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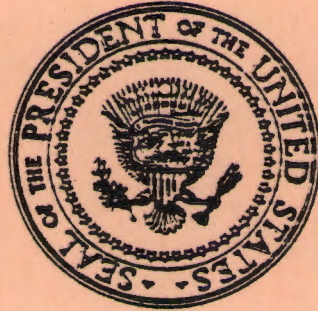
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**Talking Points on the
Reagan Record**

July 1984

INTRODUCTION

Following is a compilation of one-page talking points on a variety of issues likely to be debated and discussed in the coming weeks.

In each case, President Reagan's positions and accomplishments on the issue are briefly sketched. These papers are not exhaustive but are intended to give Administration spokespersons some general highlights and facts that may be of use in discussing the Reagan Administration's record in the areas covered.

If you have any questions about these talking points, please call the White House Office of Public Affairs at 456-7170.

TALKING POINTS ON THE REAGAN RECORD

July 1984

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THEN AND NOW
(1980 vs. the present)

Inflation

Then -- 12.4% for the year 1980; was 13.3% in 1979.
Now -- Under 5% since 1982 -- gone from 2 years of double-digit inflation to more than 2 years under 5%.

Jobs

Then -- Unemployment was 7.4% in January 1981 and rising.
Now -- After peaking at 10.7%, unemployment dropped for 18 straight months, to 7.0% in June. 107 million Americans have jobs -- 7 million more than on inauguration day. Since recovery began at end of 1982, 1/3 of a million Americans have found jobs each month..

Housing Starts

Then -- In 3 year slump, starts down and falling further.
Now -- Starts for the first half of 1984 are higher than they've been since the first half of 1978 -- almost 2 million a month (seasonally adjusted).

Autos

Then -- Unemployment in the auto industry was 16.3% at time of inauguration.
Now -- Down to 6.4% as of July, 1984, and there were 143,000 more people employed in the auto industry than 4 years ago.

Interest Rates

Then -- The prime hit 21.5% at the end of 1980, a post-Civil War high.
Now -- The prime is down to 13%.

Energy Security

Then -- Net U.S. energy imports were the equivalent of almost 6 million barrels per day.
Now -- Net imports are down to 3.8 million.

Gasoline Prices

Then -- Decontrol critics predicted \$2.00 a gallon gas once controls were lifted.
Now -- Price fell about 10 cents a gallon in 1982; first drop in ten years, steepest ever. A gallon of gasoline today is 7¢ cheaper than it was 4 years ago.

Military Re-enlistment Rates

Then -- Rate was 55%, and the military was losing a valuable pool of experienced manpower.
Now -- Re-enlistment rate, at 68%, is the highest since 1964 and is evidence of overall improvement in morale.

ABORTION

- o The President believes abortion takes a human life.
- o He argues that even if there is a question as to whether a fetus is a human being, the doubt should be resolved in favor of life.
- o He supported a Constitutional Amendment on the Senate floor that would have overruled the Supreme Court's Roe v. Wade abortion decision.
- o He opposes spending federal funds for abortions except in cases where a continued pregnancy would endanger the life of the mother.
- o Even some who advocate elective abortions profess shock at the number -- over one million a year -- being performed.
- o In his State of the Union message, the President called upon the American people to unite in a "spirit of understanding and helping" to "provide positive alternatives to the tragedy of abortion."
- o The White House has highlighted model efforts to help unwed mothers.
- o HHS operates programs to encourage adoption of unwanted children and to provide funding for demonstration projects to help unwed mothers.

ACID RAIN

- o There is no consensus -- scientific or political -- on the seriousness of this problem or on what should be done about it.
- o Scientists, Governors and other elected officials can't agree on the best way to deal with the problem. In the Congress, regional differences have gotten in the way of building a majority behind any one policy.
- o The effect on coal mining and its mine workers, the cost of anti-pollution technology and who should pay for it -- these are two issues on which these interests divide.
- o The President told EPA Administrator Ruckleshaus to make acid rain a priority and, in the State of the Union, he proposed to double research on acid rain.
- o The President also directed that steps be taken to restore affected lakes (though "lake-liming") and to develop technology to reduce pollution that causes acid rain.
- o In the meantime, Clean Air enforcement activity continues. In the second quarter of FY 1984, 89½ percent of major industrial sources were in compliance with state and federal clean air plans.
- o EPA approval procedures for clean air plans have been expedited. The time for approval has been cut in half and a 1981 backlog of 1000 plans has been eliminated.
- o Note: the Commerce Department estimates that from 1972-80 the Nation spent some \$130 billion on abatement and control of air pollution. Two billion dollars of this was spent on the monitoring and regulation of air pollution.

AUTO INDUSTRY

- o When President Reagan took office, U.S. car companies were in the midst of a three year slump.
- o Unemployment in the auto industry was 16.3 percent and rising.
- o Domestic car production was under 6.4 million units in January, 1981, and had dropped to 4.8 million in December 1981.
- o By July of 1984, industry unemployment rates had fallen to 6.4 percent and U.S. car assembly lines are producing at an annual rate of 8 million vehicles in the first half of the year.
- o By July, auto industry unemployment was down to 6.4 percent and there were 142,000 more people at work in industry jobs than four years ago.

BLOCK GRANTS

- o Since 1981, 62 federal "categorical" grants have been consolidated into 10 block grants.
- o This has reduced red tape. The 1981 block grants and portions of the 1982 Job Training Partnership Act are covered by 30 pages of federal regulations, in place of the previous 885 pages.
- o It saves money. The 1981 block grants, for example reduced the paperwork burden on states and localities by 5.9 million hours -- over 90 percent.
- o It takes less bureaucracy. The 1981 block grants reduced federal staff needed for program administration by 80 percent, from over 3,000 to about 600.
- o Perhaps most importantly, block grants give more flexibility to levels of government closer to people.
- o Categorical programs make money available only for specific "solutions" favored in Washington. Block grants make money available for more general problem areas and leave more room for local determination of how best to spend it.
- o Nine block grants covering programs in health and human services, education, and community development were enacted in 1981. Job training programs were reformed in 1982 with the creation of the Job Training Partnership Act.

