a backyard barbecue with auto and steel workers in the working-class suburb of Allen Park, Mr. Reagan said that he did not "think our problem is as much in Japan as in Washington, D.C."

But today, after meeting privately and separately with Henry Ford 2d, the former chairman and chief executive officer of the Ford Motor Company; Thomas A. Murphy, chairman of the General Motors Corporation, and Lee A. Iacocca, chairman of the Chrysler Corporation, the Republican nominee appeared to shift more of the blame for the domestic industry's problems to Japan.

Accompanied by Mr. Iacocca, Mr. Reagan toured the plant in which Chrysler is producing the new K-car, which it hopes will make it competitive in the American market once more. The former Governor of California departed from his prepared text in a brief speech to assembly-line workers to say:

"There is a place where government can be legitimately involved — and this is where I think government has a role that it has shirked so far — and that is to convince the Japanese that, in one way or another and in their own best interest, the deluge of their cars into the United States must be slowed while our industry gets back on its feet."

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"Recently Jimmy Carter's Secretary of Labor went to Japan to scold Detroit for its sins of omission, for building the

wrong kinds of cars," Mr. Reagan said. "Well, I'm here today to tell you and the world that the workers of Detroit don't need a lecture on morality. They need jobs."

Courting Blue-Collar Vote

Mr. Reagan said that the auto workers he had met in Detroit, where he courted the blue-collar vote yesterday and today in his attempt to win Michigan's 21 electoral votes, knew that they were "building the right products for American buyers."

"And you are ready to take on the Japanese on fuel economy, on quality and on pride of workmanship," he added.

If elected, he said, he would "like to see how we could get government out of your way and rebuild the great American automobile industry."

Martin Anderson, Mr. Reagan's chief adviser on domestic affairs, later explained that the candidate was not proposing legislation to stem the flow of Japanese imports. The adviser said that what Mr. Reagan had been discussing recently was "some sort of negotiations with the Japanese for a voluntary cut in imports."

After the plant tour and speech, Mr. Reagan ate a meat loaf sandwich in the company lunchroom with Mr. Iacocca and five Chrysler workers.

In the conversation, Mr. Reagan remarked that "if Japan keeps on doing everything that it's doing, what they're doing, obviously, there's going to be what you call protectionism."

Position on Loan Guarantees

"What's your position on the bail-out, now, as we sit here?" one worker asked, alluding to the Federal Government's \$1.5 billion worth of loan guarantees for Chrysler.

"It is working," Mr. Reagan said, "and I am happy about it. And I think it was a proper answer."

"But you opposed it earlier?" the questioner continued.

TV News and the Campaign

Labor Day Salvos by Carter and Reagan Reflect Importance of 'Free Media' in Presidential Race

By ADAM CLYMER

President Carter and Ronald Reagan were seen in the flesh Monday by no more than 50,000 potential voters as they opened their fall campaigns. However, the people in Tusculum, Ala., Washington, Jersey City and Detroit were not the real audience; they were more like props that enabled the candidates to make an election pitch to at least 30 million Americans watching evening television news on the three commercial networks.

With the Statue of Liberty behind him, Mr. Reagan was there in his shirtsleeves, proclaiming the vitality of the American dream and the morbidity of Mr. Carter's economic policies. The President was in his native South, denouncing the Ku Klux Klan and identifying with the striking workers of Poland.

Representative John B. Anderson, the independent Presidential candidate, received less exposure, both in person and for his message on television. His problems received more attention than did the difficulties of his rivals, and ABC News's piece on him was devoted to his money troubles, not his Labor Day campaigning. But on the two other networks he got through his message that Mr. Carter, while generally a failure, had succeeded in one thing: "He planned a recession, and by golly, it worked."

On a trouble-free campaign day like Monday, the network news programs, all of which presented Presidential politics as their top items, offered a lesson in the value of "free media." The two major-party candidates will start showing commercials this week, emphasizing their strengths, or what their advertising advisers believe they can "sell" as strengths. But at the same time their managers will be seeking to arrange in-person campaigning to get television news coverage that will carry those messages at minimal cost, and with greater credibility.

Impact of Free Time

Robert Goodman of Baltimore, who made George Bush's television commercials, said yesterday that in a contest taken as seriously as a Presidential election, especially with \$15 million the practical top television budget when overall spending is limited to \$29.4 million, "free time far outweighs bought time" in its impact.

Bob Squier, who makes commercials for Democrats, agreed. He cited the one unpredictability of Monday's campaigning, the Ku Klux Klan demonstration and Mr. Carter's response, as the reason Presidential campaigns were much less affected by commercials than less-reported state and local races. "They are dramas played out nightly in your living room."

Mr. Goodman excels, in his commercials, at backdrops and music to heighten the message. On the news programs Monday, Mr. Reagan's stage set was the most inviting. Not only was there Miss Liberty, but there were also ethnic dances and Stanislaw Walesa, father of the leader of the Polish strikers, followed by a brief shot of the candidate at a Detroit barbecue.

The candidates got their own messages through, generally without comment or

contradiction from the broadcasters, in the segments of approximately two minutes that each network gave each candidate. But several of the pieces had a spin at the beginning or the end, almost as if to say that the television reporter was not being taken in by the general optimism of the scene being shown.

'Bigger Pie With Bigger Slices'

ABC began its Carter story by emphasizing that Gov. Fob James of Alabama had not yet endorsed the President for reelection. It described Mr. Reagan's hope that a growing economy would mean "a bigger pie with bigger slices for every one of us" as his "economic equivalent of a 'chicken in every pot,'" a reference to the Republican slogan in 1928, but ABC did not bring that up.

CBS News, in closing its segment on Mr. Anderson, described a gloomier candidate than it showed. The network said many voters thought that a vote for Mr. Anderson would only be a "symbolic gesture," but he was now so low in the polls that he "would be glad to settle for any support, symbolic or otherwise."

NBC News's reporting, on Monday night at least, was less flashy. The Carter coverage noted that he had not used any anti-Reagan material, and the Reagan report said aides were pleased at the day's events and hoped their recent difficulties would be passed off by the voters "as a kind of exhibition season."

They may have trouble later in getting an uninterrupted message through on the news, or getting covered at length when other things may be happening. But for Mr. Carter and Mr. Reagan, at least, opening day showed that they could score convincingly in the "free media" that matters most.

Reagan's Support of Free Trade Stalls In Accelerated Appeal to Auto Workers

By ALBERT R. HUNT

Staff Reporter of THE WALL STREET JOURNAL

DETROIT—Ronald Reagan stepped up his efforts to attract traditionally Democratic auto workers and in the process fudged on his support for free trade where the "deluge" of Japanese auto imports is concerned.

Mr. Reagan toured the plant here where Chrysler Corp. makes its new fuel-efficient "K-cars." The Republican presidential nominee repeated his standard attacks on the Carter administration's economic policies and laid much of the blame for the auto industry's troubles to government regulation, promising that, if elected President, he would seek to eliminate "several thousand unnecessary regulations."

But then, deviating from his prepared remarks to several hundred Chrysler workers, Mr. Reagan said, "Japan is part of the problem." He added: "This is a place where government can be legitimately involved. That is, to convince the Japanese in one way or another that, in their own best interests, that deluge of their cars into the United States must be slowed while our industry gets back on its feet."

Later, at an informal lunch with Chrysler Chairman Lee Iacocca, President Paul Bergmoser and seven plant employees, Mr. Reagan, in response to a question, ventured, "If Japan keeps on doing everything that it's doing . . . obviously there's going to be what you call protectionism."

Differed From Prior Views

Although Mr. Reagan stopped short of embracing any outright restrictions, leaving the impression he was talking about voluntary efforts, this was at variance with his earlier views. Previously he stated the automobile industry's woes have been caused solely by governmental policies and indicated opposition to any import curbs.

But auto imports are a sensitive issue in Michigan, where the unemployment rate exceeds 14% largely because of the slumping domestic automobile industry. Mr. Reagan believes he can capitalize on these economic conditions, attracting traditionally Democratic blue-collar voters to win Michigan's large 21 electoral votes.

This worries Democrats and the United Auto Workers union, which is backing President Carter. Before Mr. Reagan's visit to the Chrysler plant yesterday, the UAW distributed leaflets accusing the GOP nominee

of deriding unemployment compensation, of wanting to break up unions with antitrust action and of opposing the federal loan guarantees for Chrysler.

On the Loan Guarantees

And Mr. Reagan received a mixed response at the Chrysler plant. "I'm undecided, but leaning to Reagan," said Manfred Kortz, a 42-year-old toolmaker and registered Democrat. Noting that his closest friend has been jobless since February, he explained, "I think he'll try to get our jobs back. Carter hasn't done anything on jobs." But Guy Brown, a 23-year-old auto worker and also a Democrat, indicated he'd probably stick with President Carter; "Reagan didn't support us with the loan guarantees."

Actually, Mr. Reagan earlier waffled on the federal loan guarantees for the ailing auto maker. He indicated opposition to such bailouts "in principle" but also contended federal regulations had caused most of Chrysler's problems. Asked about this at yesterday's lunch with Chrysler workers, Mr. Reagan no longer equivocated: "It (the bailout) is working. And I am happy about it. And, I think it was a proper answer."

On his pledge to eliminate "several thousand" regulations related to the auto industry, Mr. Reagan avoided specifics, although he criticized government energy policies for driving people to smaller cars and said industry is too heavily taxed. Alder also explained that Mr. Reagan, if elected, would review all the various environmental restrictions and federal mileage efficiency standards.

The tour of the Chrysler plant was Mr. Reagan's only major public appearance of the day. The remainder of his time was devoted to private meetings, including sessions with top executives of the Big Three auto companies and a short appearance at a fund-raising affair for the Michigan Republican Party. Reagan strategists, bothered by their candidate's penchant for creating unintentional controversies in the past few weeks, are planning a much tighter schedule to avoid possible pitfalls.

But yesterday they had to deal with a new controversy. This one involved Mr. Reagan's criticism of President Carter for opening his campaign in Tusculum, Ala., which the GOP nominee erroneously said was the birthplace of the Ku Klux Klan. The President called the accusation an insult to the South.

Reagan visits Chrysler

Reagan toughens stance on imported Japanese cars

By Carl P. Leubsdorf
Sun Staff Correspondent

Detroit—Speaking to workers in a plant producing the newest small, gas-saving U.S. cars, Ronald Reagan called yesterday for government action to convince the Japanese that the "deluge of their cars into the United States must be slowed while our industry gets back on its feet."

The Republican nominee's ad-libbed comments, his strongest to date on Japanese imports, appeared to come as something of a surprise to his policy advisers, but they quickly pointed out that Mr. Reagan had stopped well short of calling for import quotas or increased tariffs to protect domestic manufacturers.

"He's not talking about import restrictions," said Martin Anderson, the GOP nominee's chief domestic policy adviser.

"He's talking about negotiations."

Mr. Reagan also appeared to make something of a shift on the subject of the federal government's decision to bail out the faltering Chrysler Corporation, a move he originally opposed. He told several workers "I am happy about it," only referring to his past opposition when pressed on the matter.

Last spring, when he decried the automobile industry's problems that led to a plant closing in New Jersey, Mr. Reagan said government policies—specifically high interest rates—were the problem, not foreign imports.

Monday, at a barbecue here, he said, "I don't think our problem is as much in Japan as in Washington, D.C." In his prepared statement yesterday, he said, "Japan is only part of the problem—the other part is Washington, D.C.," specifically citing "unnecessary regulations" imposed by the government.

But when he got onto a stand in the Chrysler Corporation's K-car Stamping and Assembly Division plant, where the subcompact Dodge Aries and Plymouth

See REAGAN, A5, Col. 1

REAGAN, from A1

Reliant are being built, he embellished his comments to appeal to the audience at hand.

Having read the original reference to Japan in his statement and having moved on to call for getting "the heavy hand of government off the backs of American industry," including getting rid of "several thousand" federal regulations, Mr. Reagan said he wanted to return to the subject of Japan, adding that the time may have come for "a little action" to back up strong words.

Without suggesting any specifics, he said the government should try "to convince the Japanese that in one way or another and for their own best interests that deluge of their cars into the United States must be slowed while our industry gets back on its feet."

A little later, while having lunch with seven autoworkers and two Chrysler officials, Mr. Reagan said, "If Japan keeps on doing everything that it's doing, obviously

there is going to be what you call protectionism."

Several times in the past three weeks, Mr. Reagan has made belated additions that have gone beyond his prepared remarks and, inevitably, stirred controversy.

The most recent came Monday night when, in talking to a crowd at the Michigan State Fair here, Mr. Reagan contrasted his campaign kickoff in front of workers facing economic problems with that of his Democratic opponent, President Carter, who was "opening his campaign down in the city that gave birth to and is the parent body of the Ku Klux Klan."

