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DEBATE POINTS

GENERAL CONSTRUCT ON CARTER-MONDALE RECORD -- POSSIBLE
CLOSING STATEMENT

Mr. Mondale, more than any other Vice President you've boasted of your close relationship with your President Jimmy Carter -- how you participated in every meeting, had a hand in every decision. Just last Saturday (9/29) you said again that you were proud of every day you served as his Vice President.

That's admirable. The Vice President should be in the thick of things. His or her talents and ideas should be used as much as possible. That's certainly been the case with my Vice President -- George Bush.

We're proud of our record. We're proud to run on it, not away from it. And, if re-elected, we'll be proud to use that record as a starting point for the future we think America wants to see.

In fairness, you've got to stand on your record, too. It says what kind of leadership we could expect if you win.

-- You had four years to rekindle the sparks of genius and creativity and productivity of the American people.

And what did you do? You snuffed those sparks out -- leaving the economy in a shambles, undermining our defenses, painting a doom-and-gloom picture of a future of "limits" instead of opportunities. And then you stood knee deep in the mess you made and blamed it all on the American people.

We believe in the American people. And look what's happening in our economy and in our quality of life right now.

- You had four years to do something about the "misery index" -- the sum total of inflation and unemployment that you made so much fuss about in the 1976 election.

And what did you do? You more than doubled it.

We cut it by more than half.

- You had four years to do something about the ruinous inflation that was killing our economy and stealing income from everyone -- especially the poor.

And what did you do? You doubled it.

We cut inflation by more than two-thirds.

- You had four years to do something about the interest rates that were choking off growth in our economy, driving housing costs out of reach of the average family and throttling our automobile and other major industries' sales.

And what did you do? You tripled them.

We cut them in half. And they're still going down.

- You had four years to get our economy back in high gear.

And what did you do? You gave us stagflation, the worst record of growth in a generation, and a warning to the American people that we were just going to have to live with the economic malaise -- that it was going to be our way of life from then on.

We put our faith in the people and we put our ideas to work -- and we're seeing the strongest recovery and expansion in our great economy since World War II. And we're doing it without coming anywhere near the "misery index" you forced on us in your four years.

- You had four years to do something about the energy crisis and its impact on our economy and people's pocketbooks.

And what did you do? You created a brand new Federal bureaucracy and let it tie up the hands of the energy industry to the point where gas prices went up, gas lines stretched out, and our ability to produce oil and gas and coal went down.

We cut your bureaucracy down to size and gave the energy industry incentives to go out and find new energy sources. Now gas at the pump is down; gas in the pipelines is stable; and our ability to produce energy right here at home is up.

- You had four years to put a stop to a twenty-year decline in the quality of education.

And what did you do? You created another brand new Federal bureaucracy and spent more and more Federal dollars only to see that twenty-year trend in the quality of our schools keep going right on down.

We cut your bureaucracy down to size and turned to the people who can do something about the quality of our schools: teachers, parents, students and local administrators. And what happened? We just had the sharpest increase in standard test scores in twenty years -- because we've got the people who count out there fired up and moving to do even better.

-- You had four years to do something about the bankruptcy everyone knew was coming in the Social Security and Medicare programs.

And what did you do? You gave us the biggest individual tax hike in history and the highest rate of health care cost inflation in history and you promised all would be well with the system way into the next century.

But what did you really leave us in spite of that promise? A Social Security system that went bankrupt just two years after you left office -- and a Medicare system in deeper and deeper trouble because of the health care cost inflation you allowed to get out of control.

We took the lead to make the Social Security system sound. And we did. And we're well on our way to getting Medicare out of the inflationary spiral and into the stability it needs to assure people that it will be there when they need it.

-- You had four years to do something about every other problem we face -- in the environment, agriculture, transportation, crime, the growth in government spending, and so on right across the board of our national concerns.

And what did you do? In virtually every case, you gave us more government, more taxes, more spending -- and fewer results than you made us pay for.

We led the way to less government, lower taxes, less growth in spending -- and more good results for our economy and the quality of our lives than we've seen in decades.

Now, you seem to want to turn your back on the record.

Well, you can't. You can't dismiss it by saying you "privately opposed" every bad decision. What kind of leadership is that? What kind of loyalty is that? What does that say about what you really did in the four years you sat in the White House?

And what does that record say about the new record you'd make if you get to sit in the White House for another four years?