CHEMICAL WARFARE

- o President Reagan wants a total ban on the production, development, possession and use of chemical weapons.
- o He has proposed a treaty with the Soviets to achieve that.
- o Key to the treaty is verification of compliance. Both sides must be able to know that the terms of the treaty are being observed by the other. Method: mandatory inspection to prevent secret production of chemical weapons and stockpiling.
- o Vice President Bush presented the Reagan proposal to the Conference on Disarmament in Geneva in April, 1984. The Soviets condemned it, even before they received a copy. They attacked especially the treaty's verification and inspection requirements.
- o While the U.S. has not produced chemical weapons for 15 years, the Soviet Union continued to produce and expand its capabilities to wage chemical warfare.
- o Our desire is for an arms control solution to the chemical threat. However, restraint alone has not induced the Soviet Union to conclude a treaty, to cease production, or to destroy their weapons. Our FY 1985 budget submission seeks to address this point by providing funds to prepare for the possibility that modern chemical munitions might have to be produced. No funds are requested for production.

CHILD CARE

- o Maximum child care tax credits to working parents were nearly doubled in 1981, from \$400 for one child to \$720.
- o That same year, employers were given incentives to include day care in their benefit packages because day care was made non-taxable to employees.
- o President Reagan has proposed restructuring the dependent care tax credit so even more benefits would be available for low and middle income parents.
 - The President has proposed letting donations to more non-profit child and dependent care organizations be treated as charitable contributions so they are tax-exempt...thus helping the organizations in their fundraising.
 - We're urging major corporations to offer day care for employees' children as a fringe benefit. (The President's office of Private Sector Initiatives has conducted seminars with over 700 CEO's to explain the need for child care and how their companies can help meet it.)

CHILD SUPPORT ENFORCEMENT

- o When an absent parent fails to provide child support payments (often in defiance of a court order) the family can be forced onto welfare and into poverty.
- o The magnitude of the problem has only recently come to light. Of the 4 million parents, mostly women, due court-ordered payments in 1981, less than half got all they were supposed to.
- o The Administration's toughened enforcement helped achieve a record \$2 billion in child support collection in 1983.
- o Through toughened enforcement, 78,000 families got off welfare in 1981-82 and collections of support payments were up about two-thirds from 1980-84.
- o The Administration has put in place tougher enforcement measures including taking money out of tax refunds due to the delinquent parent, in AFDC cases.
- o The President has also proposed to change the financing arrangements for child support to give bonuses to states which do an effective job, and put more emphasis on collection for families which are not on welfare.

CHILDREN'S SERVICES

- o Spending for children has increased under President Reagan, not decreased.
- o Total spending in 13 key children's programs is projected to be \$20.8 billion for fiscal 1985, up 15 percent since 1980.
- o Medicaid continues to serve 1 in 6 American children ...524,000 more children in 1985 than in 1980.
- o Head Start spending will be up over 35 percent in Fiscal 1985 over 1980. Some 429,000 children are now being served, 63,000 more than in 1980.
- o Foster care and adoption assistance spending is up about 45 percent since 1981. The Reagan Administration has emphasized moving children out of foster care and into permanent homes.
- o Reagan Administration initiatives are helping children:
 - New emphasis has been put on child support enforcement, and collections are at record levels: over \$2 billion, or more than 4 times the amount collected in the first year of the program. This helps children who are owed support, and it helps keep families off welfare.
 - Overall federal support for child care is up more than 60 percent from 1980 to 1984. Tax breaks for child care have been increased. The Administration has proposed even higher tax support for lower-income working families.

CRIME

- o The rate of serious reported crime went down 3 percent in 1982 and dropped another 7 percent in 1983.
- o That's the first time the reported rate's dropped two years in a row since the FBI started keeping comparable records.
- o Undoubtedly, several factors contributed to the drop. The fact that President Reagan is serious about getting tough on crime -- and that the public, law enforcement officials and criminals alike all know it -- is one.
- o In fact, the Attorney General has pointed out that someone who commits a serious crime today is more likely to be arrested and locked up than in 1980.
- o During the past 3 years, we've added more than 1,700 new federal investigators and prosecutors to the war on crime. Spending for federal law enforcement efforts is up almost 60 percent since then.
- o Organized crime and drug trafficking have been targeted by 12 special task forces that combine the efforts of various law enforcement agencies. They have already indicted more than 2,500 defendants.
- o We would see even more progress if the House would pass the President's proposal for reforms in criminal laws that would tighten bail, eliminate parole, limit the insanity defense and create more uniformity in sentencing.
- o The Administration has substantially increased the number of actions filed and convictions for federal drug offenses.
- o For the first time, a President is working for the victims of crime...for example, by backing a "Victims Assistance Act" and focusing on problems of missing and exploited children.

DEFENSE AND SOCIAL SPENDING COMPARISON

- o Real spending on defense had been steadily declining in 8 of the 10 years during the 1970s. President Reagan promised to change that dangerous situation, and he did -- but not at the expense of social programs.
- o This year, about 28 percent of the total federal budget goes for defense. The defense share of the budget was significantly larger -- about 49 percent -- in 1962.
- o Even after five full years of President Reagan's needed defense build-up (in FY 1987), defense spending will take less than 35 percent of the total budget -- still way below the pre-Vietnam budget shares of the early 1960s.
- o Spending for the Pentagon this Fiscal year is \$57 billion less than the budget for the Department of Health and Human Services.
- o Critics of the President's defense build-up are fond of citing the figure \$1.7 trillion as his National defense spending plan for the next five years.
- o But that is \$115 billion less than his five year budget just for the Department of Health and Human Services.
- o Overall, total human needs spending of \$2.6 trillion is in the Reagan budget for the next five years -- when you add up payments for "people programs" like Social Security, Medicare, food assistance, education, housing etc. -- without including other items like interest on the debt.
- o Forty-four percent of defense spending goes for personnel costs -- pay and support for active duty personnel, civilian employees and retired pay.
- o The so-called big ticket defense items like the MX missile, the B-1 bomber -- in fact all major weapons procurement added together -- only accounts for 20 percent of total defense budget authority.