Afterward, Mr. Reagan's press secretary, Lyn Nofziger, sought to brush the comment off, saying it meant "nothing in particular."

But yesterday, another Reagan aide said the comment was not as inadvertent as it had appeared to be and that "we intended to make the contrast" between Mr.

Reagan campaigning in enemy territory and Mr. Carter choosing a friendly locale.

Asked if the campaign regretted the comment, the aide replied: "No. I think it worked out as planned."

However, other sources reported that when Mr. Reagan arrived at his hotel here Monday night, he had expressed some concern over the wisdom of the statement.

It was also understood that the idea for the statement came from Mr. Nofziger.

In any case, the Reagan camp seemed quite surprised yesterday when President Carter landed on the statement with both feet and, in effect, accused the GOP nominee of slurring Mr. Carter's native South.

After several hours, the Reagan side issued a lengthy statement accusing Carter supporters of initially raising the Klan issue and charging the Carter campaign with "a desperate and I believe futile attempt to divert attention from the real issue of this campaign, which is his sorry record."

Mr. Reagan cited criticism by former

Representative and U.N. Ambassador Andrew Young and by Patricia Roberts Harris, Secretary of Health and Human Services, who last month was quoted as saying that when she hears Mr. Reagan's name she "sees the specter [of a] white sheet behind him."

In the statement, Mr. Reagan called on Mr. Carter to disavow comments allegedly associating the Reagan campaign with the Klan, urged the president to "apologize to the people of Alabama" for the way he used the issue and called on his rival "to cooperate" in returning the campaign to the real issues.

The statement was apparently the source of differences within the campaign, with some political advisers urging the former governor to issue a relatively terse statement in which he regretted any misinterpretation and explained what he had meant. But campaign sources said members of the traveling party succeeded in including the charges that Mr. Young and Mrs. Harris had started the whole thing, a

theme raised Monday night by Mr. Nofziger when he asked reporters why they were so much more interested in Mr. Reagan's comments than in those of Mrs. Harris.

Mr. Reagan's visit to the Chrysler plant, the centerpiece of the troubled automaker's efforts to revive its sagging economic fortunes, was his only public event during another leisurely campaign day that mainly included private meetings and a late afternoon fund-raiser before he returned to Washington last night.

Though the nominee's comments on cutting government regulation and standing up to the Japanese drew applause, his reception was mixed in a plant where many workers appeared to be Democrats likely to stand by President Carter.

Some cited Mr. Reagan's opposition last fall to the original government proposal to bail out Chrysler. However, when he was asked about the proposal during lunch, Mr. Reagan first said "I am happy about it" and called it "a proper an-

swer."

Reminded of his original opposition, he conceded he had been reluctant to see the government come into the picture. But he noted he had also said that, because of its responsibility for the auto industry's problems, "maybe government's got an obligation to cure what it has caused."

One worker, Wayne Holeman, a 27-year-old just back on the job after being laid off for nearly a year, said he supports Mr. Carter, in part because of the Republican nominee's statement some years ago that "unemployment [compensation] is a perpetual vacation for freeloaders."

Several others, including one man who is 60 and a retired worker who is 66, cited the age of the 69-year-old former governor as a reason to support Mr. Carter.

But Wallace Lewis, a 52-year-old who recently returned to work after being unemployed for seven months, said, "I have to vote for Reagan because I'm not going to vote for Carter. After four years, I don't think he could do the job."

Bush, in Florida, Accuses Democrats of Low Blows

ST. PETERSBURG, Fla., Sept. 2 (AP) — George Bush, the Republican Vice-Presidential nominee, accused the Democrats today of running a "groin-kicking" campaign and said Vice President Mondale was leading the effort.

Mr. Bush also said Democrats were living in a "fantasy world" in which the "incompetence and mismanagement" of the Carter Administration were being glossed over.

Mr. Bush made his comments at a Re-

publican fund-raising event in Orlando, Fla., and followed up with attacks on Mr. Mondale at an airport news conference and a lunch in St. Petersburg.

In Orlando, he said that perhaps the Democrats would find "the American people don't like the groin-kicking kind of campaign we heard" at the Democratic National Convention.

Mr. Bush gave only one example of what he considered such low blows, refer-

ring to comments by Mr. Mondale "implying" that Ronald Reagan, the Republican Presidential nominee, favored an end to the practice of allowing automatic increases in Social Security benefits based on the rate of inflation.

When asked later about a comment by Mr. Reagan earlier this year that he might consider removing housing costs from the inflation index, an adjustment that would sharply reduce future Social

Security increases, Mr. Bush replied he did not know what Mr. Reagan's position was on that issue.

Mr. Bush also refused to answer repeated questions that Mr. Reagan had delivered a low blow of his own when he remarked that the President had opened his re-election campaign in the "birthplace" of the Ku Klux Klan. Mr. Carter campaigned yesterday in Tusculum, Ala. The Klan was founded in Pulaski, Tennessee, in 1865.

In his luncheon speech at St. Petersburg's Tiger Bay Club, Mr. Bush said the Vice President's "campaign assignment obviously is to distract voters from the

central issue of this race — the Carter record — by attacking Ronald Reagan, and to date he's been carrying out that duty with a vengeance."

"Personalized Attacks"

"If being a point man — the press always uses the word hatchet man — is defined as indulging in irresponsible, personalized attacks on a political opponent," Mr. Bush said, "then that's the role Walter Mondale has played to date in this campaign."

Most of Mr. Bush's speech was devoted to criticisms of Mr. Carter's record, although he did defend Mr. Reagan's

"record of leadership" as Governor of California.

Mr. Bush said that, when Mr. Reagan became Governor, the state was debt and "it's the taxpayers who were paying the price for a bloated bureaucratic system created and nourished by his Democratic predecessor."

When Mr. Reagan left office, Mr. Bush said, the state's treasury had a surplus and California had a more efficient government. He did not mention that Mr. Reagan had achieved that surplus in part by raising state taxes.

104TH YEAR: THE FRESH AIR FUND

THE WASHINGTON STAR Wednesday, September 3, 1980

Bush Accuses Mondale of 'Groin-Kicking'

ST. PETERSBURG, Fla. (AP) — George Bush accused Democrats yesterday of running a "groin-kicking" campaign and said Vice President Walter F. Mondale was leading that effort.

Bush made his comment during a GOP fund-raising event in Orlando, Fla., and followed up with attacks on Mondale at a press conference and luncheon in St. Petersburg.

In Orlando, he said that perhaps

the Democrats would find "the American people don't like the groin-kicking kind of campaign we heard at that (Democratic) convention."

Bush gave only one example of what he considered such low blows, referring to Mondale's comments "implying" that Republican nominee Ronald Reagan favored an end to tying Social Security benefit increases to the inflation index.

Anderson calls budget plan harmful

By Fred Barnes
Sun Staff Correspondent

Ann Arbor, Mich.—John B. Anderson, the independent presidential candidate, declared yesterday that it would be "irresponsible" and "very harmful" to the American economy to have a balanced federal budget in the next fiscal year.

"It would be irresponsible to say that we have such a fetish about a balanced budget that we would go ahead and slash spending at this stage of the business cycle," he said. "I think it would be very harmful."

Mr. Anderson, campaigning on the campus of the University of Michigan, said a balanced budget remains a worthwhile goal. "In the future when the economy is healthy and unemployment is going down, then we ought to try to get away from deficits and have a balanced budget," he said.

"I have never believed that in fiscal '81, the coming fiscal year, given the high



JOHN B. ANDERSON
... visits University of Michigan

rate of unemployment, that we could balance the budget" without eliminating needed federal expenditures, Mr. Anderson said.

His denunciation of calls for a balanced budget in the fiscal year beginning October 1 came in an interview on the campus radio station. And at least in terms of rhetoric, it provided a distinction between

See ANDERSON, A1, Col. 5

Anderson rejects wisdom of balancing 1981 budget

ANDERSON, from A1

him and his presidential rivals, Ronald Reagan and President Carter.

Mr. Carter often promised to balance the 1981 budget, and he initially proposed a budget that fulfilled his pledge, only to back away this summer in the face of economic recession. The expected deficit for the coming fiscal year is now more than \$30 billion.

Mr. Reagan, the Republican presidential candidate, also advocates a balanced budget. But it is unclear whether he would seek to achieve this immediately if elected.

But neither Mr. Reagan nor Mr. Carter, the Democratic nominee, has gone so far as to label a balanced budget dangerous in the current economic context. Mr. Anderson apparently believes deficit spending is needed to boost the economy.

[The New York Times reported from Washington that the legal staff of the Federal Election Commission has concluded that Mr. Anderson is eligible for federal subsidies to help finance his independent presidential campaign.

[The commission, which refused to authorize such assistance for Eugene J. McCarthy's independent effort in 1976, is scheduled to approve or reject the staff proposal tomorrow. A federal court ruling on the same issue is expected within a few days.

[On the basis of the most recent national poll, a ruling by the commission or the court that Mr. Anderson was entitled to subsidies would provide his campaign with more than \$13 million after the election and permit substantial borrowing against that prospect now.

[The Anderson campaign has had to reduce professional staff and cancel a whistle-stop tour to conserve dwindling financial resources. Total receipts for the last four months have been less than \$6 million, a considerable disappointment, to the Anderson organization.

[Four years ago the commission counsel urged that Mr. McCarthy be made eligible for subsidies, but the members defeated this recommendation, voting 3 to 3 with all Democrats opposed. Four votes are required to set policy in the six-member bipartisan agency.]

If nothing else, Mr. Anderson's willingness to criticize balancing the budget demonstrates the change in the political ambience since last winter, when the Carter administration and Congress scrambled to cut spending and end deficits in hopes of curbing inflation.

In bringing his campaign to Michigan, one of the states crucial to the Anderson candidacy, Mr. Anderson devoted his comments almost entirely to economic matters. Only when prodded by University of Michigan students in the crowd of 2,500 at a noontime rally did he turn to other subjects.

And then he stirred boisterous cheering by voicing his opposition to draft registration and the draft and his position that no new nuclear power facilities should be approved.

But he advocated something far different from the small-is-beautiful economic system popular with many students. "We've got to have a policy of growth," said Mr. Anderson. "We've got to build and expand as a country. We've got to rebuild the industry of this country."

In particular, the heavy industries in the United States must be preserved, he said. "We are going to have to do something about the fact that for the first time this year in history the Japanese will produce more automobiles than we," he noted.

"We taught them everything they know," Mr. Anderson said. He complained also that the American steel industry has now slipped to third place in annual production.

"We've got to save the basic industries of this country," he stated. "I don't believe we can become just a service-oriented economy because if we are, after all, what is there going to be left to service?"

In strengthening the American economy and trimming unemployment, Mr. Anderson said he would "look at a different set of priorities from Mr. Carter or Mr. Reagan." He said youth joblessness would be "put at the head of the list."

Half the nation's 8.1 million unemployed are under 25, he said, and "that's where I would put most of my energy and effort initially." Mr. Anderson has proposed in his platform a \$2 billion program for aiding jobless youth.

THE SUN, Wednesday, September 3, 1980

Election Commission Staff Backs Subsidy for Anderson

By WARREN WEAVER

Special to The New York Times

WASHINGTON, Sept. 2 — The legal staff of the Federal Election Commission has concluded that John B. Anderson is potentially eligible for Federal subsidies to help finance his independent Presidential campaign.

The commission, which refused to authorize such assistance for Eugene J. McCarthy's independent effort in 1978, is scheduled to approve or reject the staff proposal on Thursday. Meanwhile, a Federal court ruling on the same issue is expected within a few days.

Under the Federal Election Campaign Act of 1976, candidates of minor or new parties qualify for partial subsidies after the election if they draw 5 percent of the popular vote or more.

Mr. Anderson drew 17 percent support in the most recent national poll, reported by the Roper organization last week. Figuring his potential vote on that basis, a ruling by the commission or the courts that he was entitled to subsidies would provide his campaign with more than \$13 million after the election and allow him to do substantial borrowing now against that prospect.

The same poll gave Ronald Reagan 38 percent and President Carter 37 percent. As major-party candidates, Mr. Carter and Mr. Reagan receive a subsidy of \$29.4 million each to meet the full cost of their fall campaigns.

Only last week the Anderson campaign was forced to reduce its professional staff and cancel a whistle-stop tour in the Middle West to conserve dwindling financial resources. Total receipts for the last four months have been less than \$6 million, a considerable disappointment to the Anderson organization.

The legal question before the commission and the courts is whether Mr. Anderson and his running mate, Patrick J. Lucey, as independents, qualify as candidates of a "party." The commission lawyers, in a draft opinion to be reviewed by

the agency, decided that they did.