ON TAX POLICY IN GENERAL

(Mondale says his deficit-reduction plan won't hurt middle class, will only "soak the rich" and "untaxed corporations".)

- That's just plain naive.
- "Corporations" don't pay taxes in the same ways average taxpayers do. They pass their tax burden on to people who buy their products or hold their stocks and who ultimately pay the taxes on corporate profits.
- What do you think corporations do with their profits? They may invest them in expansion -- which means creating more jobs for workers who then pay taxes on their earnings. Or they may pay profits out in dividends to shareholders who then pay taxes on their return on investment or benefit from them through their group pension plans. Or -- as under the Mondale approach -- they'll pay Uncle Sam, and then just pass on the cost of those taxes in the form of higher prices -- which means we'll all pay the taxes Mondale wants to collect in both dollars and lost jobs.
- It's also naive to say Mondale's tax plan only "soaks the rich".
- Where do you think all those revenues are going to come from? Mostly from the middle class -- who already bear the biggest proportional tax burden in our economy. The median family income right now is about \$25,000 -- and that's where Mondale draws the line. Now, the top half of American taxpayers -- those from just above the median to the top of the scale -- already pay more than 90% of all personal taxes collected. The top 10% already pay nearly 50% of all taxes collected -- as much as is paid by the bottom 90%.

- He also wants to defer indexing for millions of the middle-income taxpayers -- something that hurts only them since the upper income people are already in the highest tax brackets. That's just plain unfair -- and dumb.
- Deferring indexing is "pick-pocket government". That's the kind of government that makes a profit off inflation.
- Trouble with the Mondale approach to taxes is he looks at middle-income wallets as pockets to pick, rather than to protect.
- Our approach is let's clean up government's act instead of cleaning out the taxpayers' wallets.
- The real issue in personal taxes is whose priorities do we care about? Do we want to take -- as Mr. Mondale does -- the equivalent of \$1800 out of every family's pockets to spend on government's priorities? Or do we leave it in their pockets to spend on their priorities? We say let's go with the people's priorities.
- Government already makes the middle-income family work five months out of twelve to pay its Federal, State, and local taxes. Are they getting five months' worth of services out of their governments? How many more days and weeks and months does Mr. Mondale want those families to work to pay for his priorities?
- Government at all levels is already one in five of your neighbors spending two in five of your dollars. How many more neighbors and how many more of your dollars are you willing to spend on government?

WHICH CANDIDATE IS OFFERING THE BEST POLITICS FOR THE "FUTURE"?

- Look to Mr. Mondale's platform -- and to the record of the Carter-Mondale Administration. We can tell where they'd take us by looking at where they took us in the past.
- Does their future mean a 21% prime rate again?
- Does their future mean a return to years of double-digit inflation?
- Does their future mean rescinding much of the 1981 tax and spending cuts that got our economy back on its feet and off and running?
- Does their future mean a return to "pick-pocket" taxation by cutting back the indexing of the tax code that we fought so hard to win for low and middle-income taxpayers?
- Does their future mean a return to the politics of gloom and doom and blame-it-on-the-American-people mood of malaise that they cooked up when they were last in the White House?
- Our future is pretty clear from where we're heading right now: inflation is under control; taxes have been cut, not raised; the economy is expanding at a rate that makes every other Western Nation marvel at our capacity to create jobs.

WHO'S THE 'CONSERVATIVE' IN THIS CAMPAIGN?

- What do we mean by "conservative" and "liberal"? Is a conservative one who wants to go back or hold to the status quo and a liberal one who wants to move on in new directions?
- Then Mr. Mondale must be a "conservative". He wants to take us back to the tried and untrue time of more and more government and higher and higher taxes. The time that gave us stagflation, incredibly high inflation and interest rates and a national mood of despair that made us think that things just couldn't get any better.
- We want to keep taking us forward into a time of less and less government, less and less taxes, and more and more freedom for the American people to make the most of the great opportunities that a growing, healthy economy can open up for us.
- We promise down-to-earth, feet-on-the-ground government. We promise back-to-basics government which reflects the beliefs and values and hopes of all Americans.