DEFICITS

- o No President can spend a dime unless Congress approves it. With very limited exceptions, he must spend whatever amount Congress does appropriate.
- o President Reagan's budgets proposed \$300 billion in spending cuts through Fiscal 1984 that Congress didn't go along with.

Causes of the deficit

- o Success in cutting inflation has lead to reduced tax revenues. Lower oil prices alone meant the Treasury took in about \$25 billion less in taxes.
- o Recession added to the deficit by reducing tax revenue as unemployment rose, profits fell and outlays for food stamps, welfare, and unemployment compensation increased.
- o Another major cause of the deficit is automatic spending increases built into federal programs.
- o The Reagan tax cuts didn't cause the deficit. They were needed to offset other tax increases, such as "bracket creep" due to inflation and payroll tax increases. As a percent of GNP, tax revenues are still at or above their 1964-75 average.

Cures for the deficit

- o The President's \$140 billion, three-year downpayment proposal represents a start at reducing the deficit. It would cut defense and non-defense spending each about \$50 billion and raise about the same amount through closing of tax loopholes.
- o Higher taxes without spending restraint are no cure. Tax revenues doubled in the 5 years before Ronald Reagan took office, and deficits totalled almost \$250 billion.
- o Continued economic growth will put millions to work, making taxpayers out of people who would otherwise add to the rolls of government programs.
- o Program reforms -- of the tax code to broaden the tax base and of government programs to limit spending growth -- can go far toward controlling future deficits.

DOMESTIC CONTENT

- o Domestic content laws are protectionism that would hurt American consumers, workers and businesses.
- o Domestic content would be a job loser, both the Administration and the Congressional Budget Office agree, contrary to the wildly exaggerated claims of its advocates.
- o Any jobs created or saved in the auto industry would be more than offset by jobs lost at our ports, imported car dealerships, U. S. facilities of Japanese auto companies, and because of retaliation by our trading partners.
- o The leading domestic content proposal in Congress would jeopardize, through retaliation by our trading partners, at least 132,000 export-related jobs in our agriculture, electronics, machinery and aircraft industries (Commerce Department estimates).
- o In addition, Commerce estimates this domestic content law would add \$450, or about 5 percent, to the cost of an average car.
- o Domestic content would sharply limit the ability of our auto producers to buy low cost, good quality parts from abroad. It would make our Nation's largest manufacturing industry inefficient and uncompetitive.
- o The leading domestic content proposal would require autos sold in the U.S. to have as much as 90 percent American-made parts.

EDUCATION SPENDING

- o Ronald Reagan's leadership has refocused the national debate from how much government spends to how much students learn.
- o If money were the answer, the 600 percent rise in total spending for education by all levels of government from 1960 to 1980 should have made things better. (Federal education spending rose 2000 percent in the same time period.)
- o Instead, student achievement test scores declined.
- o And in 1980, 13 percent of all 17 year-olds -- the students whose schooling spanned those very years of surging expenditures -- were found to be functionally illiterate.
- o Though critics complain of massive cuts in the federal education budget, 1984 federal education spending authority was the highest ever.
 - The President's \$15.5 billion proposal for next year is even higher; it would be the largest Department of Education appropriation in history.
 - Chapter II block grants would be increased by 50 percent giving State and local education agencies more spending flexibility.
- o Substantial budget cuts were proposed in 1982 and 1983 but most were rejected by Congress.
- o Can't blame today's education woes on budget cuts that never got enacted.
- o The NEA (National Education Association) reports that per pupil spending (at the elementary and secondary level) rose almost 9 percent last year and is up almost 8 percent this year.
- o That pace is way ahead of inflation and amounts to a national average increase of about \$8,100 per year, per classroom over what was being spent just two years ago.
- o School systems have more spending power due to the decline in the inflation rate.

EDUCATIONAL EXCELLENCE

- o The real issue of American education is how much students learn, not how much government spends.
- o The Reagan Administration focused national attention on that issue by appointing a National Commission on Excellence in Education.
- o The Commission's report, "A Nation At Risk," was issued in April of 1983 and has prompted a national response.
- o Recent developments include:
 - at least 35 states have raised high school graduation requirements (13 more are preparing to);
 - 11 states have lengthened school days or years;
 - 30 states are considering or have started master teacher plans or other incentive pay programs to reward better teachers.
- o The report contained recommendations including:
 - higher standards for students and teachers;
 - better pay for our better teachers (master teacher/career ladder programs);
 - curriculum reform to emphasize the New Basics of 4 years of English, 3 years of math, science and social studies -- a ½ year of computer literacy training, and for college-bound students, 2 years of a foreign language.
 - more time devoted to learning the New Basics through more effective use of the existing school day, a longer school day or a longer school year;
- o The first Presidential Academic Fitness Awards were presented by President Reagan at the White House in May.
- o The Secondary School Recognition Program is in its second year; it identifies exemplary schools across the nation.

ENERGY DEPENDENCE

- o In 1983, the U.S. imported less than half the foreign oil it did in 1977.
- o Only 12 percent of current U.S. energy needs come from foreign sources -- down from 16 percent in 1980 and 24 percent in 1977. Only 3 percent of our oil now comes from the Persian Gulf.
- o President Reagan's decontrol of American oil has helped curb the power of the OPEC Cartel -- by removing the artificial limit on prices that held down production.
- o One indication of how much less vulnerable the U.S. is to supply disruption is the fact that 39 percent of the oil we now import comes from Britain, Canada and Mexico -- sources which are far more reliable than OPEC.
- o The U.S. is far less vulnerable now to an embargo of imported oil. The Strategic Petroleum Reserve holds enough to replace over 200 days of oil imports from OPEC countries.
- o Of the more than 400 million barrels now in the Reserve, well over two-thirds have been stored during the Reagan Administration.