The opinion emphasized, however, that the independent candidates would have to satisfy all other requirements in the law, primarily that of getting at least 5 percent of the popular vote, in order to receive any payments in November.

Four years ago the commission's legal counsel urged that Mr. McCarthy be made eligible for subsidies, but the commission's members defeated this recommendation on a vote of 3 to 3, with all Democrats opposed. Four votes are required to set policy in the six-member, bipartisan agency.

The candidacy of Mr. McCarthy, a Democrat, was as the election returns demonstrated, correctly expected to be injurious to Mr. Carter. Mr. McCarthy won less than 1 percent of the popular vote and thus would not have received any subsidy money even with the commission's approval, but he got more votes in four states than the margins by which Mr. Carter lost those states.

Although he is a Republican, Mr. Anderson is expected to take more votes from the President than from Mr. Reagan, and there has been much speculation at the Election Commission about the possibility of Democrats' blocking action on the subsidy question in an effort to help Mr. Carter.

The Anderson forces originally went to the United States Court of Appeals for the District of Columbia for a ruling, but one of the three judges on the panel suggested that the commission might be able to dispose of the question. If the commission should deny the independent candidate subsidies or postpone a decision and the court should then rule in his favor, the court's decision would prevail.

Students Applaud Anderson

ANN ARBOR, Mich., Sept. 2 (UPI) — Mr. Anderson campaigned before an enthusiastic crowd of about 2,500 students

at the University of Michigan today, telling them, to thunderous applause, that he opposed draft registration and supported a moratorium on new construction permits for new nuclear plants.

Mr. Anderson walked through the campus chatting with students and took part in a radio show on which he was questioned by a group of professors.

The draft and nuclear positions are parts of his campaign platform, but neither issue had been raised before on his current campaign swing through the Middle West.

Mr. Anderson also criticized Mr. Carter's foreign policy, saying that it could create a situation where American youth might be forced to fight and said that Mr. Carter's failure to improve pay was responsible for poor military morale.

The independent candidate said that Mr. Reagan had been unfair to try to link President Carter to the Ku Klux Klan because its headquarters were in the town near where the President opened his campaign yesterday.

"Carter disapproves of the Klan so it's not a fair comment to make about the President," Mr. Anderson said. "I think it was a very unfortunate comment. I don't think it speaks well of Governor Reagan."

Back to School for Anderson

By Bill Peterson

Washington Post Staff Writer

ANN ARBOR, Mich., Sept. 2—Like thousands of students across the country, John B. Anderson returned to campus today looking for the old magic of springtime.

He found it was there, waiting, somewhat apprehensively, like an old, but neglected romance ready to be rekindled. The old, lined, so seductive last winter and spring, still worked. The old interest was still there.

A crowd that police estimated at 2,000 endured a noontime rain and a wait to greet Anderson at the University of Michigan, which does not open classes until Thursday.

Students cheered when he said, "We don't need to register, we don't need a draft." They cheered wildly when he said, "We ought to be willing to tax ourselves up to 50 cents a gallon of gasoline."

They nodded appreciatively when he said, "I want to welcome you back to the political process." And they cheered loud and long when he said, "I think before we send young men and young women abroad to fight for oil, we have to be willing to make maximum efforts toward conservation."

But Anderson's new lines of summer did not hold the same magic. His talk of jobs, programs and using tax breaks to fight inflation did not draw the same feverish response. And when his speech began to wander, Anderson was repeatedly interrupted by shouts from the audience for more specifics. "What about foreign policy?" "What about the Mideast?" "What about the Clinch River breeder reactor?"

At several points, the independent presidential candidate shifted gears. Responding to the shouts, he urged students to read what his new 317-page platform has to say about energy.

On nuclear power, one of the few issues to create protests on campus, he said, "I suggest that there ought to be a moratorium on new construction permits" while safety and control problems are worked out. He warned "there's a danger between now and 1985" when nuclear power will be needed to supply energy demands before other sources can be developed.

Anderson, obviously enjoying the attention of the large crowd, told the students he needs their "muscle power" during the fall campaign and he asked them "to put the arm on

your wealthy adult peers" to donate money to his efforts.

It was the second time in four days Anderson has appeared before a student crowd. On Saturday night, he gave one of the most effective speeches of his campaign before a group of about 1,500 students at the University of Wisconsin in Madison.

The campuses provide both an opportunity and a dilemma for the Illinois congressman. They provided many of the foot soldiers when he was running in the Republican primaries before he began his independent candidacy April 24. He will need the same foot soldiers this fall.

But he has to resist the temptation to concentrate too much on them as the attempts to broaden his political base, and raise enough money to wage a serious campaign.

This is particularly important during these first days of September. His campaign is in serious financial trouble.

According to a report filed with the Federal Election Commission, the campaign was \$476,617 in debt on Aug. 1, and had only \$132,246 in the bank. By contrast, Ronald Reagan and Jimmy Carter, nominees of the two major parties, each had received \$29.4 million in public money to conduct their campaigns.

A-4

The Political Report

FEC Lawyers Urge That Anderson Be Eligible for U.S. Aid

The legal staff of the Federal Election Commission is recommending that independent presidential candidate John B. Anderson get the same chance at government funds as the nominee of a third party.

The recommendation, which sources familiar with the case said yesterday will go to the commission at its meeting tomorrow, could entitle Anderson to federal money for his independent campaign if he does well enough in the Nov. 4 election. The sources asked not to be named.

The advisory opinion drafted by the commission's general counsel's office must be approved by the commission before it would have any effect.

The commission deadlocked on the same question on a 3-3 tie vote in 1976 over a request from independent candidate Eugene McCarthy, and the status of independent presidential candidates has never been resolved by the commission.

Federal law provides automatic funding for major-party nominees, and President Carter and Republican nominee Ronald Reagan have already been certified for \$29.4 million each.

The law also provides that minor parties or new parties may get some federal funds in proportion to their showing at the polls, but only if their candidate gets at least 5 percent of the popular vote in the general election.

The problem for Anderson is that the law is silent on the subject of independents who are not the nominee of a party. Anderson has asked a federal court here and the election commission to rule that independents have the same entitlement to federal funds as minor-party candidates.

A three-judge federal court heard arguments in the case last week but has issued no decision. Election commission lawyers argued at that time that the case should go through channels at the commission before any court ruling.

Anderson's campaign, which has raised more than \$4 million, is completely financed by private contributions.

Anderson has argued that potential financial backers are reluctant to lend his campaign money without the hope of some future federal funding as collateral. Major-party candidates frequently borrow money against anticipated federal payments, but in Anderson's case there is no assurance he would get the federal money no matter how many votes he gets.

Anderson has been hovering at about 15 percent in the major public opinion polls. He says this is strong evidence he has a good chance of getting more than the 5 percent vote needed to qualify a new-party candidate for money.

In the McCarthy case four years ago, the election was held before the commission could reach a decision and the matter was dropped as moot when McCarthy got a vote far below the 5 percent mark.

For any new party — or for an independent if Anderson's argument wins — there still can be no money from the government until after the election, compared with major-party nominees, who receive money regularly during the campaign. However, a new party getting more than 5 percent of the vote this year would be entitled to federal funding in 1984.

THE POLLS

Carter, Reagan Are Close in New York

By Mary Thornton
Washington Star Staff Writer



NEW YORK — Jimmy Carter and Ronald Reagan are running neck-and-neck in New York State, according to a poll published yesterday by the New York Post.

The survey, which was based on interviews of 1,363 registered voters Aug. 21-25, found that if the election were held at that time, Carter would have received 29 percent of the vote, Reagan 27 percent and independent John Anderson 17 percent, with the remaining 27 percent still not decided.

Because the statistical margin of error could cause a shift of as much as 2 or 3 percentage points in either direction, it is impossible to say from the poll at this point that Carter is actually ahead of Reagan in the state.

One especially interesting finding of the poll was that Anderson might have a chance at winning in New York if the voters believed he had a realistic chance of victory in November.

When they were asked how they would vote if they thought Anderson had a chance to win, 33 percent said they would choose Anderson, 22 percent Carter and 21 percent Reagan, and 24 percent said they weren't sure who they would choose.

The poll found that Carter's strength at this point is coming from New York City, while Reagan leads in the New York suburbs and Upstate New York.

More than one out of every four voters polled statewide said they were still unsure of how they will vote on election day. But among Jewish voters — the group that helped give Sen. Edward M. Kennedy his victory over Carter in the New York Democratic primary — that figure was 38 percent.

Kansas

Reagan is ahead of Carter among Kansas voters by a margin of nearly 2 to 1, according to a poll published this week by the Topeka Daily Capital Journal.

The survey, based on telephone interviews with 997 adult Kansas residents Aug. 22-27, found that Reagan would receive 48 percent of the vote, Carter 25 percent and Anderson 9 percent, with the rest undecided.

In the U.S. Senate race in Kansas, the poll found that incumbent Republican Robert Dole has a large lead over challenger John Simpson. According to the survey, Dole's support stands at 61 percent, Simpson's at 29 percent, and 10 percent are still undecided.

Oregon

In Oregon, Reagan is maintaining a 10-point lead over Carter, according to a statewide poll published this week by the Portland Oregonian.

The survey found that if the election were held today, Reagan would receive 35 percent of the vote, Carter 25 percent and Anderson 17 percent, with the rest still undecided.

CAMPAIGN NOTES

Lucey Stumps Mich., Calls State a 'Key'

Former Wisconsin governor Patrick J. Lucey stumped Michigan yesterday in a bid to bolster running mate John B. Anderson's chances in a state considered vital for the independent presidential ticket.

Lucey began in a muggy pre-dawn by greeting autoworkers at a suburban Grand Rapids plant, then drove to Lansing for a brief downtown walking tour and a news conference.

Lucey stressed that Michigan—with its 21 electoral votes—is a pivotal state for the Anderson-Lucey ticket.

"Michigan is a very key state... It would be very hard to come up with 270 electoral votes without carrying Michigan," Lucey said. "This is a very winnable state."

Lucey took swipes at both President Carter and Republican candidate Ronald Reagan, charging the president had fouled up the economy and saying Reagan was wounding his effort with ill-advised comments.

Libertarian president candidate Ed Clark, in a white paper on education policy, yesterday proposed a system of educational tax credits to encourage alternatives to public education.

Clark criticized Carter, Reagan and Anderson for their support of centralized, government-dominated education and said the answer to the "absolute disgrace" of American schools "is to open up the system to give all students... an opportunity to choose decent alternatives to the public schools."

Clark's plan would give families a \$1,200 annual tax credit per student under 21 years of age. Corporations could take partial advantage of the tax credit by supporting as many students as they wish.

President Carter has gained 10 points and Democratic Sen. John Culver went from 17 points behind to a point ahead of his Republican challenger, Charles Grassley, in the latest Iowa poll.

In June, Reagan led Carter 50 percent to 23 percent with Anderson at 18 percent and 9 percent undecided. In a poll taken Aug. 21-24, Reagan led Carter 47 percent to 30 percent, with Anderson at 12 percent and 11 percent undecided. The Iowa Poll is published by the Des Moines Register & Tribune.

Culver trailed his conservative challenger 36 percent to 33 percent in June, but after a long summer of campaigning, Culver led Grassley 47 percent to 46 percent, with 7 percent undecided in the latest poll.

Tapes of an interview with former president Richard M. Nixon in which Nixon will discuss the 1980 presidential campaign will be shown in five parts on NBC's "Today" TV show next week, NBC announced in New York yesterday.

The interview, conducted by Pulitzer Prize-winning historian Theodore H. White, will be taped in the study of Nixon's New York City home later this week, a network spokesman said, and be shown Sept. 8-12.

Reagan is the man for the women at this year's Miss America Pageant.

Of 44 contestants polled by the Associated Press in Atlantic City, N.J., on their presidential preference, 19 chose Reagan, 11 chose Carter, eight chose Anderson, five were undecided and one refused to vote. The six other contestants could not be contacted.

PTL Network President Jim Bakker says the religious broadcasting agency will not endorse a political candidate this year.

"I don't think God is a Republican or a Democrat," Bakker said in an interview in Charlotte, N.C.

The network's decision to go moderate in politics is in sharp contrast to some other evangelists, who support Reagan.

Vice presidential candidates George Bush and Walter Mondale add about "equal luster" to the two major party tickets, according to a new Gallup Poll.

Lucey was not included in the survey because the interviewing came before his selection.

Nixon as 1980 Analyst



Theodore H. White will interview Richard Nixon on the "Today" show.

By Judy Flander

Washington Star Television Writer

Former president Richard M. Nixon will analyze the 1980 presidential race when he appears daily on NBC's "Today" show next week in taped conversations with historian Theodore H. White, NBC's campaign consultant; the network has announced.