WHY WE NEED A BALANCED BUDGET AMENDMENT AND LINE-ITEM VETO

- Tip O'Neill says he'll bring a proposed balanced budget up for a floor vote within 48 hours after I send one up.
- Well, he's had a proposed balanced budget amendment up there for almost 48 months and he won't even give it a fair hearing.
- And that's precisely the problem: what we need is less rhetoric and more discipline on the budget system. For both the Executive and Legislative branches of government.
- All 50 State Governors and Legislatures are subject to Constitutional mandates that they balance their budgets. And they do.
- More than 40 State Governors have the line-item veto power -- a power I exercised more than 900 times in California without once being overridden.
- That's the kind of discipline we need in Washington.
- O'Neill calls that a "right-wing" agenda. I call it the right thing to do. And so do the taxpayers.

ON THE DEMOCRATIC AND REPUBLICAN PLATFORMS

- Their platform is a fascinating document: 45,000 words, with only three words missing: Carter, Mondale and "No".
- Only interest group they didn't say "yes" to was the taxpayer.
- Read it between the lines: most repeated words are "tax and spend".
- Every time you expect to see an exclamation point, you see a dollar sign instead.
- Philosophy of Democratic platform seems to be: "You pay as we go."
- Their platform is a multi-billion dollar rear-view mirror that looks back, not forward, to the politics of the past, the politics of pessimism, the politics of promises. It looks first to the taxpayer's wallet instead of the taxpayer's best interests.
- Their platform ignores their own sorry record. But in politics we judge a candidate by the record he or she runs on -- and because that's the real platform he or she stands on. We're proud to stand on ours.
- Mondale/Ferraro records as Members of Congress and as Vice President speak eloquently -- and expensively -- for themselves. Their platform speaks ominously of where they'd take us -- right back to where we've tried so hard to come from over the past four years.

-- Our platform dwells on our record. Either you're proud of your record or you're not. Either you run on your record -- or your run away from it. The Democratic platform shows they're running away from where they took us before -- but planning to take us back there if they win.

-- Our platform looks to the politics of potential of the American people. That's where the people are looking. That's where we want to go.

WHO'S REALLY ON THE SIDE OF 'FAMILY' VALUES

- It seems to boil down to a question of philosophy -- a vision of what government should be all about in our society.
- It's not so much liberal vs. conservative -- although that's how we define it in shorthand -- as it is which direction we choose to focus our vision.
- Do we look backward to the policies and politics that have failed our families in the past -- or do we look forward to policies and politics that will reinforce basic family values?
- What's really good for families? Whose values are really at issue here? Are they the American family's values -- or are they government's values?
- For example: isn't it better to give the average family a major tax break -- as we did -- to let that family spend more of its money on its own priorities? Or do we do what the Democrats want to do and tax it away to spend on government's priorities?
- Isn't it better to get our economy back on its feet and up and running and creating new jobs without the ruinous inflation and interest rates that pick the family's pockets and deny them access to housing? Or do we go back to the Democrats' ways of double-digit inflation and stifling interest rates?

-- Real family values are being addressed right now in ways
that work:

- Reducing Federal taxes
- Controlling inflation
- Promoting job growth
- Improving education
- Returning to traditional values
- Cracking down on crime
- Buttressing national security
- Pursuing lasting peace

SELECTED SHORT RETORTS ON SUNDRY SUBJECTS

(ON THE DEFICIT)

You say we should tax and spend our way out of the deficit.

I say we should work and grow our way out of it -- and that's just what we're doing.

(ON TAXATION)

You say let's look first to the taxpayer's wallet and bleed it some more.

I say let's look first to what the taxpayer's dollar is buying.

(ON THE DEMOCRATIC PLATFORM)

It's the same old politics of gloom and doom. Whatever happened to faith in the spirit and creativity and productivity of the American people? That's what our platform is all about.

The Democrats' platform rewrites history. The Reagan Administration has been making history. The Democrats ignore their history where it's inconvenient or embarrassing. We're proud of the history we've made.

(MORE ON DEMOCRATIC PLATFORM)

If the Democratic Party was serious about the deficit, it would have endorsed the Balanced Budget Amendment and the line-item veto. Any President of any party should want that kind of discipline on both the Executive and Legislative branches.

If they were serious about the economy and jobs, they would have endorsed the concept of Enterprise Zones -- which they've kept bottled up in Tip O'Neill's House despite the fact that more than half of the Members of the House have endorsed it and the Senate has passed it twice.

If they were serious about crime, they would have endorsed a major overhaul of the Federal Criminal Code to plug the loopholes that let felons go free to prey again.