ENTERPRISE ZONES

- o The federal government has spent billions since the mid-1960s on urban renewal-type programs. They have met with limited success and have always meant more federal intrusion in matters better left to state and local government.
- o In case after case, city after city, more government proved to be the wrong answer.
- o Enterprise zones is a "less government" approach that would remove or lessen tax and regulatory burdens that get in the way of economic development in distressed neighborhoods in cities and in rural areas.
- o President Reagan has proposed legislation to allow designation of 25 zones a year for three years.
- o The federal, state and local governments would cooperate in designating depressed areas and in working out ways to attract job-creating business -- such as relief from federal and state income taxes during a start-up period for businesses which do so, and lower payroll taxes for employees hired by those businesses.
- o Though Congress has failed to act on this proposal in the last 2 years, 23 states have gone ahead to experiment with the idea by setting up enterprise zones on their own.
- o Comprehensive results are not in from these experiments but in 9 states where zones have been designated, according to a recent study by the Sabre Foundation:
 - over 20,000 jobs have been created or saved;
 - 160 businesses were started from scratch;
 - \$453 million in new capital investment was generated.

EQUAL PAY FOR EQUAL WORK

- o Equal pay for equal work is the law of the land -- and it's being vigorously enforced by the U.S. Equal Employment Opportunity Commission.
- o EEOC recovered \$183 million in back pay awards for victims of employment discrimination in Fiscal 1983, way above the 1980 total. (This includes back pay for women but the EEOC does not provide separate statistics for that.)
- o "Comparable worth" is a different issue and would require judgements about the relative value of different kinds of work. For example: "Is a truck driver worth more or less to society than a teacher?" These judgements are now made through bargaining between employees and employers.
- o Equal pay for equal work is a settled question on which almost everyone -- certainly including the President and most Members of Congress -- agree. It is a matter of basic fairness and equity in the law.
- o Proposals that the federal government mandate a concept of "comparable worth" enjoy no such consensus now, and the Administration has taken no position on them. These proposals are sure to be the object of much future debate and study.

FAIRNESS

- o As President Reagan points out, the only thing fair about the mess past policies created was that it didn't discriminate; it hurt everyone.
- o Inflation was worse -- it hurt those who were already poor and it even made others poor who hadn't been.
- o A family of four with a \$7000 fixed income started 1979 about \$300 above the poverty line and ended 1980 about \$500 below it.
- o Double-digit inflation in those two years also made the double-digit unemployment that followed it almost inevitable.
- o The tax cuts were fair. This year, over 90 million Americans paid federal income taxes and every one of them paid at rates that were about 25% lower.
- o The budget cuts and tax cuts helped create recovery which put 1/3 of a million people back to work, on average, every month.
- o The cut that really hurt the poor was inflation's cut in the purchasing power of the few dollars they have to feed, clothe and shelter their families. In 1979-80 inflation cut over 20¢ of buying power from every dollar.
- o For those who choose to measure "fairness" in budget terms, the Reagan program proposes to spend \$2.6 trillion on human needs over the next five years.
- o President Reagan's budget for next year provides \$57 billion more for HHS than for the Pentagon -- and that doesn't count spending for other human needs Departments like Labor and HUD, for example.
- o More Americans were covered by federal health care through Medicare and Medicaid -- 99% of all the elderly and one of every six children -- than ever before.
- o More families got housing assistance last year than ever before.
- o At the same time, taxpayers -- who deserve fairness too -- have gotten their first real tax cuts in 20 years.

FARMERS

- o No sector of the economy was hit harder by the economic problems of the late 1970s than agriculture.
- o High interest rates and inflation put farmers in a cost-price squeeze -- production costs rose almost 30% in 1979-80 -- from which many have yet to recover.
- o The Soviet grain embargo made matters even worse. All of agriculture was affected, but grain farmers were hurt the most.
- o The recovery is lagging somewhat on the farm. U.S. demand for farm products is picking up as our economy expands and world demand for U.S. farm exports will rise as the recovery picks up around the world.

What's being done to help?

- o The Agriculture Department will make about \$4.6 billion in direct loans to farmers this year. Up 13% from two years ago, that's a substantial effort to help farmers.
- o Also ended the grain embargo and replaced it with a new long-term agreement with Soviets to buy 50% more U.S. wheat and corn.
- o While bankruptcies are serious concern, Farmers Home Administration tries to avoid foreclosures. In fiscal 1983, there were 1360 -- less than 1/2 of 1% of 270,000 farmers with outstanding FmHA loans.
- o Like all Americans, farmers were helped by the tax rate cuts. The virtual elimination of the estate tax, also in the 1981 Reagan tax bill, removed a long-standing threat to the family farm. (Prior law often made it necessary for widow or other heirs to sell the farm, or much of it, to pay taxes.)
- o Also, USDA's PIK program (Payment-In-Kind) was designed to assist farmers at the same time it reduced the amount of government held crops to help assure stable prices for farmers and reasonable return on their investment.

FOOD ASSISTANCE

- o Food stamps is the biggest federal nutrition program, Under Ronald Reagan it didn't shrink, it grew -- putting the lie to critics' charges that Administration policies lack compassion and concern about hunger.
- o In Fiscal 1983, food stamp spending was up almost \$3.5 billion and some 2.3 million more people benefited than in 1980.
- o The school lunch program provided free lunches to 400,000 more children in 1983 than in 1980. More than 10 million youngsters from low-income families got them at no cost. Furthermore, the federal subsidies provided to pay for those free meals rose faster than the rate of inflation to help improve the nutritional quality of those meals.
- o But both programs were reformed -- by better targeting federal assistance to those most in need. This was done in the food stamp program by making those with incomes above 130 percent of the official poverty line ineligible for the program. Eligibility guidelines were also implemented in the school lunch program, and subsidies were reduced for 11 million upper-/and middle-income students. Benefit levels have increased for those most in need.
- o During the Reagan Administration, the food stamp program's error rate has been cut to prevent over \$250 million from being wasted.
- o Nutrition programs for the elderly served over 200 million meals last year -- 20 percent more than in 1980.
- o Also, President Reagan reinstated commodity distribution programs that made almost 60 million pounds of food (like cheese, milk, rice) available to poor households each month in 1983. (The free distribution program is still operating.) Every type of food held in USDA surplus stocks is being distributed.
- o All told, over 1.2 billion pounds of cheese and other commodities have been made available to needy families since the program started in December of 1981.