"It will be two old political pros who've gone through the political wars together, talking about this year's political war," according to Steve Friedman, executive producer of "Today."

Continued From D-1

White and Nixon, "no adversary thing like the Barbara Walters' interview (on ABC this summer). White and Nixon go back a long time." Nixon is the subject of three of White's books: "The Making of the President 1968," "The Making of the President 1972" and "Breach of Faith: the Fall of Richard Nixon."

"We consider this a coup," Friedman said. "Nixon says some pretty good stuff. It's generally considered that Nixon lost the 1960 election because of his first debate with John Kennedy. He'll be giving his opinion of debates. For better or for worse, he's a guy who has been there."

He said that Nixon will receive no money for his efforts. "We don't pay for news," Friedman said.

The approximately eight-minute segments, airing at about 7:45 each morning, will be culled from a three-hour taping session in the study of Nixon's New York apartment Friday morning. In case of a news-break, such as the possible release of the hostages in Iran, Friedman said, "Nixon will be standing by in his New York apartment ready to go on live."

Rather than a long-ranging discussion, NBC plans to zero in on topics ranging from what Nixon thinks of the candidates to what Nixon thinks of media coverage of the campaign. Separate subjects each morning also are to include TV debates, polling, fund raising, and how domestic and foreign affairs will affect the campaign, Friedman said.

"I understand that as soon as ABC's 'Good Morning, America' found out we had Nixon they called up and asked for equal time," Friedman crowed. Nixon said no. "Who's going to talk to him (at 'GMA'), Joan Lunden?" said Friedman, digging his opposition, which is heavy on entertainment and public service while "Today" struggles to keep its news-orientation intact for at least the first hour of the two-hour morning show.

Nixon was first approached for a pre-Republican convention appearance by White and Gordon Manning, NBC's vice president in charge of both "Today" and the convention and campaign coverage. "He said no," Friedman related, "but he left the door open for after both conventions when the candidates were all chosen. Gordon Manning doesn't give up easily."

Friedman emphasized that there will be no confrontation between

See Nixon, D-3

Carter's Middle East Envoy Urges Israeli Leaders To Make Good-Will Gesture on Palestinian Talks

By DAVID K. SHIPLER

Special to The New York Times

JERUSALEM, Sept. 2 — Sol M. Linowitz, President Carter's special envoy to the Middle East, said today that he had discussed with Israeli leaders the idea of making some good will gestures to revive what he called "the spirit of cooperation" to help get Egypt to resume negotiations on the issue of Palestinian autonomy.

Mr. Linowitz outlined three areas of possible action: a reaffirmation of existing Israeli policy of granting free access to Moslem holy places in Jerusalem; a delay in moving Prime Minister Menachem Begin's office into the eastern sector of Jerusalem, and in the treatment of Palestinians in the occupied West Bank and Gaza Strip, possibly including the release of some prisoners.

However, there was no indication that Prime Minister Begin, who spent nearly five hours in talks with Mr. Linowitz during the last two days, had given any assurances on these or other points. And Mr. Begin himself appeared to crush such speculation.

Israel Rejects Concessions

"If you ask me whether we made or suggested making any concessions in order to convince the Egyptian Government to resume the talks, the answer is no," Mr. Begin said after the final session. "We are not obliged to make such concessions, and we didn't make them."

An aide to the Prime Minister said that Mr. Linowitz had not made demands and that the result of the meetings would probably be seen only in the form of "general atmospherics."

"We don't think Israel has to pay for the return of Egypt to the talks," the aide

said. Mr. Begin declared his willingness to resume negotiations immediately.

Begin Sends Document to Sadat

The Prime Minister said that a document was prepared for submission to President Anwar el-Sadat by Mr. Linowitz, who is scheduled to fly to Egypt tomorrow. No details of the document were disclosed, except that the paper dealt with the proposed resumption of talks and the areas of agreement and disagreement.

The negotiations, which have made only slight progress, are aimed at arriving at a formula under which the 1.2 million Palestinians living in the occupied West Bank and Gaza could enjoy some degree of autonomy.

Egypt has pressed for broad enough powers to attract Palestinian leaders to participate in elections. Israel has attempted to minimize the powers that would be given the Palestinians in an effort to avert what they fear would be the evolution of a Palestinian state within easy striking distance of the country's major population centers.

President Sadat has on several occasions suspended the talks in protest over Israeli moves that have struck him as contrary to the peace process and which his advisers believe have further embarrassed him in his exposed position as the only Arab leader willing to come to terms with Israel.

Talks Suspended Over Jerusalem

The most recent suspension was called after the Israeli Parliament approved legislation on July 30 declaring Jerusalem, including the eastern sector that was captured from Jordan during the

1967 Middle East war, as Israel's "eternal and undivided" capital.

The United Nations Security Council also passed a resolution censuring Israel on the issue. The United States abstained on the vote, angering the Begin Government, which thought the United States should veto the resolution.

"Our decision on what to do with the United Nations was affected by a real concern that a veto might cause President Sadat to take stronger measures," Mr. Linowitz said. There was some apprehension that Mr. Sadat would withdraw the Egyptian Ambassador from Israel, Mr. Linowitz said.

The envoy expressed his own concern. "Time is not on the side of peace," he said, "and we ought to be sitting around the table dealing with the difficult issues and trying to make progress."

Rowland Evans and Robert Novak

Fiasco in Room EF100

On the afternoon of Aug. 25, Republican senators and House members, packed into a room in the Capitol's East Front so crowded that many stood and some sat on each other's laps, felt for the first time that Ronald Reagan will lose the election unless things change quickly.

The congressional "surrogates" who have agreed to travel the country on behalf of the Reagan-Bush ticket were summoned for a campaign briefing. It turned out to be more of what the congressmen described as a "fiasco" or a "disaster." Rep. Jack Kemp of New York, the surrogate in biggest demand, walked out in disgust.

To the lawmakers, the Reagan staff showed itself to be disorganized, pompous and unprepared for the heroic task of defeating a determined incumbent

president. By dressing down an important Reagan supporter, William Casey also raised doubts about whether he is equipped to fill the campaign manager's post he has held since Feb. 26.

This is not merely the traditionally foul temper of Capitol Hill. The same things are being said by worried Reagan insiders. Nor is there much time to lose. One Reagan strategist expects the next crop of national polls will show a stunning Reagan decline. As panic sets in, Reagan will have to get organized.

Reagan's backers on Capitol Hill did not really understand the disarray in the Reagan campaign until that Aug. 25 briefing. "I thought it was just the usual liberal media gang trying to zing Reagan," one southern lawmaker confided to us. "Boy, was I wrong. The press aren't telling half of it."

The sloppy physical arrangements were the tip-off. Room EF100 was not nearly big enough to accommodate the surrogates and their aides. To make matters worse, Reagan headquarters sent a platoon-sized briefing team ("It seemed like a hundred of them, but there must have been around 20," one congressman remembered).

Casey and Dr. Richard Wirthlin, Reagan's research chief, were present. But the briefing was done by two of Reagan's young right-wing staffers, Rich Williamson (who began the campaign of '80 managing Rep. Philip Crane's ill-fated presidential bid) and Terry Dolan. The surrogates had expected to be told exactly how they would fit into the Reagan campaign. They got nothing of the sort.

Instead, using flip-charts, Williamson and Dolan dealt with "peripheral"

issues, to use the word invoked most often by the listeners. Much time was spent describing the "vindictive" personality of Jimmy Carter, documenting how he was so terribly nasty to the late Hubert Humphrey. It was at this point that Kemp walked out.

Rep. Bob Bauman of Maryland, a rising conservative force in the House, took the floor (as we reported earlier) to plead for congressional consultation on decisions such as George Bush's dismal trip to China. What we did not report was Casey's reaction. When the meeting broke up, Casey sought out Bauman to upbraid him for speaking up.

"You're perfect, aren't you?" the tall, lanky Casey, a 67-year-old New York lawyer, snarled to the short, stocky 43-year-old congressman. "I suppose you never made a mistake." He then com-

mitted the unforgivable sin for a campaign manager, putting the blame on the candidates, Reagan and Bush, for the China trip. "I didn't make that decision," said Casey. "They did."

Casey and Co. neither want nor accept advice from the best minds on Capitol Hill. Rep. Thomas Evans of Delaware, a former Republican national co-chairman who is supposed to be a senior Reagan adviser, has found himself ignored. Innovative freshman Rep. Newt Gingrich has been trying to interest the Reagan staff in his insightful views into his fellow Georgian in the White House, to no avail so far.

The discussions between Reagan and the Hill on the announced Sept. 15 mass pledge by Republican congressmen, standing on the Capitol steps, to cut taxes and rebuild the economy have

been a shambles so far. Kemp, who initiated the idea years ago, is so disgusted he might not even participate.

A sign of hope emerged last week when the Reagan staff finally agreed to Rep. Evans' pleas for an advance look at the candidate's speeches. Evans received the Labor Day speech first draft, which like Reagan's other first drafts lately turned out to be woefully inadequate.

To many Reagan staffers who, like Alfred E. Neuman, take a "What, me worry?" view, the flak from Capitol Hill is a nuisance that should be disregarded. But a campaign operation containing few veterans of elective politics and lacking fanatically ruthless lieutenants of the type President Carter enjoys might well look to those congressmen who sniffed the fumes of defeat in Room EF100.

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David S. Broder

Questions That Need Straight Answers

The general-election campaign is now officially under way and the White House is still waiting to be won. Ronald Reagan and Jimmy Carter each plainly has it in his power to win or lose the prize in the next nine weeks, and while John Anderson's chances seem marginal, the doubts about the other two contenders are great enough so that even the unlikely is not impossible.

Journalists cover the campaigns as they unfold—not as they would like them to be. Substance or symbolism, delusions or realities, the press amplifies whatever it gets. But as journalists, we also ask questions and, at times, those questions can help steer the debate in a useful direction.

It is in that spirit that I tried, on one of the last quiet, non-traveling nights that I will have for a while, to put down on paper some of the questions I would like to hear the candidates address this fall. They tended to be personal, rather than policy, questions because ultimately we are electing a man, not a manifesto, to fill the presidency.

To start with the incumbent, I would like to know what Jimmy Carter really thinks of his first term. His answer would let us guess how much better, if any—he might be in a second term.

Does he think it bad luck or mismanagement that has caused real living standards to decline so sharply during the last 3½ years? Has he sorted out whose economic advice he can rely on?

Does he believe, as he says, that our alliances have never been stronger, or has he learned something he can now articulate about alliance management?

What would he do differently about organizing the White House, working with Congress, motivating the bureaucracy—or does he see no problems in those areas?

Does his appeal for public trust extend to a reciprocal trust on his part? Does he know that the voters would welcome a serious self-assessment of his first-term performance, rather than a whitewash?

As for his Republican challenger, I would love to hear Ronald Reagan talk calmly and quietly, in his own words, about which parts of the vast agglomeration of current federal responsibilities and policies—domestic and foreign—he feels comfortable in continuing, and which he really feels cry out for change. And, assuming there are many things he would like to change, I would like to know which are his highest personal priorities, for no president will do more than start on his "wish list" in four years.

Equally, I would like to know how Reagan, at age 70, expects to summon the personal energy and willpower to move that mountain of inertia called Congress, the bureaucracy and the interest groups. Does he really think he can do it by the power of his own voice? Or has he thought seriously about ways of mobilizing a new coalition committed to the kind of change he presumably wishes to bring?

How does he think the world has changed since 1945, and what do those changes (the Soviet-Chinese split, the emergence of the Third World) imply for American foreign policy?

And if we are, as he proposes, to rely much more on private firms and market forces for growth, jobs and productivity, at what point—if any—should the government intervene in the market—and to what end?

As for John Anderson, the basic question in my mind is what he really brings to the campaign besides conviction. He asks to be viewed seriously as a potential president, and not just as a spoiler. Where is the evidence in his past record in Congress or the political campaign that he has the capacity to rally people around his leadership?

How does he foresee his relationship with a Congress where he was always part of a minority within a minority? After he had propounded his policies, how would he expect to build support for them inside and outside the government?

Those are my questions, and you will have your own. Whether any of us get straight answers, the next two months will tell.

JACK W. GERMOND & JULES WITCOVER

Reagan Fails Again on Test Of Credibility



DETROIT

When Ronald Reagan took his gratuitous slap at President Carter on Labor Day, charging that Carter was launching his campaign from the birthplace and headquarters of the Ku Klux Klan (Tusculum, Ala., where Carter spoke, is neither), it brought to the fore yet again Reagan's loose-cannon problem.