(ON FERRARO'S 1981 TAX/BUDGET VOTES)

The question we asked the Congress in the 1981 tax and spending bills was pretty simple: shall we leave more cash in our people's pockets and cut the ruinous interest and inflation rates that hurt them just as much as taxes do? Vast majorities in both Houses said yes. Mrs. Ferraro said no.

(ON 'FAIRNESS' OF REAGAN WELFARE CUTS)

(Mondale says AFDC/Food Stamp cuts hurt the poor.)

- Mr. Mondale is missing the whole point of the basic welfare reforms that won heavy bi-partisan votes in the Congress. What we set out to do was pretty simple: to make sure that the taxpayer's dollar was being focused on the truly needy -- those who through no fault of their own simply cannot support themselves.
- When Mr. Mondale left office, he left us with welfare programs that were paying more than 40 cents out of every dollar to people with incomes, including in-kind benefits, that were at or above 150% of the poverty level. That meant a taxpayer earning, say \$15,000 was paying taxes to support people whose incomes were just as high as his own. Was that fair?
- And, when Mr. Mondale left office, his Administration also left taxpayer and welfare recipient alike smothered in double-digit inflation that was particularly cruel to the truly needy since their income is seldom adjusted to account for inflation.
- Your inflation rate was cutting the income of the poorest of the poor by more than 10% a year. Was that fair?
- We asked the Congress those very questions. And the Congress agreed. The law Congress passed reduced benefits for the highest income recipients and for those who could work. And in part because of the Federal and State money saved under that law, three-quarters of our States have been able to raise welfare grants to the truly needy since 1981. And we've cut inflation by nearly two-thirds since you left office.
- Is that fair? I think that's a question that answers itself.

(ON APPOINTMENTS TO THE SUPREME COURT)

(Mondale says one of biggest issues of campaign is who will control appointments to Supreme Court.)

- I've had one opportunity in my first term to appoint a Supreme Court Justice -- a responsibility I took as seriously as any other responsibility I've ever had in public life. And I believe my sense of that responsibility is personified in the choice I made -- Sandra Day O'Connor.
- I don't know of any responsible critic of the Court -- liberal or conservative -- who wouldn't say today that she was an outstanding choice.
- And if I am in a position to nominate anyone else to the Court, you will see the same sense of responsibility and the same quality in that selection.

(REAGAN HAS OPPOSED JOBS PROGRAMS)

- Well there's none in the Democratic platform either. And for good reason: "make-work" jobs programs don't make work for people.
- For example: Two years ago, the House Democratic leaders tried to ram through a \$3.5 billion jobs bill they said would create only about 300,000 jobs -- at a cost to taxpayers of about \$11,000 a job. They couldn't get the votes to pass it.
- Meanwhile, the recovery and expansion we're now in has been creating more than 300,000 jobs every month for the past 22 months -- at no cost to the taxpayers.
- Now, the best, most effective "jobs program" we could have is sitting up on Tip O'Neill's desk on Capitol Hill. I proposed it three years ago -- the Senate has passed it twice -- but Mr. O'Neill won't even give it a fair hearing even though more than half of the Members of the House -- including scores from his own party -- have co-sponsored it.
- What is it? It's a plan to put inner-city and rural area unemployed people to work by creating Enterprise Zones where tax breaks and other incentives would encourage companies to set up shop and hire the most hard-pressed of our unemployed.
- More than 20 States are already doing this on their own -- it's high time Mr. O'Neill learned how to recognize a good idea when it comes along.
- The Enterprise Zone approach is an idea whose time has come. It's just what this economy needs: real work instead of make-work jobs. Real work jobs last. Make-work jobs blow away when the money runs out.

(ON APPOINTING WOMEN TO OFFICE)

(Mondale says Carter appointed more women to Senate-confirmed positions than Reagan.)

- You're playing the same numbers game we see so often in the press. But your numbers just don't add up.
- And you should know better. Have you forgotten? Not every major job in Washington calls for Senate approval. For example: I've appointed a woman (Carolyn Davis) to head the Health Care Financing Administration, which runs the Medicare and Medicaid systems, which means she's directly in charge of nearly 10% of the entire Federal budget. And she reports to a woman -- Secretary Margaret Heckler -- who's in charge of more than a third of the budget.
- There are women in major jobs all over the Administration who didn't have to be confirmed by the Senate -- people like a Deputy Under Secretary of Defense -- General Counsel of the Army -- the Deputy Director of the Small Business Administration.
- And, of course, I've appointed more women to Cabinet-level positions than any other President.
- Moreover, I'm proud to say that I've appointed 24 women as commissioned officers in the White House -- the highest-level jobs we have there -- which is 40% more than the 17 appointed by your Administration.