GOVERNMENT REGULATION

- o When President Reagan took office, federal regulations were costing Americans over \$100 billion a year.
- o A typical family of four paid \$1,800 a year more for goods and services because excessive federal regulations added to their cost.
- o Americans were spending a billion and a half hours a year filling out federal forms and wrestling with other red tape from Washington. This was especially tough on small businesses.
- o President Reagan launched an all-out drive to trim needless regulations. He created a Task Force on Regulatory Relief, and put all federal agencies on a strict "paperwork budget" limiting their forms and reports.
- o The result: the Federal Register of government rules has gotten shorter for three years in a row -- the first time that's ever happened. In 1983, it contained one-quarter fewer rules than in 1980. Moreover, under President Reagan a much larger proportion of new rules are being issued to reform or eliminate existing regulations.
- o Federal paperwork has also fallen dramatically -- by well over 300 million hours of paperwork burden annually. This is a savings of over 150,000 work years that had been spent each year filling out unnecessary government forms.
- o Dollar savings from the Administration's major regulatory reforms will exceed \$150 billion in the 1980s. Savings like these mean lower prices, more jobs, and higher productivity -- a stronger economy for everyone.

HEALTH CARE

- o Medicare and Medicaid provide health coverage for over 40 million Americans.
- o 99 percent of the elderly are covered as are 1 of every 6 children in America.
- o We have the best health care delivery system in the world -- and the American population is healthier than ever. A 1984 HHS report shows that:
 - life expectancy is higher than ever; the average American can expect to live to the age of 74.5;
 - infant mortality is down. Nationwide, the rate of 10.9 deaths per 1000 is lowest in history and down from 12.6 per 1000 in 1980.
- o The biggest problem in health care is the rising cost, to government, taxpayer and patient.
- o Health care inflation is in single digits for the first time in many years, falling from 10.7 percent in 1981 to 8.7 percent in 1983. Nevertheless, it continues to run at double the overall inflation rate.
- o The Administration has made changes in the way Medicare pays hospitals for services. These changes, called the new prospective payment system, for the first time created incentives for efficiency without any lessening in the quality of care.

HOUSING FOR THE POOR

- o Half a million more families now receive HUD-administered federal housing assistance than in Fiscal 1980. The current total is 3.7 million families -- about 10 million people.
- o That increase of 15 percent puts the lie to charges that this Administration is insensitive to needs of poor people.
- o While more needy people are being helped, program reforms are helping contain costs.
- o Old programs that emphasized federal construction of subsidized rental housing have already obligated taxpayers to pay \$160 billion in the next 40 years.
- o Reagan reforms have brought the ballooning growth of this debt to a halt by de-emphasizing new construction and re-emphasizing rehabilitation of existing housing for use by the needy.

THE HOUSING INDUSTRY

- o Housing was in the middle of a two year slump when President Reagan took office.
- o Housing starts averaged only 1.3 million units in 1980, and fell to 840,000 by the end of 1981 -- depressed by high inflation and record mortgage interest rates.
- o This depression in the housing industry was just about inevitable -- after mortgage rates soared from about 9 percent in 1977 to almost 15 percent by the end of 1980.
- o In 1983, builders started construction of 1.7 million houses -- more than twice the level at the end of 1981.
- o Housing recovery continues in 1984 with starts at an annual rate of about 1.9 million in the first six months.

Recovery means jobs

- o At least 559,000 more construction workers are on the job since December, 1982. Another 99,000 found work in the lumber industry, and 61,000 in furniture and fixtures manufacturing jobs.

INFANT MORTALITY/CHILD HEALTH

- o America's children are healthier than ever. Infant mortality rates have continued to improve.
- o Provisional figures show infant mortality in 1983 was 10.9 per 1,000 live births -- lowest ever for U.S. -- down from 12.6 per 1,000 live births in 1980.
- o Black infant mortality has also reached record lows. However, it remains nearly twice as high as white infant mortality. HHS Secretary Margaret Heckler has formed a new Task Force on Black and Minority Health to find ways to close the long-standing health gap between the majority and minority populations.
- o Infant mortality figures in individual cities may go up in a given year before continuing down. But the trend throughout the nation is clearly to record low infant mortality, and the Reagan Administration is committed to continuing that trend.
- o In addition, incidence of preventable childhood diseases stands at record lows. Only 8 polio cases, 5 diphtheria cases, and a record-low 1,436 measles cases were reported in 1983. Indigenous cases of measles have virtually been eliminated in America.
- o The immunization rate is at record highs -- over 95 percent of children are now immunized within 6 months of entering school.
- o Federal immunization spending in 1985 will total \$46.4 million -- over 50 percent higher than in 1980. Also, states can use health block grant money to fund additional immunizations.

INFLATION

- o We've gone from two years of double-digit inflation in 1979 and 1980, to more than two years under 5 percent.
- o Actually, the CPI rose less than 4 percent a year in 1982 and 1983; in 1984 it's running around 5 percent.

Hits poor the hardest

- o Inflation hurts everybody, especially low-income families. When it's bad enough, it can push them into poverty.
- o A family on a fixed income of \$8000 started 1979 about \$500 above the poverty line. By the end of 1980, double-digit inflation had forced it into poverty -- and put that family almost \$500 below the line.

Took 20 cents out of every dollar in 1979-80

- o In terms of purchasing power, that family was even worse off. Its fixed income could buy less than \$6500 worth of goods and services by the end of 1980 as inflation stole over \$1500 in just two years.
- o In fact, every fixed income family -- no matter what their income amount -- lost 20 percent of its purchasing power in those 2 years.
- o When inflation's in double-digits, upper-income people may have to think twice whether to take another summer cruise. The poor have to think twice about buying meat or milk or bread for the kids.