After Reagan's various self-inflicted wounds — his Taiwan statements during George Bush's visit to Peking, his description of the Vietnam war as "a noble cause" and his seeming questioning of evolution — key aides had hoped he had learned to keep his eye on the target. That is, not to introduce old or irrelevant issues but instead to focus the voters' attention on Carter's record in the White House.

Reagan's speech before the Teamsters in Columbus last week was thought by the aides to have achieved that objective — though his difference with his own economic adviser, Alan Greenspan, on what is a recession and what is a depression was somewhat distracting. But at least Reagan was attacking Carter on what the Reagan strategy wants to make the central issue of the campaign.

This latest remark, however, was another off-the-wall detour. It seemed to suggest that Carter was somehow courting the Klan, when in fact he specifically attacked it in his Tusculum speech. The comment may have been triggered by pique at Carter Cabinet member Patricia Harris' earlier charge that Reagan had been endorsed by the Klan and had been slow to reject it.

But whatever the reason, here was Reagan once again injecting into the campaign another remark that would divert the large and watchful press corps accompanying him from the prime target. In speeches in Jersey City and here at the Michigan State Fair, Reagan had zeroed in on the obvious Labor Day theme of more jobs, and of blaming Carter for the sick economy. Yet in many stories written about the day, the Ku Klux Klan crack was prominently featured.

Reagan aides sloughed it off, and perhaps they are correct that the observation, and the other extraneous remarks the Republican nominee has made in recent weeks, interests only us nitpickers of the press and don't bother the voters. Certainly Reagan supporters seem to have an extremely high tolerance or forgiveness level where he is concerned. There is obvious appeal in a

man who "always says what he thinks."

But Reagan's problem with many who haven't yet made up their minds about him is credibility — does he know what he's talking about? If, as they are trying to settle the answer for themselves, he continues to make statements that must be clarified or are constantly questioned by the media, the doubts are likely to continue.

There is a point in politics, after a series of controversial remarks or actions by a candidate, where a consensus emerges — that he is a lightweight (Barry Goldwater in 1964, George Romney in 1968), that he is ruthless (Robert Kennedy in 1968), that he is indecisive (Ed Muskie and George McGovern in 1972) that he is dull (Henry Jackson in 1976). Once that sets in, it often breeds ridicule, which can be the most damaging politically of all. Reagan already must cope with some of that.

What must be so unsettling to Reaganites is that this latest gaff occurred after all the well publicized others, when Reagan had ample evidence of the political and media fallout of being a loose cannon on the stump. It apparently is true, as key aides have been saying for years, that "Ronnie says what he wants to say," and that no amount of trying to keep him to a more cautious verbal discipline ever takes.

Reagan, of course, is not the first politician who ever succumbed to a gratuitous shot at somebody. Carter doesn't have to take a back seat to anybody in that department, as witness his kick in Secretary of State Cyrus Vance's pants last spring as Vance went out the door. But the habit does not go so much to Carter's credibility, as Reagan's penchant for raising distracting irrelevancies or resurrecting old causes threatens to do in the public mind.

On substantive as well as frivolous matters, Reagan too often leaves room for uncertainty. Sepaking to Chrysler autoworkers here yesterday, he seemed to be suggesting that he favored imposing limits on Japanese auto imports. The government, he said, has a responsibility "to convince the Japanese, one way or another, and in their own best interest, that the deluge of these cars into the United States must be slowed while our industry gets back on its feet."

Later, however, Martin Anderson, one of Reagan's top issues advisers, said Reagan was talking only of seeking reduced imports through diplomatic negotiations. That sounds like the Carter position that pleases neither American auto manufacturers nor the United Auto Workers.

What Reagan needs now more than almost anything else is always to sound as if he knows what he is talking about — without having to fall back on cheap shots. That Tusculum was not the birthplace of the Ku Klux Klan is a small point. Simply injecting the Klan into the campaign was dumb. Doing so raised a question of judgment, just as his "noble cause" remark and talk of "official" relations with Taiwan did. And that is the last thing Ronald Reagan should want.

Between the Platforms

Our first thought about televised Presidential debates this year was and is one of principle. Neither law nor custom requires them; whether they occur at all is a political decision for the candidates. But if debates do take place, they ought to be fair. That's why we think the Carter forces are wrong to insist that John Anderson be kept out of the first debate, the one that politicians regard as pivotal. Now Mr. Anderson has issued his platform. Like him or not, it provides another, practical reason for including him. Some central issues in the campaign have fallen between the stools traditionally occupied by the Democratic and Republican platforms. Even if one now regards him as John Quixote, Mr. Anderson performs a valuable service by putting these issues back on the table.

In drafting his platform, Mr. Anderson was unencumbered by party wrangling and free to shoot at the obvious target. He aimed neither too far right or left but centered on independent voters and ticket-splitting Democrats.

The 317-page program contains plenty of mush. "We should," the urban policy passage asserts bravely, "strive for a suitable balance between Federal and local initiatives, recognizing that neither centralization nor decentralization will succeed in all circumstances." There is plenty of currying favor with specific groups: "Bilingual programs should not simply be transitions toward a single language education . . ."

But the Anderson platform does have some eloquence. "We are all liberals, we are all conservatives," it says, elegantly echoing Jefferson. It offers

some welcome new ideas. To protect taxpayers against "bracket creep," Mr. Anderson would index tax rates. He would help rebuild the military by encouraging "lateral entry" — hiring experts from civilian life. He calls for a form of two-tier minimum wage, to help ghetto youth find jobs. And he proposes relief for crumbling cities in the form of an urban reinvestment trust fund, to rebuild streets, bridges, sewers and water mains.

Even more useful is Mr. Anderson's willingness to address the central issues of the campaign. He seems determined to stop fighting inflation with wooden swords; he is the first candidate to call for tax-based incentives to hold back wages and prices.

Likewise, on energy, it is easy to say America can be the Saudi Arabia of coal. The trick is how to get from here to there without, among other things, acid rain. Ronald Reagan is four-square for mining more coal but has yet to tell how. Jimmy Carter has so far offered barely a paragraph of elaboration. Mr. Anderson spells out the need to create a Coal Export Authority to help make the most of America's vast coal reserves.

Finally, consider what the two parties say about the MX mobile missile. The Democrats insist it will be necessary in the 1980's. The Republicans say immediately, if not sooner. But the MX cannot be dispatched with such bipartisan ease. It is an immense undertaking and deserves the most searching debate. Mr. Anderson is the only candidate willing to question the expense, the environmental damage and even the usefulness of an MX system.

Right or wrong, issues like that is what Presidential debates are supposed to be about.

WASHINGTON

The Political Traps

By James Reston

Big Labor is trapped between its loyalties to the Democratic Party and its doubts about Jimmy Carter's faith in that tradition. It's sad to listen to the labor-union leaders calling on TV for their unemployed members to support an Administration that has presided over the worst economic decline since the Great Depression of the 1930's.

Big Business has serious doubts about Ronald Reagan's simplistic views of a world that is changing faster than we can change ourselves, and feels trapped between its longing for a Republican administration and its doubt about whether Reagan has the ability and energy to grapple with the increasingly intractable problems of the coming years.

The result of all this is that nobody at home or abroad really knows how to plan for the future. The foreign policy of the United States is paralyzed, and has been for months. The Secretary of State, Ed Muskie, is playing politics with policy, and the U. S. Ambassador in Peking, Leonard Woodcock, is being told to organize the Chinese leaders to oppose Ronald Reagan's bid for the Presidency. This is something new: never in recent memory has a President so blatantly used his Secretary of State or his ambassadors abroad to play politics with their offices.

And the reason for all this is fairly clear. President Carter is a very determined man. He admits he has made many mistakes, and that his economic record is hard to defend. So he is proclaiming that he has learned his lessons in the first four years but that the next four years will be better. Meanwhile, in a velvet glove, but with an iron fist, he is going Reagan as an amiable but dangerous dumbbell at home and abroad.

This, unfortunately, is the kind of campaign it seems we are going to have to endure from now to November. Nobody is going to define the hard issues for decision in the next few years — how to control inflation in the world, how to take the arms race by the throat, how to check the invasion of illegal aliens into this country, how to educate our children, and how to deal with the moral squalor of our sexual and family life.

Instead, unless the press begins to ask some really hard questions of these Presidential candidates, we are going to have a phony campaign of pretense, with Carter and Reagan savaging each other and blowing off about the past in order to avoid the hard questions of the future. For the time being, they are all trapped in the vicious squabbles of the campaign, but the main question is who will be able to govern the country for the next four years after all these squalid arguments have ended.

WASHINGTON, Sept. 2 — President Carter has done the three things he had to do by Labor Day to restore his chances for re-election: he avoided an open break with Senator Kennedy; he won the reluctant support of Big Labor by swallowing most of Kennedy's policies; and he de-fanged his brother Billy.

As a result, he's back about even with Ronald Reagan in the popularity polls. He has abandoned the moral arguments that helped bring him to power in the first place. He has switched his economic policies to fit the popular and political mood of the moment, and he is now arguing that, if he is no longer "the best," compared to Reagan, he is at least not "the worst."

After a year or more of political exhibition games, the Presidential play-offs were supposed to start seriously on Labor Day. By now, it was hoped, the candidates would have begun to define the issues for decision in the 1980's. They have done nothing of the sort.

Instead, they have given us more TV exhibition shows, with Ronald Reagan using the Statue of Liberty as a theatrical prop, and Jimmy Carter crying "You all come!" in the South, and using the White House backyard as a rallying ground for his disgruntled labor union buddies.

A Presidential election is a dicey bet on the future. What the voters want to know is where we are going in the rest of the Eighties. What they are being told by Carter is how many silly statements Reagan has made in the past and, by Reagan, how many disastrous and contradictory policies Carter has supported in his first term. What is missing on both sides is a definition of the policies they would follow in the future, if elected.

It's obvious that the voters feel trapped in the unhappy choice between these two men, and doubtful about John Anderson as an alternative. But it's also clear that all the players in this game feel trapped by circumstances they cannot control.

Mr. Reagan needs to reach out to the working-folk he has ignored for the last 30 years, but he is trapped by his promises to the conservative minority of the Republican minority, and for some reason he feels he has to prove his loyalty by confusing a billion Chinese on the mainland with the remnant of his old buddies on Taiwan.

Mr. Carter is trapped between his ideals and his ambitions, and is ditching the former in his struggle for another term. His new economic policy, the seventh in less than four years, is regarded here more as a political program to revive Carter than as an industrial policy to revive the productivity of the nation.

CARL T. ROWAN

More Pleas for Votes Than Economic Schemes

When Ronald Reagan embraced Kemp-Roth and came out for across-the-board tax cuts that make high-income Americans salivate in expectation, Jimmy Carter warned Americans of ordinary economic circumstance that Reagan offered "sugar-coated poison."

George Bush, at that time a Republican presidential contender, already had denounced the Reagan proposals as "economic voodoo," a characterization that seems apt to those of us who know of no black magic, or white magic, that will permit Reagan to cut taxes drastically, increase military spending sharply — and at the same time curb inflation while balancing the budget.

When Sen. Edward M. Kennedy looked at President Carter's performance regarding the economy over more than three years he denounced him as "a clone of Ronald Reagan," as a conservative masquerading as a Democrat, pursuing Herbert Hoover-type policies that heaped pain and suffering upon America's poor, its aged, its minorities.

Republican "Voodoo"

Bush is now Reagan's running mate and is dutifully accepting Republican "voodoo" economics while joining the former California governor in assailing Mr. Carter's new plan for economic recovery as "a political quick fix" and "federal paper-shuffling."

Kennedy is now a Carter ally, of sorts, calling the latest Carter scheme "an important step in the right direction," and adding, "I will work to strengthen and enact this program."

Against this background of outlandish campaign rhetoric and early flip-flops, ordinary Americans must be terribly confused. The price of hamburger, socks, electricity and everything else is of critical importance to Americans who wonder how to vote this fall, and they just don't know whom or what to believe. I offer this bit of advice:

Don't believe either Carter or Reagan.

There is no reason to believe that after three and one-half years of economic failures, Jimmy Carter suddenly has discovered the formula for T-bone steaks on everyone's grill, with no inflation.

There is even less reason to believe that Reagan can hand out enough tax-cut bonanzas to the rich to convince them to let giant drops of riches dribble over into the poverty-parched mouths of other Americans.

Carter's scheme is too timid, too

cautious, like Carter himself, to cure the nation's economic woes; Reagan's plan is too narrowly constricted by an ideology that belongs to the robber-baron era. Both men may learn, too late, that drastic medicine like a freeze on wages, prices, profits and interest offers the only cure for the inflation that has become our economic curse.

Drastic medicine like a freeze on wages, prices, profits and interest offers the only cure for the inflation that has become our economic curse.

But voters in a democracy must choose — even when the choices are less than inspiring. So let me say clearly that Carter's economic program is infinitely preferable to that of Reagan.