(REAGAN SOCIAL SPENDING 'CUTS' IN GENERAL)

(Mondale says Reagan has "slashed" important social spending.)

- No, I haven't "slashed" social program spending. You've been listening to your own rhetoric.

Your Administration let spending get out of control -- to the point where it was going up at nearly twice the rate of your own ruinous rate of inflation.

- My Administration has cut that rate of inflation by nearly two-thirds -- and it's cut the rate of spending growth by about one-half.
- And, social program spending under my Administration is still going up -- just enough to need growth in real needs, but not enough to pick the pockets of the taxpayer even more.
- What's the best policy? Your kind of runaway spending in a grossly inflated world? Or my approach to spending which keeps it in line with the real world of the hard-pressed taxpayer.

(ON MONDALE'S BRAND OF POLITICAL LEADERSHIP)

- What is it we really want as a people? Mr. Mondale's kind of political leadership? The politics of pessimism, the politics of the past, the politics of promises?
- Or do we want our political leaders to look ahead -- to the politics of hope, the politics of opportunity?
- I don't think there's any question. Give the good people of America the choice, and they'll go for hope and opportunity every time. That's what made us what we are -- and that's what we're made of.

(ON REAGAN RECORD ON REVIEWS OF SOCIAL SECURITY DISABILITY CASES)

(Mondale says RR attacked Disability caseload in a cruel way, removing many people too disabled to work from rolls.)

- This was one of the most difficult issues we faced in domestic programs over the past three years.
- Now, remember it was your Administration that sought the law Congress passed in 1980 calling for a thorough review of all non-permanently disabled people on the rolls. And there was good reason for that review -- auditors found as many as one-in-five on those rolls shouldn't be there.
- But after we started the reviews, we and the Congress realized that there were some problems with the old standards -- and too many mistakes were being made.
- We tried to fix the problem -- to smooth out the review process -- administratively, but it wasn't enough.
- So, last year we suspended the reviews of mental disability cases -- and six months ago we suspended reviews of all other cases while we waited for Congress to change the law.
- Now, Congress was having a hard time coming up with an acceptable solution -- in fact, Congress held more than 40 hearings on this problem over three years -- probably more hearings than on any other single subject.
- Now we've got the new law -- and I believe the system of reviews will be as fair and humane as we can possible make it.

'SHOW-STOPPERS'

(IF DEBATE TAKES NASTY PERSONAL TURN ON SELECTED ISSUES)

(ON SOCIAL SECURITY)

(Mondale says RR "slashed" Social Security and plans bad things for Medicare.)

(NOTE: The Carter-Mondale-Congress "slash" of future Social Security benefits alluded to in this construct would be explosive issue, sure to faze Mondale and sure to attract heavy media attention.

In brief, the 1977 Social Security "rescue" plan not only raised the payroll tax sharply but also slashed future benefits for all those born after 1916 by up to 25%, or about \$160 per month (\$1920 a year) for maximum beneficiaries.

The Congress acted to rectify a serious mistake made in 1972 amendments which "double indexed" future benefits. However responsible that action was, it has engendered intense controversy among millions of people because of its abrupt effect on those born after the arbitrary cut-off date of December 31, 1916.

While those recently retired or close to retirement age are painfully aware of the impact of the 1977 benefit cuts, few more than ten years from retirement are probably aware of what's in store for them. Thus raising this issue in the following way would probably make a major stir among the middle-aged.)