Some typical prices

- o If inflation had stayed at 1980 rates, then from December 1980 to December of 1983:
 - bread would have gone up 16 cents a loaf. Instead, it went up 3 cents;
 - bacon would have cost \$1.23 more a pound. Instead, it cost a nickel more;
 - chicken would have gone up 49 cents a pound. It didn't; it went up a nickel.

INTEREST RATES

- o The prime peaked at 21.5 percent just before the inauguration. That was a post-Civil War record.
- o Now at 13 percent, it's been cut by more than one-third -- and other interest rates are down substantially too.

Home ownership not just a dream anymore

- o At current lower mortgage rates (13½-14 percent, down from 17-18 percent in 1981), it costs a family \$160 a month less to take out a \$50,000 mortgage. That puts home ownership in reach for an estimated 3 million Americans who couldn't afford it 3 years ago.
- o Lower loan rates made cars more affordable too.
- o The surge in car and home sales in late 1983, early 1984 shows how lower rates have helped.

Record rates hurt working Americans

- o While the well-to-do could protect themselves with high yields on safe investments like CDs, -- many prospered with record interest rates -- working Americans who wanted to buy homes and cars suffered the most from the high interest rates we faced when President Reagan took office.

JOB SAFETY

- o 1982 was the safest year on record in the American work place.
- o The total job injury rate then was the lowest recorded since the Labor Department began keeping records in 1972.
- o Nearly every major job safety indicator improved during the Reagan Administration's first 2 years.
- o Of OSHA's 69,000 inspections and record checks in Fiscal 1983, 86 percent were at high-hazard work sites. OSHA has targeted these sites to focus compliance activity where the risk to workers is greatest and to reduce needless -- at times harassing -- inspections where the risk is lower. (OSHA is the Occupational Health and Safety Administration.)
- o Reporting requirements have been reduced for over half a million job sites which have been historically "low-hazard" work places.
- o Critics of the Administration approach to job safety argue that fewer violators end up in court. This ignores the record which shows that an emphasis on cooperation rather than (costly and time-consuming) litigation has produced a safer workplace.
- o The reduction in the number of OSHA citations appealed by employers means that inspectors spend less time in administrative court hearings and more time inspecting. The reduction in appeals, coupled with a reduction in unproductive follow-up inspections, has saved enough inspector time to free the inspection force to do work that otherwise would require 98 more inspectors.

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JOBS

- o More Americans have jobs now than ever in history. By June of 1984, the number was 107.4 million.
- o From December of 1982, one month after the recovery began, through June 1984, 6.7 million people found jobs -- a bigger 16-month employment increase than in any prior recovery.
- o As President Reagan said it would, economic growth is creating jobs and putting people back to work.
- o Since December of 1982, an average of 1/3 of a million people a month have found jobs.
- o In November of that year, big-spenders in Congress tried to pass a costly make-work public jobs program. They said it would put 300,000 to work. The President stopped them, saved \$3.5 billion -- and since then, growth (on average) has been putting more people than that to work every month.

Other Initiatives

- o The Job Training Partnership Act will train up to one million people a year in skills needed for available jobs in the private sector. It replaces the failed CETA program (despite almost \$60 billion spent for this from 1976-1983, unemployment went up, not down.)
- o Enterprise Zones would ease tax and regulatory requirements in designated depressed areas to stimulate economic growth and job creation.
- o The youth opportunity wage would ease youth unemployment in summer months. This idea was endorsed by the National Conference of Black Mayors in April, 1984.

NATIONAL PARKS

- o The Administration undertook a five-year, \$1 billion program to clean up the nation's parks.
- o The GAO had found that neglect of maintenance needs had left the parks in sad shape with health and safety hazards in many of them.
- o Last year alone, the Administration spent \$836 million on the parks program, up from \$572 million in 1980.
- o In his budget for 1985, President Reagan has proposed starting again to acquire new lands for the park system, now that the existing system is being properly maintained.
- o The 1985 budget request contains about \$150 million to buy park lands.

OIL DECONTROL

- o Critics of oil decontrol said it would lead to \$2.00 a gallon gasoline and higher overall inflation.
- o Instead, after some market adjustments, gasoline prices actually dropped a dime a gallon in 1982. In 1983, they fell another 3 cents (even though federal excise fees went up 5 cents a gallon).
- o By January of 1984, more than 3 years after the President's decontrol order, gasoline was selling for 7 cents a gallon below pre-decontrol prices.
- o If gasoline prices had continued rising at their 1980 rate, gasoline would have passed \$2.00 a gallon in 1983 without decontrol.
 - That would have cost a worker driving 34 miles a day -- or 9,000 miles a year -- to and from his job site an extra \$486 a year in gasoline prices.
 - The same worker would today have to spend \$660 a year more to heat his family's home with oil, had prices continued climbing at the 1980 pre-decontrol rate.
- o A free U.S. market has also helped curb the power of the OPEC cartel. We're only importing half the oil we did in 1977, and a smaller percentage of it is coming from OPEC countries.

OLDER AMERICANS

- o Older Americans, like all Americans, were hard hit by double-digit inflation.
- o The millions on fixed incomes lost 20 cents out of every dollar in just the 2 years from 1979-80. (A widow on a \$10,000 a year private pension at the start of 1979 found she could buy less than \$8000 of goods and services with that income by the end of 1980.) Economic recovery has greatly improved the situation of older Americans on fixed incomes.
- o Overall federal spending for programs of benefit to older Americans has increased \$64.5 billion in the last 3 years -- up 27 percent...to about \$257 billion next year.
- o That's an average outlay of over \$10,000 for each person over age 65 in America.
- o During the Reagan presidency, Social Security benefits went up \$100 a month for the average beneficiary, \$180 a month for the average retired couple.
- o Medicare outlays are also going up -- to provide health care coverage for virtually all Americans over 65. Outlays rose from \$35 billion in 1980 to about \$66 billion in Fiscal 1984. With President Reagan's leadership, Congress has already taken the first steps to make sure Medicare is safe and sound.
- o In Fiscal 1980, programs specifically for the elderly provided 171 million meals (by home delivery such as "meals on wheels" and in elderly centers). Under President Reagan, this total will rise 25 percent -- to an estimated 214 million meals -- in 1984.