I look at the two proposals basically in terms of which one is likeliest to revitalize the economy and produce the jobs more than 8 million Americans search for desperately.

Reagan wants a whopping \$32 billion in tax cuts, with bonanzas going mostly to the rich. The assumption is that if Joe Fatcat pays \$10,000 less in taxes, Joe Fatcat will invest that \$10,000 in a way that produces jobs. He may buy tax-free bonds or gold in Zurich, but I doubt that much of that \$10,000 will trickle down to the people who yearn for work today.

Mr. Carter has targeted 55 percent of his \$27.6 billion in tax cuts to businesses in ways designed to encourage investment and modernization, help depressed areas and increase productivity. He says to companies: You make the investments, then we'll give you some money back. That is safer than trusting wealthy individuals to let something leak down to the poor.

The pity is that neither the Carter forces nor the Reagan camp has the slightest assurance that its plan will work.

We are going to have to go to the polls with no real change in the economy, no basis for trusting one candidate or the other, because both candidates offer an early plea for votes, but no early relief for those Americans who are in economic distress.

JOHN P. ROCHE

Reagan's Awful Mistake

Poor Ronald Reagan is really in trouble: One billion mainland Chinese will not vote for him. Nor will the friendly neighborhood lefties who backed our betrayal in Indochina and gave us the current Asian Auschwitz. Nor, I gather, will the enlightened leaders of media opinion who never believed he would be nominated in the first place.

Of course, the end of August and beginning of September are always the silly season: Americans sensibly enough do not focus hard on the presidential election until about Oct. 1.

At the moment I have a Roosevelt sticker left over from 1940 on my car, but when Reagan observed to the Veterans of Foreign Wars that our commitment in Vietnam was a "noble cause," he nearly won a convert. Part of the problem with justifying the war was its idealistic character. Like most human beings, Americans don't like to fight for abstractions.

In 1965 in England I was stunned at a dinner party when the general consensus of those present, all socialists, was expressed in a nutshell by an old friend: "Let the woggies fight it out." To fight for the self-determination of 20 million South Vietnamese and Khmer was indeed a "noble cause," as about six million Viets and Khmers would testify if they could. But they have been murdered.

I suppose we might have saved a lot of money and anguish if we had left them to the butchers in the early 1960s.

But those who shared Jack Kennedy's liberal militancy considered that course, to use an ancestral word, dishonorable. They were right.

Great Charades (1978) NO. 1

Well, with one phrase Reagan has lost the support of the McGovernites who were already prepared to vote against him on 14 other grounds. What about the billion Chinese?

As has been noted here over the years, I have looked on the Nixon-Kissinger "breakthrough" to Peking as one of the great charades of the 1970s. Chou En-lai could have managed a "breakthrough" any time he wished: all it took was an airmail letter sent via Pakistan or Romania, the two channels of preliminary conversation.

Instead, Prince Henry the Navigator parachuted into China, and by the time the dust settled Nixon had decided on personal inspection the Wall was "great." The unsentimental Chinese communists needed us. The question is who needs them?

Whether you call it the Republic of China, the Khanate of Taiwan, or the Grand Duchy of Formosa, there is an extremely successful political and economic entity on that island. Their little eccentricity — that they are the government of China — need not be taken seriously. On the other hand, it is and was squalid to treat the Taiwanese as lepers, and Reagan won't lose votes for saying so.

When our Mutual Defense Treaty with Taiwan was ended, even Ted Kennedy observed a communist attack would lead to American response. Reagan merely reiterated this view and need not apologize. There are, after all, a number of Americans, particularly in the Jewish community, who are looking for a president who takes commitments seriously.

One piece of advice to Reagan: Avoid the Bible-beaters. Jimmy Carter was "born-again"; John "Elmer Gantry" Anderson thrice tried to make the U.S. into a theocracy. I suspect most of us are put off by public piety.

Thus I urge Reagan to become a closet Christian. As Jesus put it, "When thou prayest, enter into thy closet, and when thou hast shut the door, pray to thy Father."

The Disaster Area of Reagan's Mind



SHADES of the Scopes trial! Would Mencken have believed it if someone told him, before his death, that evolution would be a political issue in campaigns 30 years from then?

I doubt that many scientists are kept awake at night by the fact that Mr. Reagan told Southern fundamentalists he is personally dubious on the subject of evolution. What, after all, is the basis of his expertise? Did he study the chimpanzees he

worked with, and soberly conclude that they were not even distant relatives? Mr. Reagan has at last turned on Bonzo!

The real sufferers of such knee-slappers are the right wing intellectuals who have volunteered to bring order out of chaos, explaining each of Mr. Reagan's outrageous remarks to show that it hides a kernel of sense under the mountains of nonsense.

George Will and Jack Kilpatrick are doing cleanup work in the disaster area of Mr. Reagan's mind; but the past master at this is William Buckley. He had lots of practice in the days when he tried to translate into sanity the words of Joe McCarthy, Tom Dodd, Spiro Agnew, and others. When Mr. McCarthy blubbered his lips up and down with his forefinger, Mr. Buckley claimed this was code for polysyllabic verities that only the most exquisite exegesis (namely, his) could bring to light.

When all else fails, the apologists will admit that Mr. Reagan is wrong, but so is Mr. Carter; so who cares? Soon we shall be hearing this kind of argument: Since there are really one and one half Chinas, it is just as right to say that there are two Chinas as that there is one China—so Mr. Carter and Mr. Reagan approximate the

By Garry Wills

a half-China here or there.

Or, since some evolutionists now admit the additional possibility of creationism, Mr. Reagan is right to disown those very evolutionists, since they have disowned what Mr. Reagan's simple-minded interlocutors think of as evolution.

Or, since some people mistakenly called Franklin Roosevelt's reforms "corporatist" and Mussolini's state was based on corporatism, it is all right for Mr. Reagan to call the New

Deal fascist; he was no wronger than the guys who mislabeled the New Deal in the first place.

Or, since trees do actually produce nitrogen of some sort, though not a pollutant, it is okay to say that they produce pollution.

Or, since our motives were good, Vietnam was a noble cause in one sense, though a vile slaughter in another. The sophists have to chase around after the simpleton like men with scoopers after an elephant. But

their task is even worse than the sanitation men's, who only have to pick up the droppings.

Reagan's kept intellectuals not only have to pick it up, but pretend to like it, and then try to peddle it as ice cream. These are the real heroes of this campaign, who—for duty above and beyond the call of human rationality—deserve to go down in history as supporters of a "noble cause." At least its claim is as good as Mr.

Is American Politics Becoming Irrelevant?

San Francisco.

WHEN I met an old friend in a restaurant here for dinner one night, his first question was: "Did you find a place to park?"

I told him I did and that it was only four blocks away. Then he explained to me that these days this was always the first question when friends met in San Francisco restaurants and that the question really

By Julius Duscha

meant: "How long did it take you to find a parking place and how far away are you parked?"

A parking place, the newest restaurant, the best weekend hideaway, the latest movies, the new novel, the latest divorce, the most recent remarriage—that's what old friends talk about now.

It used to be when I made my annual trip to San Francisco to visit with old friends and savor the old and new delights of the best city in the world that we talked about politics.

I was the "expert" from Washington. I actually went to presidential news conferences and talked with the great and near-great. In fact, I even was a personal friend of some of the movers and shakers.

So I was grilled about what was really happening. What was Kennedy—or Johnson—or even Nixon—really like? What was really behind this policy or that event?

Now, however, the interest in my "insider" views of Washington is all but gone, and I don't think it is just a question of the advancing ages of myself and my friends. American politics is turning us all off, and at a rapid and dangerous pace.

I, for example, watched little of the conventions on television this summer. I felt that I knew in advance what would happen and that I did not want to listen to boring speeches and frantic "reporting" from the floor of meaningless rumors.

Interestingly, the most frequent

comment I heard from friends who had watched the convention coverage was that Walter Cronkite was slipping and that maybe he should have retired last year when he was still in his prime. By contrast, I heard few comments about the great speech Senator Edward M. Kennedy was supposed to have given at the Democratic convention.

Yet another significant note: When I told strangers I was from Washington, they immediately assumed Washington state and wondered how close I lived to Mount St. Helens, which surely has provided us with the most awesome and perhaps the most important news story of the year in the United States.

There also seems to be a greater than ever yearning for the past. An old friend in San Francisco told me that he wasn't comfortable in any bar where the bartender had not been around since at least the second Roosevelt administration. Fortunately for my friend, there is probably more stability among San Francisco bartenders than among the city's drinkers, although that is a debatable matter in this city where drink seldom seems to be equated with the devil's work.

People are not only turned off by politics and by Washington in general; they also seem to be more distrustful of the media.

I found people quickly concluded that the coverage of the Billy Carter case was vastly overblown. Billy's foolishness and greed were immediately sensed, and, I think, there was much sympathy with President Carter's problems in dealing with a brother.

However uninformed people may be about politics and however uninterested they may be in the presidential nominees, people do have basic common-sense responses to what goes on. So, before I forget, let me tell you about that wonderful new Russian restaurant on Fillmore Street just off Union where....

Julius Duscha is director of the Washington Journalism Center and has been a Washington reporter for more than 25 years.

Bill Gavin

RNC DAILY NEWS SUMMARY
Wednesday, September 3, 1980

Prepared by the Public Affairs Division of the Republican National Committee
310 First Street, SE, Washington. Editor: R.G. Sangster. Telephone 484-7612

POLITICAL

Carter accused Reagan of advocating a nuclear arms policy that would pose "a serious threat" to the "safety and the security and the peace of our nation and of the world." Carter also accused his Republican opponent of intending to set off "a massive nuclear arms race with the Soviet Union" that would break a tradition of arms control negotiations dating back to Eisenhower.

"Therein lies one of the sharpest differences between myself and Governor Reagan," said Carter. The President added that he favors a steady but gradual increase in defense spending.

Carter's comments on nuclear arms policy were his sharpest attack yet on Reagan as he continued his strategy of trying to portray the GOP nominee as a political ideologue who would make a risky chief executive.

"I believe in peace, I believe in arms control, I believe in controlling nuclear weapons, I believe in the rights of working people of this country, I believe in looking forward and not backward. I don't believe the nation ought to be divided one region from another. In all these respects, Governor Reagan is different from me."

In response to other questions, Carter said neither he nor the Senate will consider action on the pending strategic arms limitation treaty with the Soviet Union until there is "positive movement" toward a Soviet troop withdrawal from Afghanistan. He pledged that there will be no change in United States policy in the Middle East "in the foreseeable future". Carter also endorsed voluntary prayer in the public schools.

Carter said he is "looking forward to a chance to debate Reagan," but he suggested no change in his opposition to the inclusion of Anderson.

Carter stopped at the Truman residence for a ten-minute visit with Bess Truman and returned to Washington immediately after his visit to Independence. He is to resume campaigning today in Philadelphia. (Washington Post, A-1; Washington Star, A-1; Baltimore Sun, A-1; New York Times, B-1)

Reagan said that he is "greatly disturbed about efforts to make the Ku Klux Klan an issue in the campaign." He continued, "I also regret that certain remarks I made yesterday are being misinterpreted to mean something that was never intended. Reagan went on to say that the Carter people started it.

"The issue of the Ku Klux Klan was first injected into this election season several weeks ago by Carter's former appointee, Andrew Young, when he criticized me for attending the Neshoba County Fair in Philadelphia, Mississippi and by Carter's Secretary of Health and Human Services, Mrs. Patricia Harris, who referred to the Klan in an attack on my candidacy."

Carter called Reagan's initial comment "uncalled for, inaccurate, and I think it was something all southerners would resent." Reagan's statement also prompted seven southern governors--all Democrats--to demand an apology in a joint statement attacking "Mr. Reagan's callous and opportunistic slap at the South."

Democratic National Chairman John White called a press conference to say that Reagan had slurred one region of the country "in a shoddy attempt to get an

(more)

applause line." Bush also accused the Democrats of conducting a campaign of "groin kicking." (Washington Post, A-1)

Reagan campaigned for Democratic votes in Detroit yesterday and said that as president he would try to get rid of "several thousand" federal regulations of American automakers and move to halt the "deluge of Japanese auto imports." He mocked Carter's promise to ease the burden of federal regulations "by tinkering with a few environmental test procedures."

In a departure from his usual free trade advocacy, Reagan said he would attempt to convince the Japanese to slow down the sale of their cars in this country "until our industry gets back on its feet." Reagan also said that he now thinks the federal legislation that bailed out Chrysler and kept it in business has been "the proper answer". Until now, he had opposed the bill.