- Let's set the record straight. And let's start with your record on Social Security and Medicare.
- Your Administration, in 1977, did two things in your attempt to save the system from bankruptcy: you gave us the largest single personal tax hike in history -- and you cut benefits by up to 25%, or up to \$160 a month, for every single American born after 1916.
- Then you promised the system would be safe and sound through the next 50 years. But you knew it wouldn't last more than two years after you left office -- and, sure enough, it went bankrupt just three days after the 1982 elections.
- Isn't \$160 a month, or nearly \$2000 a year, a "slash" in benefits? Isn't bankruptcy of the system a potential "slash" in benefits for all 36 million who depend on it -- unless someone comes along and acts to refinance the system, as my Administration and the Congress had to do in 1983?
- Or, how about the health care cost inflation you let get out of hand that threatens to bankrupt the Medicare program too? That's another mess we've had to start cleaning up after you.
- Now let's look at my record. I was honest with the American people and the Congress. I said we needed exactly X-number of dollars to get the Social Security system through the next few years and exactly X-number of dollars to make sure the system stays safe and sound for generations to come.
- And we got an overwhelming, bi-partisan vote in both Houses of Congress to rescue the system with exactly enough -- and no more -- in savings and accelerated tax collections to do the job.

- And we did the job without "slashing" any basic benefits like they were "slashed" under your Administration in 1977.
- Not only did we save Social Security without big cuts in benefits, we also strengthened people's retirement income by opening up Individual Retirement Accounts to all Americans which will supplement their Social Security when they retire.
- Now, I've also been honest about the coming problems in Medicare -- and as a result, we won overwhelming, bi-partisan support for a head-start on getting health care inflation under control -- the very first step we must take to start turning the Medicare system away from the sure course toward bankruptcy that your Administration put it on.
- Social Security and Medicare have got to be above politics. They're too important to all the people. Let's not play politics with these programs here.
- And certainly, let's not have you -- who helped preside over actions that put these programs in danger -- criticize my Administration and the Congress for what we had to do to clean up after you.

(ON MONDALE'S PENCHANT FOR SPECIAL INTEREST PROMISES)

- I think what we're seeing here in Mr. Mondale's speeches and in the Democratic platform is sort of "democracy gone condo" -- where every special interest gets a piece of the action while all the taxpayer gets is to pay the mortgage and the condo fees.

(ON MONDALE'S APPROACH TO GOVERNMENT)

- I think we were lucky in the Carter-Mondale years that we didn't get all the government we were paying for.

(ON MONDALE'S GENERAL APPROACH IN THE CAMPAIGN)

- Mr. Mondale's approach in this debate and in his entire campaign seems to be to promise them anything but give them malaise.
- My approach is to rebuild our economy to give us a better life today -- a BLT economy, so to speak, but hold the malaise.

(ON QUOTING OR REFERRING TO JFK)

(Mondale says RR has no right to hark back to JFK)

- I'll tell you why I sometimes talk about John Kennedy. He was the last President before me to win a major, across-the-board tax cut which sparked the same kind of strong economic expansion we're seeing as a result of the tax cut I won three years ago.
- I'm the first to give John Kennedy the credit for that; and I'm sure he'd be the first to give me credit for pushing so hard for the same approach he took to getting our economy up and running.
- John Kennedy understood what makes our economy work. It's too bad today's leaders of his party can't take a page from his book.

(REAGAN DOESN'T HAVE A 'PLAN' TO CUT THE DEFICIT)

(Mondale harps on "putting cards on table," etc.)

- Oh, I've got a plan, all right. Let me spell it out for you. It's full of words like "hard work", "economic growth", "cutting inflation and interest rates", "controlling spending", "a Balanced Budget Amendment", "a line-item veto", and "common sense".
- Notice, it doesn't say "tax".
- I think that's a plan the vast majority of the people have already endorsed.
- Now tell me: can you name ten leading Democrats in the Congress who would introduce your tax-the-deficit-away plan and work to get it passed? Can you name five? Three?

(REAGAN POLICIES HAVE CAUSED A HUGE INCREASE IN POVERTY RATE)

- That's just plain wrong. The truth is just the opposite.
- Why has the number of people in poverty been rising since 1978? Because of slow economic growth, recessions, high inflation and sharp increases in the numbers of single family households.
- That's why the rate grew so fast in the last three Carter-Mondale budget years -- at more than 9% a year. Your inflation rate was cutting the income of the poor by more than 10% a year.
- In my Administration's first two budget years, we cut that rate of growth in the poverty rate nearly in half -- to 5.4%. And last year, the growth was only two-tenths of one percent -- which tells us that the growth in our economy and the reduction in inflation almost guarantee that this year we'll see the first real drop in the poverty rate in years.