ORGAN TRANSPLANTS

- o President Reagan has taken personal interest in organ transplant cases, and has made public appeals for donors in some cases. This helped bring public attention to the need for donors.
- o President Reagan asked the Surgeon General of the United States to work toward a solution to the shortage of organs available for transplant. The result is a private sector federation called the American Council on Transplantation. It coordinates efforts to increase the supply of suitable organs for transplant. (We believe this private sector approach will be at least as effective as a government program would be).
- o Organ transplants are difficult, complicated and expensive -- made tougher by problems of matching donors with recipients and getting organs to where they're needed. But without transplants many Americans, including many children, wouldn't be alive today. Saving a single life is worth trying to make transplants more available.
- o The Administration has changed federal rules so that liver transplant operations for children with rare congenital defects (such as biliary atresia) can now be paid for under federal programs such as the military's CHAMPUS. By recognizing liver transplants as "non-experimental", for the first time, this change is expected to encourage more states (some have already done so) to pay for liver transplants under Medicaid.

PENSION REFORM

- o President Reagan has proposed a Pension Equity bill that would end long-standing practices that have proven unfair to women in most private pension plans.
- o The bill would make about 1 ½ million more women eligible for pension coverage by lowering the age of participation from 25 to 21.
- o It would reduce the number of working women who have a break in service for pension purposes simply because the women took pregnancy leave.
- o It would make it automatic that an annuity go to a surviving spouse (unless both husband and wife agreed it should not), so a widow can't be denied an annuity without her knowledge.
- o It would allow the courts to apportion pension benefits fairly for alimony and child support.

POVERTY

- o In 1983, for the first time since it began to rise in 1979, the increase in the poverty rate virtually stalled. (It only rose from 15 percent to 15.2 percent.)
 - But that was last year, when the economic recovery was just starting. A snapshot of the poverty rate today would yield a much brighter picture, thanks to even stronger economic expansion in 1984.
 - For example, last year's report doesn't include the fact that 5 million Americans have found jobs in the past year.
- o In 1979, as the U.S. economy soured, poverty began to rise in America, reversing the consistent post-war trend of decline.
- o Inflation alone can force people into poverty. A family on a fixed income of \$8000 in 1979 was about \$500 above the poverty line, but in 1980 was almost \$500 below it -- as double-digit inflation eroded its purchasing power and pushed the poverty line up.
- o From 1949 until the mid-70s, poverty fell from an estimated 33 percent of the population to under 12 percent. That trend slowed, then stopped and reversed as tax and spend fiscal policy fueled the economic crisis President Reagan inherited.
- o In 1979, growth essentially came to stop. Interest rates and inflation hit double-digits and unemployment started to rise.
- o Taken together, all of these developments started the rise in poverty -- not the Reagan budget and program reforms as critics suggest.
- o Federal spending on poverty programs (adjusted for inflation) multiplied by 2½ times since 1970.

PRODUCTIVITY

- o Until 1979, productivity -- the measure of how much workers produce for each hour on the job -- rose in every year but one.
- o In 1979 it took a turn for the worse, like so many of the economy's vital signs.
- o In 1979 and again in 1980 productivity fell, the first consecutive decline in the post-war period. Over the two years, productivity was down 2.2 percent.
- o With the drop in productivity went a drop in real wages...by 4 percent in 1979 and another 3 percent in 1980. With "bracket creep", after-tax earnings fell even more.
- o In the Reagan recovery, it has turned around again. In 1983, productivity rose 3.2 percent -- the highest since 1976 and second-best gain in the past 11 years.
- o In the Reagan recovery, the rise in productivity has led to a rise in real wages. They jumped by 2½ percent in real terms in 1982 and another 1½ percent last year. Because of tax rate reductions, those wages meant more spendable income.

SAFER WORLD

- o The world is safer today than four years ago, because American strength and determination are being restored.
- o Defenses are being rebuilt after years of neglect, so U.S. deterrence has credibility again. That reduces the temptation of Soviets to challenge us.
- o Volunteer military is working as recruitment goals are met, reenlistment rates are up (68% now versus 55% in 1980) and morale is much improved.
- o U.S. has proven we're prepared to act to keep the peace and safeguard freedom, as in Grenada. Allies and adversaries know where we stand.
- o As a result, Western alliance stood united against most intense campaign of Soviet intimidation in over two decades.
- o Compare today's renewed respect for U.S. with humiliation, weakness of four years ago:
 - During the '70s (so-called detente), Soviets carried out a vast conventional and nuclear buildup;
 - This emboldened them to use surrogates to move into Angola, South Yemen, Ethiopia, Indochina; and, with their own forces, to brutally invade and occupy Afghanistan.
 - The overall scorn for American weakness also emboldened fanatics to seize American hostages in Iran.
 - But today, things are different: since President Reagan took office, the Soviets have not seized one inch of new territory.
- o On the economic front, strong U.S. growth is stimulating recovery around the world, and this increases stability too. Again a contrast to four years ago: energy fears and worldwide inflation.
- o President Reagan seeks peace and arms reduction. He has continually called for negotiations. It was the Soviets -- not the Americans -- who walked out of the Geneva arms talks. We're still willing to negotiate at any time, without preconditions.