Michigan is a key target state for the Reagan forces. The GOP strategy is to cast Reagan as "the blue-collar candidate." In keeping with this strategy, Reagan emphasized that he is the only nominee for president who ever served as president of a labor union.

Four of five Reagan events yesterday were closed to general press coverage and were aimed at the economic issue. Reagan ate breakfast in his suite with auto industry leaders, toured the Chrysler plant, lunched from a vending machine and then held another private meeting with steel industry leaders.

Former President Ford will spend five days in Detroit. Bush, Ford and Governor William Milliken will concentrate on traditional Republican constituencies and ticket-splitting voters while Reagan will spend his time in blue-collar areas. (Washington Post, A-2)

The legal staff of the Federal Elections Commission is recommending that Anderson get the same chance at government funds as the nominee of a third party. The recommendation will go to the commission at its meeting tomorrow and could entitle Anderson to federal money for his independent campaign if he does well enough in the November 4 election. For any new party--or for an independent candidate, if Anderson's argument wins--there still can be no money from the government until after the election, compared with major party nominees, who receive money regularly during the campaign. However, a new party getting more than five percent of the vote this year would be entitled to federal funding in 1984. (Associated Press)

Anderson visited the University of Michigan yesterday and was greeted by a crowd of 2,000. He said, "I want to welcome you back to the political process." Anderson's new lines of summer did not hold the same magic. His talk of jobs programs and using tax breaks to fight inflation did not draw the same feverish response. And when his speech began to wander, Anderson was repeatedly interrupted by shouts from the audience for more specifics.

On nuclear power, he said, "I suggest that there ought to be a moratorium on new construction permits" while safety and control problems are worked out. It was the second time in four days that Anderson has appeared before a student crowd. (Washington Post)

Lucey, in Grand Rapids, Michigan, said, "Michigan is a very key state...it would be very hard to come up with 270 electoral votes without carrying Michigan. This is a very winnable state." Lucey took swipes at both Carter and Reagan, charging the President had fouled up the economy and saying Reagan was wounding his own effort with ill advised comments. (Washington Post, A-3)

POLLS

In the latest Iowa poll, Carter has gained 10 points. In June, Reagan led Carter 50 percent to 23 percent with Anderson at 18 percent and 9 percent undecided. In a poll taken August 21-24, Reagan led Carter 47 percent to 30 percent with Anderson at 12 percent and 11 percent undecided.

According to a new Gallup Poll, Bush and Mondale add about "equal luster" to the to the two major party tickets.

In a poll published yesterday by the New York Post, it was determined that if the election were held today, Carter would receive 29 percent, Reagan 27 percent and Anderson 17 percent, with 27 percent undecided. The survey was based on interviews of 1,363 registered voters August 21-15. The statistical margin of error could cause a shift of as much as 2 or 3 points either way. Because of this, it is impossible to say from the poll at this point that Carter is actually ahead of Reagan.

One especially interesting finding of the poll was that Anderson might have a chance of winning in New York if the voters believed he had a realistic chance of victory in November. When they were asked how they would vote if they thought Anderson had a chance to win, 33 percent said they would choose Anderson, 22 percent Carter and 21 percent Reagan and 24 percent undecided.

The poll found that Carter's strength at this point is coming from New York City, while Reagan leads in the New York suburbs and upstate New York.

In Kansas, Reagan is ahead of Carter by a margin of 2 to 1, according to a poll published this week by the Topeka Daily Capital Journal. The survey, based on telephone interviews with 997 adult Kansas residents August 22-27, found that Reagan would receive 48 percent of the vote, Carter 25 percent, Anderson 9 percent and the rest undecided.

In Oregon, according to a statewide poll published this week by the Portland Oregonian, the survey found that if the election were held today, Reagan would receive 35 percent of the vote, Carter 25 percent, Anderson 17 percent, and the rest still undecided.

IN OTHER NEWS

More than 200,000 workers on strike in Poland's heartland of Silesia reached a settlement with the government last night and agreed to return to work.

The Soviet Union last night accused Carter and Reagan of interfering in Poland's internal affairs. Tass charged that the statements were part of Western efforts to advance a "so-called liberalization process" in Poland.

Pakistan has been forced to ground three squadrons of its meager fleet of jet fighters because the Korean War-vintage United States F-80 Sabrejets have become too old and too unsafe to fly, reliable sources said yesterday.

New orders for manufactured goods rose a sharp .7 percent in July, the first increase since January and the largest in nearly ten years, the Commerce Department reported yesterday. Orders received by durable goods manufacturers jumped 10.3 percent to \$73.3 billion instead of the 8.4 percent reported earlier on the basis

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of preliminary information. The increase provided more solid evidence that the nation's economic decline has slowed. At the moment, forecasters are divided over how much further the economy will contract, if at all, before turning upward again.

A referendum on Alaska's recent primary ballot asked voters to establish a commission to "re-examine" Alaskan statehood. The outcome was decided on absentee ballots. Near final results showed 39,473 voted for the commission and 39,028 were opposed.

Former President Richard Nixon will analyze the 1980 presidential race when he appears daily on NBC's "Today" show next week in taped conversations with historian Theodore H. White, NBC's campaign consultant, the network has announced.

COLUMNISTS

Fiasco in Room EF100 ... Evans and Novak

On August 25 Republican senators and House members felt for the first time that Reagan will lose the election unless things change quickly. The congressional "surrogates" were summoned for a campaign briefing. It turned out to be more of what the congressmen described as a "fiasco" or a "disaster". Representative Jack Kemp of New York, the surrogate in biggest demand, walked out in disgust.

To the lawmakers, the Reagan staff showed itself to be disorganized, pompous and unprepared for the heroic task of defeating a determined incumbent president. By dressing down an important Reagan supporter, William Casey also raised doubts about whether he is equipped to fill the campaign manager's post he has held since February 26.

One Reagan strategist expects the next crop of national polls will show a stunning Reagan decline. As panic sets in, Reagan will have to get organized. "I thought it was just the usual liberal media gang trying to zing Reagan," one southern lawmaker confided to us. "Boy, was I wrong. The press aren't telling half of it."

Casey and Dr. Richard Wirthlin, Reagan's research chief, were present, but the briefing was done by two of Reagan's young right-wing staffers, Rich Williamson and Terry Dolan. Williamson and Dolan dealt with "peripheral" issues, to use the word invoked most often by the listeners. Much time was spent describing the "vindictive" personality of Jimmy Carter, documenting how he was so terribly nasty to the late Hubert Humphrey. It was at this point that Kemp walked out.

When the meeting broke up, Casey sought out Representative Bob Bauman of Maryland to upbraid him for speaking up. Casey and company neither want nor accept advice from the best minds on Capitol Hill. Representative Thomas Evans of Delaware, a former Republican national co-chairman who is supposed to be a senior Reagan adviser, has found himself ignored. Kemp, who initiated the idea years ago is so disgusted, he might not even participate.

A sign of hope emerged last week when the Reagan staff finally agreed to Evans' plea for an advance look at the candidate's speeches. Evans received the Labor Day speech first draft, which like Reagan's other first drafts lately, turned out to be woefully inadequate.

A campaign operation containing few veterans of elective politics and lacking fanatically ruthless lieutenants of the type Carter enjoys might well look to those congressmen who sniffed the fumes of defeat in Room EF100.

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Questions That Need Straight Answers ... David S. Broder

I tried to put down on paper some of the questions I would like to hear the candidates address this fall. To start, I would like to know what Carter really thinks of his first term. Does he think it bad luck or mismanagement that has caused real living standards to decline so sharply during the last 3½ years? Does he believe, as he says, that our alliances have never been stronger or has he learned something he can now articulate about alliance management? What would he do differently about organizing the White House, working with Congress, motivating the bureaucracy--or does he see no problems in those areas?

I would like to know which are Reagan's personal priorities, for no president will do more than start on his "wish list" in four years. I would like to know how Reagan, at age 70, expects to summon the personal energy and willpower to move that mountain of inertia called Congress, the bureaucracy and the interest groups. How does he think the world has changed since 1945, and what do those changes imply for American foreign policy.

And if we are, as he proposes to rely much more on private firms and market forces for growth, jobs and productivity, at what point--if any--should the government intervene in the market--and to what end?

As for Anderson, the basic question in my mind is what he really brings to the campaign besides conviction. Where is the evidence in his past record in Congress or the political campaign that he has the capacity to rally people around his leadership? After he had propounded his policies, how would he expect to build support for them inside and outside the government?

Those are my questions and you will have your own. Whether any of us get straight answers, the next two months will tell.

Between the Platforms ... The New York Times

If debates do take place, they ought to be fair. That's why we think the Carter forces are wrong to insist that Anderson be kept out of the first debate. Now Anderson has issued his platform. Like him or not, it provides another practical reason for including him. Some central issues in the campaign have fallen between the stools traditionally occupied by the Democratic and Republican platforms. Even if one now regards him as John Quixote, Anderson performs a valuable service by putting these issues back on the table.

More Pleas for Votes Than Economic Schemes ... Carl T. Rowan

I offer this bit of advice: Don't believe either Carter or Reagan.

Reagan Fails Again on Test of Credibility ... Germond and Witcover

What Reagan needs now more than almost anything else is always to sound as if he knows what he is talking about--without having to fall back on cheap shots.

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THE NIGHTLY NEWS SUMMARY

PROVIDED BY THE PUBLIC AFFAIRS DIVISION OF THE RNC

NBC NIGHTLY NEWS WITH TOM BROKAW

- 6:30 Brokaw reported that the campaign, which officially opened on Labor Day, got off to a rocky start. Gov. Reagan's statement in Detroit that Jimmy Carter spent the day in the "birthplace of the KKK" set off a controversy and made RR spend the day refuting his statement.
- 6:31 Judy Woodruff reported that JC said that RR's statements were full of slurs and innuendos. JC continued by saying that this served no useful purpose. As Carter's day went on his criticism of RR grew stronger. In a speech in Independence, Missouri, JC said he and RR had very few points in common. When asked about their similarities in Foreign Policy, JC said RR was leading towards nuclear confrontation. JC said that the US is not and never will be second to the Soviets.
- 6:32 Tom Brokaw stated that Tuscumbia, Ala. was not the birthplace of the KKK but rather it was in Pulaski, Tenn. Gov. Fob James of Ala. demanded an apology which he received from RR.
- 6:35 Chris Wallace reported that John Anderson was also critical of RR's remarks, saying that JC has said he was against the KKK. Later in the day RR made a statement that he felt that his remarks have been misinterpreted to mean something that was never intended. The statement also continued by saying that he didn't mean to infer that JC was sympathetic to the KKK. RR also toured the Chrysler plant to inspect the new "K" car. He received a mixed greeting, it was reported.
- 6:36 Brokaw said that although the campaign is only one day old, things have already heated up, alluding to the RR statement.
- 6:39 Poland has continued to be plagued with strikes. The coal miners in Silesia were striking for safer working conditions, as well as higher wages and free trade unions. The Polish government agreed to their demands. The coal miners will return to work tomorrow.
- 6:40 Jack Reynolds reported that the Chinese parliament passed new laws today curtailing many of the Chinese's rights. Traditionally, the Chinese have expressed their opinions through wall posters. Those rights have been cancelled.
- 6:45 It was reported that the leaders of Libya and Syria, Khadafy and Assad, have agreed to merge their two countries. However, there remains a great deal of negotiating.

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NBC NIGHTLY NEWS (CONT'D)

6:53 NBC did a special segment on the congressional races this fall. Ken Bode reported that many liberal candidates are fighting to save their seats in Congress. Congressman Vander Jagt said that things look good for several victories in the House. This report showed the NRCC at work on planning and implementing advertisements for Republican congressional races. Bode said that many liberal Democratic leaders are in trouble including Al Ulman, Jim Wright, and Mo Udall.

CBS NEWS WITH CHARLES KURALT

7:00 Charles Kuralt began the news with the statement that Ronald Reagan is in trouble over the KKK.

7:01 Lesley Stahl reported that Jimmy Carter had a harsh rebuke for RR's statement in Detroit. JC said that RR was resorting to slurs and innuendos, as well as false statements. He continued by saying that the Republican Party is different now from the time that Gerald Ford left office. It was also reported that Gov. Fob James wanted an apology for RR remarks.

7:03 Bill Plant continued the story by saying that in Detroit Gov. Reagan made a statement accusing JC and others of misinterpreting his remarks. The release said that Patricia Harris and Andrew Young had tried to link Gov. Reagan with the KKK, and they were the ones who injected the KKK into this campaign. It was also reported that Gov. Reagan met with the heads of the "Big Three" auto manufactures today. When RR went to the Crslyer plant he received a cool welcome.

7:05 Kuralt reported that John Anderson felt RR's off-the-cuff remarks were hurting him and that they were unfair to JC.