('REAGAN DEFICITS' ARE RUINOUS)

- There you go again! Calling it the "Reagan deficit". And as an ex-Senator and Vice President you should know better.
- I can't spend a penny more or tax a penny less than Congress approves. That's the way our government works. And remember: the House of Representatives is two-to-one Democratic. And both Houses have agreed strongly with the budget course we're on.
- If you really believed your own rhetoric, if you really cared about the deficit, you'd join me in endorsing the Balanced Budget Amendment and the line-item veto. Those two proposals would put the Congress and the President under the same discipline enforced on virtually every Governor and State Legislature.
- Then you'd see that deficit dry up real quick -- a lot quicker than if we took your advice and tried to tax our way out of it.

(ON WHY HASN'T RR SUBMITTED A BALANCED BUDGET PROPOSAL)

(Mondale echoes Tip O'Neill pitch on sending balanced budget up to Hill.)

- Well, why didn't you send up a balanced budget? Probably, for the same reasons.
- You know, Tip O'Neill keeps saying if I send him a balanced budget proposal he'll get it out for a floor vote in 48 hours. Well, he's had a Balanced Budget Amendment proposal up there for nearly 48 months and he won't even give it a fair hearing, let alone a floor vote.
- And that's precisely the problem: what we need is less rhetoric and more discipline on the entire budget process. For both the Executive and Legislative branches of government.
- All 50 State Governors and Legislatures are subject to Constitutional mandates to balance their budgets. And they do.
- And more than 40 Governors have the line-item veto power -- a power I exercised more than 900 times as California Governor without once being overridden.
- That's the kind of discipline we need in Washington. Now, you and Mr. O'Neill call that a "right wing agenda". I call it the right thing to do. And so do the taxpayers.

(ON REAGAN'S 'EXCESSIVE' DEFENSE SPENDING)

(Mondale says RR has boosted defense spending to detriment of other priorities.)

- Now, here's another chance to set the record straight.
- Look back at your Administration's last budget.
- It called for outlays -- actual spending -- for Defense for 1982 through 1986 of \$1.2 trillion.
- Now look at my Administration's projected budget outlays for those same five years: that's right -- \$1.2 trillion. In fact, the outlays we expect for that period will be about \$3 billion less than called for in the last Carter-Mondale budget.
- Now, some of the priorities between the two budgets are changed. And, we're now getting a lot more for our defense dollar because we cut the ruinous inflation rate your Administration left behind by two-thirds.
- But the fact is, had Carter-Mondale remained in office, we'd be spending just about the same amount for defense we're spending today. Even your Administration recognized how much we have to do to overcome the neglect of our defenses in the past.

(REAGAN'S 'SECRET' TAX PLANS WILL SOAK THE MIDDLE CLASS, FAVOR THE RICH)

(Mondale has said -- and some of his ads say -- that 1967 California tax increases signed by RR indicate he'll favor the rich if re-elected.)

- That's just plain wrong -- and you know it.
- Yes, I had to sign a tax increase into law in California -- because my predecessor left office with the State's finances in shambles. But at the same time, as you know, we worked to drastically slow the rate of growth in State spending -- which was also in a shambles, just as we found it here after you left office.
- But more to the point: the income tax rises enacted in 1967 in California were almost exclusively focused on the upper income population -- those with incomes in today's dollars of perhaps \$50,000 or \$60,000 and above.
- Those with incomes in today's dollars at about the median level saw their taxes go up only \$2 a year.
- The tax increase was structured that way to make sure we wouldn't have to raise the State sales tax by more than a penny -- to protect the low and middle-income person from what could have been a much higher sales tax increase.

(ON REAGAN RECORD ON ABORTION)

(Mondale/Ferraro say RR signed one of Nation's first and "most liberal" abortion laws in 1967 and has changed his position on issue since then.)

- Nothing could be further from the truth. I haven't changed my position one iota -- and the experience we had with the 1967 law and the State and Federal Supreme Courts since then bears out my long-standing belief that nothing short of a Constitutional Amendment will resolve this issue once and for all.
- The 1967 law as passed by the California Legislature was a compromise intended to restrict abortions to those cases where the physical or mental health of the mother would be seriously endangered.
- When I signed the bill, I said publicly that I was seriously concerned that the mental health clause in the law would prove to be a loophole and that I would monitor the law's effects closely.
- Well, it did turn out to be a loophole but before we could move to tighten it up by amending the law, the State Supreme Court struck the entire law down. And shortly after that action, the United States Supreme Court struck down just about every State's abortion restrictions.
- I said then, when the California Supreme Court struck down the law, and I say now: " I personally think the decision was a license to murder...."