7:07 Bernard Kolberg reported that Gov. Pat Lucey was having identity problems, and this report showed Anderson workers asking people if they wanted to meet JA's running-mate. Kolberg ended his segment by saying that people like Spiro Agnew and Jimmy Carter have overcome their identity problems.

7:09 Today Ford unveiled their new line of car.

7:10 In the economy, request for manufactured goods were up by 5.7% in July. This increase in factory orders is the highest in 10 years. Due to this increase, the stock market was up sharply.

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CBS NEWS (CONT'D)

- 7:10 Today in Poland it was reported that coal miners settled their strike with major gains over the Polish government. The strikers followed the same pattern set by the ship yard workers. This has hurt Edward Geirek's base, since he was from this area.
- 7:13 Sol Linowitz is continuing talks with the Egyptian and Israelies. They hope to have another Summit talks after the election.
- 7:14 It was announced today that Libya and Syria would like to merge their two countries. Both have taken a hard line against Israel.
- 7:15 China has taken a hard line on the freedom of expression by banning all wall posters. They have also said that men cannot get married until they are 22 and women until they are 20. This is an effort to control the population.
- 7:20 Gary Shepard did a story on the effects of busing in Los Angeles. He said that busing is still unpopular in LA and cost \$200 million to bus students.

ABC NEWS WITH FRANK REYNOLDS

- 7:00 Frank Reynolds said that the KKK has caused Ronald Reagan trouble. Today RR had to apologize to Alabama and Gov. James for his remarks about the KKK being founded in Tuscumbia, Ala. Jimmy Carter said that he had no use for the KKK.
- 7:02 Sam Donaldson reported that JC felt that RR's remarks were uncalled for and would divide the country. JC also said that southerners would resent RR for making those remarks. Pres. Carter was in Independence, Missouri today and went to see Harry Truman's widow, Bess. Later in the day he gave a speech in which he further criticized RR for his policy. JC stated that he felt that the GOP was different now than during the time Ford was in office. JC also pushed the idea that RR, as President, would pose a threat to world peace.
- 7:05 Barry Serafin reported that Gov. Reagan released a statement that expressed his regret that his remarks had been misinterpreted. He felt that Ambassador Young and Secretary Harris had injected the subject of the KKK into the 1980 campaign. RR also called Gov. Fob James and apologized for his comments. Reagan met today with the "Big 3" auto producers and toured the Chrysler plant. At the plant he received both applause and boos. In his speech to the auto workers, he said that he would appeal many of the government's regulation on the industry.
- 7:07 John Anderson said today that he thought that RR's remarks were not thought through. He felt that Carter had stated he was opposed to the KKK, and that RR's off-the-cuff remarks were hurting him.

ABC NEWS (CONT'D)

- 7:09 Barrie Dunsmore reported that the new Iranian Prime Minister had received Secretary of State Muskie's letter calling for the release of the hostages. This is not a new initiative, but rather an even-handed effort get quick release of the Americans.
- 7:10 Peter Jennings reported that the new Prime Minister and the President are having troubles agreeing on the new cabinet ministers for the Iranian government.
- 7:11 Jennings also placed a report on the striking coal miners in Silesia, Poland. The strikers have gotten the government to agree to new safety measures as well as the other demands of the Polish strikers across the country.
- 7:14 Ford announced their new "World Car" today, according to Dan Cordtz. Ford has tried to improve the quality of the car to compete with the Japanese cars.
- 7:15 Tom Jarriel said that manufacturing orders were up almost 6% in July. He suggested that the economy might be bottoming out of the current recession.
- 7:21 Peter Jennings also reported that Libya and Syria have agreed to merge their two countries. He said that this could be difficult, because they are 500 miles from each other.
- 7:23 Jennings reported that the Chinese have taken measures to cut the birth rate by placing requirements of the marriage age. The story continued by saying also that the black market for foreign goods is growing due to increased advertising.
- 7:25 The price of gold went up \$10.75 to \$640.00 today.

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

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

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

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

We have a "new" Jimmy Carter insofar as his words are concerned, a new Carter suddenly, after four years as Commander-in-Chief, concerned about our national security. Since he caused the national security crisis it is fitting that he should at long last come to realize it, however late.

But it is in the field of economics that he has been most recently vocal--and, as usual, ineffective.

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

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

There is a new depreciation schedule. But upon examination this isn't new at all--it is similar to those proposed by Republicans and by the Senate Finance Committee. And by itself it will not Re- vitalize our economy.

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

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

I mention all of this not because Jimmy Carter is serious about this program--he knows it doesn't have a chance of becoming legislation and won't even send it to the Hill--but, rather, because it exemplifies the fundamental error in his handling of the economy.

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

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

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He has created a synthetic fuel program with an enormous potential for waste because he simply doesn't understand the free enterprise system.

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

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

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

Despite all of the good intentions not to allow an economic revitalization program to become a vehicle to bail out failing business, it is just not possible to be otherwise. The new vital-growing businesses do not need government help--it is only the failing ones--threatening large job losses--which will show up at the door of the White House for help. But experience both here and abroad

amply demonstrates that the jobs that are "saved" are temporary, and the damage to the economy overall, leads to far greater job loss-- or more exactly, failure to create jobs for a growing labor force.

Japan "works" because the government is not anti-business. We would have the same vitality if government withdrew from it harrassment of business. We don't need a new partnership, we need only to have Uncle Sam become a more passive participant in its role in the economy.

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

The same can be said about Jimmy Carter and his seemingly limitless capacity for new programs. He knows all the words, but he lacks something vital. Jimmy Carter's tragedy as a leader is that he has never known where he wants to go. And because we have had to endure this nonleadership for four years, it is our tragedy as well.

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

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

We must first recognize that the problem with the U. S. economy is too much government, too much regulation, too much taxation, too much printing press money. We don't need any~~more~~ four or five point programs of government actions to "fix" the economy. It is the overdose of such initiatives which has been gradually sapping the vitality of the most productive economic system the world has ever known. I see a true revitalization of the American economy as a two stage process:

First, we must stop the frightening erosion that now confronts our economy. Then we must turn our growth potential markedly higher.

The second stage will be relatively easy if we make the first stage work. At the heart of the first stage of this strategy are three fundamental policies, each of which is vital, each of which is dependent on the other two for success and all three of which, working ^{IN} concert under effective leadership, can take us from the Carter economics of despair and stagnation to an economics of hope and of growth based on what we know the American people are capable of:

1. We must prevent rises in the tax burden now crippling the economy and savaging family earnings. Carter's tax cut program still leaves the ratio of total Federal revenues rising from 20½% of GNP in the current fiscal

year, to 23-3/4% by fiscal year 1985. Under Carter's program, Uncle Sam will be taking --- % of additions to taxable incomes over the next five years. There is no way we can stop the economy's erosion with that level of taxation.

2. We must stop inflationary policies of the federal government. This means the necessary precondition of such action, a balanced budget.

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

I am asked can we do it all at once? My answer is we must. I am asked, is it easy? My answer is no. It is going to require perhaps the most dedicated and concerted action ever taken on the part of the American people for their government. Nothing worth doing is ever easy.

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

Let us then examine how we can meet this challenge beginning with "the Reagan Tax Rate Reduction" plan. This plan calls for an across the board 30% reduction in income tax rates, 10% in 1981; 10% in 1983; and 10% in 1985. Six months ago, I had been hopeful we could implement a 30% cut in tax rates in three years. But under the stewardship of this Administration, the budget has deteriorated to a point which has made that too risky. However, if the economy recovers faster than we expect, I will move to a more rapid phase-in of these cuts. In any event, it is essential to move as rapidly as we can to reduce the dangerous growth in the tax burdens.

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

Jimmy Carter says it can't be done. In fact, he says it shouldn't be done. He favors the current crushing tax burden because it fits into his philosophy of government as the dominating force in American economic life.

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

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

Assuming a continuation of current policies in government spending, the CBO projections show a substantial deficit of \$44 billion for FY 1981. This drops sharply to \$15 billion in FY 1982 and in FY 1983 turns into a substantial surplus of \$37 billion. In FY 1984 this surplus grows to \$96 billion and then way up to \$175 billion in FY 1985. These large and growing surpluses can be used in two basic ways: (1) the funding of additional government programs, and (2) the reduction of tax rates.

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

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

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

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

But, as I said, tax cuts alone won't do the job. We also need control of government spending leading to a balanced budget. How can this be achieved?

There must and can be a reduction in the projected spending levels for FY 1981 by some 2 percent. This level of spending restraint, once achieved for the last half of FY 1981, would continue on through the succeeding years. Continued attempts to control government spending would result in a further 2 percent reduction in FY 1982, an additional 1 percent in FY 1983, and 1/2 percent more in both FY 1984 and FY 1985. Even these relatively modest reductions in the rate of increase of federal spending produce substantial increases in available funds that can be used for either increased spending or for reducing tax rates to stimulate economic growth. Beginning with an additional \$13 billion in FY 1981, the number grows steadily to \$54 billion by FY 1985.

Allow me for a moment to expand on what I have just stated.

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

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

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

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

Programs that are national in nature, or that are handled by trust arrangements outside the general revenue structure should not be transferred. In addition to the obvious ones--Social Security, national defense and space--this group would include Medicare and other old-age assistance programs; the enforcement of federal law; veteran's affairs; certain aspects of agriculture; energy; transportation and the environment; the TVA and other multi-state public works projects; certain types of research; and possibly others.

Few would want to end the federal government's role in setting national goals and standards. And no one would want to rule out a role for Washington in those few areas where its influence has been essential: crash efforts such as the Manhattan and Apollo projects, and massive self-liquidation programs such as the Homestead Act and the land-grant colleges. And, certainly, the federal government must have an active role in assuring this nation an adequate supply of energy.

The systematic, phased transfer of some federal programs and federal revenue sources could save the taxpayers money. As federal programs were transferred to the states, federal revenue sources, sufficient to finance the programs, would be transferred at the same time. The amount of federal resources transferred should be more than enough to fund the programs transferred, making possible

a net tax reduction for individuals and families. There are two basic reasons why this can be expected;

The first is the elimination of the "freight charge." When the taxpayer's money is sent to Washington, counted, then doled back to the states with the regulatory strings of the Washington bureaucrats attached, some of it is lost in the process. We don't know precisely what this "freight charge" is for any particular program, but regardless of whether it is five cents on the dollar, 10 cents, 25 cents or 50 cents, it is clear that the taxpayers will pay the bill.

The second is the increase in efficiency that would occur when administrative responsibility passes from federal hands to state and local hands. My experience in California, and that of others elsewhere demonstrates how arbitrary and everchanging federal regulations can inhibit even the most strenuous efforts to achieve economy and effectiveness in state government. Freed of the dead hand of federal regulation, state and local budgets offer the potential for considerable economies. Again, we don't know what the precise savings will be, whether they will be 5 percent or 50 percent, but we do know that there would be savings.

Crucial to this strategy will be the appointment to top government positions of men and women who share the same economic philosophy that is at the heart of my policies. We will have an administration in which the word from the top isn't lost as it gets to the various departments. That voice will be heard because it

is, in this vital area, the voice that has for too long been absent from Washington--the voice of the people.

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

I already have as part of my advisory staff a Spending Control Task Force, headed by my good friend and former Secretary of Health, Education, and Welfare, Casper Wienberger, that will report on additional ways and techniques to search out and eliminate waste, fraud and abuse in federal programs.

If I may digress for one moment: the subject of waste, fraud and abuse in government programs is one so important that I will not even try to discuss its full implications in these remarks because it deserves a special speech all of its own. I intend to make such a special speech all of its own. I intend to make such a speech soon. For the present just let me say, when HEW alone reported over \$6 billion lost, strayed or stolen, surely there is more reason than ever to see to it that tax dollars are used more effectively. The Office of Management and Budget estimates that the annual waste in federal government programs could reach as high as \$50 billion and Jimmy Carter tells us we can't have a tax cut.

If we succeed in Stage I, Stage II is a natural extension, parts of which should be put into place before Stage I is fully effective. It is important that we recognize that presidential veto power, no matter how judiciously and courageously used, cannot hope to meet the challenge to our survival alone. We have developed over the years a built-in tendency to overspend our tax receipts. The Budget Act of 1974 which for the first time created a procedure for the Congress to limit total spending has been only partially successful. More is needed.

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

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

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

Moreover, even the extended tax cuts which I am recommending still create a rise in the tax burden and hence additional tax cuts scheduled and in place for the second half of the decade are needed. I will

outline the additional tax and other measures at a later time. They will address the issue of enterprise zones for our cities which I raised first in my address to the National Urban League, the need for tax code simplification, broad reduction in the regulatory burden and a number of other items of our national economic agenda.

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

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

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

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

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

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

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

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