JAS

10/11

Here's a draft of
what this stuff might
look like in context
of a speech or a
debate retort.

If decision is to give
to Bush, it could be
telexed up to Phil.
in matter of moments.

PBS

DROP-IN PARAGRAPHS ON SOCIAL SECURITY ISSUE

Now, let's try one more time to set the record straight on Social Security and Medicare.

And let's start with the Carter-Mondale record.

Carter-Mondale did two major things in 1977 in their first attempt to save the system from bankruptcy: they gave us the largest single personal tax hike in history -- and cut future benefits by up to 25 percent for every single American born after 1916.

For the lowest income Social Security beneficiary born in 1919 and retiring this year, that cut means \$95 less a month in benefits, or \$1,140 a year less than under the pre-Carter-Mondale law.

For the average beneficiary retiring this year, that cut means \$187 a month, or \$2244 a year less than under the pre-Carter-Mondale law.

For the maximum beneficiary retiring this year, that cut means \$218 a month, or \$2736 a year less than under the old law.

Then, the Carter-Mondale Administration told us that huge tax hike -- and the benefit cuts they never seemed to mention then or recall now -- would make the Social Security system safe and sound for the next fifty years.

But they knew it couldn't last more than two years into the next Administration -- and, sure enough, the system went bankrupt just three days after the 1982 Congressional elections in which the

Democratic House leadership repeatedly claimed that there was "no problem" with Social Security, no looming bankruptcy, no reason for people to believe the warnings we issued on that coming bankruptcy.

Now, in this campaign, Mr. Mondale is coming on like St. George preserving the damsel from the dragon. he doesn't talk about the 25 percent reduction in benefits for future retirees enacted under the Carter-Mondale Administration in 1977. He doesn't mention the further benefit reductions for the disabled, for widows and orphans of Social Security beneficiaries and for many other groups of beneficiaries that his Administration sent up to the Congress in their 1979 and 1980 budgets.

The proposed 1980 cuts alone called for five-year savings of more than \$13 billion, and about \$4 billion for every year after. And, interestingly, those 1980 proposed cuts included phasing out of the student benefit -- something he criticized President Reagan directly for in the October 7 debate -- and eliminating the lump sum death benefit -- and cutting benefits for kids over the age of 16 -- and eliminating the minimum benefit for all new retirees.

Now, who "slashed" Social Security? ^{4:10} Is ^{not to} a 25% cut in benefits ^{Carter/Mondale} that adds up to as much as \$2736 a year for those retiring at 65 this year a "slash"? Over the long term, as more and more of those born after 1916 reach retirement age, that's a 25% reduction in the entire Social Security program.

Contrast that record with the Reagan record on Social Security. He was honest with the American people and the Congress. He said we needed exactly so many dollars to avert the bankruptcy that Carter-Mondale had set the stage for, and so many dollars to make sure the system stays safe and sound for generations to come.

Under his leadership, a bipartisan Commission came together and recommended those amounts in savings and revenues -- and not one penny more. And we won an overwhelming, bipartisan vote in both Houses of the Congress on the Commission's recommendations.

And we did the job without "slashing" any basic benefits for anyone near retirement like they were slashed in the Carter-Mondale years for an entire generation of people born after 1916 who were then within only a few years of retirement.

Not only did we save Social Security without big cuts in benefits, we also strengthened people's retirement income by opening up Individual Retirement Accounts to all Americans which will supplement their Social Security when they retire.

Now, let's look at Medicare. Yes, Medicare is in trouble. No, the Reagan Administration has no plan to "slash" Medicare benefits for present or future beneficiaries eligible for them. And we're certainly not looking at anything like the plan Mr. Mondale touts which would ultimately ration the amount of health care available to senior citizens.

The first cause of the coming trouble for Medicare is the ruinous health cost inflation that Carter-Mondale left behind. And the first step we've taken -- with overwhelming bipartisan support in the Congress -- has been to get a head-start on getting health care cost inflation under control. Indeed, we've already cut that inflation rate by more than one-half, and Medicare is already the sounder for it.

Social Security and Medicare have got to be above politics. They're too important to all the people. Let's not play politics with these programs here.

And certainly, let's not have Mr. Mondale -- whose Administration presided over actions that put these programs in danger -- criticize the Reagan Administration for what had to be done to clean up after the Carter-Mondale legacy.