SAFETY NET

- o To listen to some Administration critics, the safety net's been shredded. Nothing is further from the truth except, perhaps, their implication that the double-digit inflation of 1979-80 was somehow fair to needy.
- o Overall, safety net spending is up \$67.6 billion since fiscal 1981.
- o Within that total, spending for some programs is up, for others it's down -- but the fact is that a poor family totally dependent on AFDC, food stamps and Medicaid has an income level worth \$400 more than it would have been if inflation were still at 1980 rates.
- o The food stamp program provides a useful example. In fiscal 1983 -- which began in recession -- over 22 million people got benefits and about \$12 billion was spent on the program.
- o That's about 2.5 million people and over \$3 billion more than in 1980 -- which was also a recession year.
- o Benefits under the SSI program (Supplemental Security Income) are another example. Despite accusations the program's been shredded, change has been minimal -- and it was agreed to by Congress.
- o The last Carter-Mondale budget planned an average SSI annual benefit of \$1918 for 3.7 million beneficiaries in fiscal 1982. The Reagan budget, with tighter eligibility provisions, provided an average of \$1905 to 3.6 million people.
- o That's \$13 less to 3% fewer people -- because of reforms that are fair to taxpayers without being unfair to the needy.

SCHOOL DISCIPLINE

- o Polls show school discipline is the major concern Americans have about their educational system -- and that it has been for years.
- o In 14 of Gallup's last 15 education surveys, parents have said discipline is the number one public school problem.
- o A federal study published in 1978 found 3 million students a month were victims of school violence and minority students were more likely than whites to be the victims. In a 1983 study of a major urban school system, 40 percent of high school students surveyed (and 50 percent of teachers) reported having been victims of robbery, larceny or assault on school grounds in the previous school year.
- o Minority students are especially likely to be victimized at school. Black students are victims of serious attacks at more than two and a half times the rate of white students, and Hispanic students two and a third times the rate of whites.
- o More than half of the teachers polled last year by the National Education Association said student misbehavior interfered with teaching.
- o While primarily a matter for local action by parents, teachers and school officials, the federal government can help.
- o President Reagan has focused attention on the need for stronger discipline in the classroom:
 - by directing the Education and Justice Departments to share with school districts information about ideas and programs that have worked;
 - by directing Justice to intervene where appropriate in disciplinary cases to ensure that the rights of teachers and non-disruptive students are protected, not just the rights of disruptive students;
 - by speaking out to help make the American people aware of the magnitude of the problem.

SCHOOL LUNCH

- o Almost half a million more low income children received free school lunches in FY 1983, under the Reagan Administration, than in FY 1980. At the same time, 3.4 million fewer non-needy students got lunch subsidies.
- o We've increased by 27 percent subsidies for the neediest students -- those whose families have income below 130 percent of the poverty level (below \$12,870 a year).
- o We didn't change eligibility for those lower-income students. In fact, almost 10 million got free lunches in the first year after the reforms took effect -- nearly 300,000 more than the Carter-Mondale budget had planned for Fiscal 1982.
- o While we increased subsidies for the neediest students, we reduced them by 8 percent (3¢ per lunch) for those from families with incomes above 185 percent of the poverty line.
- o The federal government spends half a billion dollars a year to subsidize school lunches for students whose families earn more than \$18,315, a year, including many students from affluent families.
- o By slightly trimming those subsidies to better-off students, we re-directed more money to the feeding of needier students.

SCHOOL PRAYER

- o The President's proposed constitutional amendment would lift the ban on prayer in public schools.
- o Despite what critics say, it would only allow prayer where the community wanted it; it would not mandate prayer in any school system or for any individual student who chose not to participate. It would not allow state composed prayer.
- o In 1962 and 1963 decisions, the Supreme Court ruled prayer in public schools impermissible. This contrasts with many other rulings by courts before and since, that protect other forms of speech -- even Nazi and Ku Klux Klan rallies.
- o The President believes the first amendment is designed to protect voluntary religious expression -- not to prevent it -- and that's what his amendment would do.
- o Polls indicate that 80 percent or more of the American people support restoration of the right to pray in public schools.
- o The President also supports equal access legislation to provide that, if a public school generally allows student clubs to meet on school property on their own time, it cannot discriminate against religious clubs, such as prayer or Bible study groups.

SOCIAL SECURITY

- o President Reagan achieved, with the Congress, a compromise solution on Social Security reform that saved the Retirement Trust Fund from imminent bankruptcy. His leadership and bipartisan cooperation in Congress, made it happen.
- o At the same time, the monthly benefit for an average retired couple has risen over \$175 -- more than \$2,100 a year since President Reagan took office.
- o Critics used scare tactics to suggest the President's policies would "gut the system." The facts are precisely opposite. His leadership saved the system from insolvency and benefits for people dependent on it went up, not down.
- o Remember: for 2 years, Reagan critics denied the system was in trouble -- right up until the 1982 elections -- when the Retirement Fund had to borrow to cover checks sent right before election day (ultimately had to borrow \$17.5 billion from other SS trust funds until bipartisan reforms agreed to.)
- o Also, system faced bankruptcy despite Carter-Mondale era enactment of record tax increase and benefits cut package which was supposed to secure solvency through the year 2028.

TAXES

- o Over 90 million Americans filed personal income tax returns this year. They all paid taxes at rates about 25% lower, thanks to the Reagan cuts.
- o The only people who didn't get a tax cut are the ones who didn't pay taxes.
- o A family of four with a 1984 income of \$15,000 paid \$281 less in taxes than it would have without the rate cut. At \$30,000 level, the tax bill was \$1,118 less.
- o Indexing will preserve those savings against inflation caused bracket creep which was pushing middle income families into tax brackets once reserved for the affluent.
- o Opponents have criticized the cuts -- and tried to repeal the 3rd year installment and indexing. They say the cuts are unfair -- but if they had succeeded, the average family would have paid over \$3500 more in taxes through 1988.
- o Incidentally, the Congress amended the President's proposal and cut the top rate from 70% to 50% all at once in the first year of the tax cut -- when everybody else was getting a 5% rate cut (the Reagan Administration endorsed the top rate cut).
- o The repeal of 3rd year and indexing would not have raised the top bracket for the rich, but it would have raised rates for everyone else.
- o In the five years before President Reagan took office, federal tax revenues doubled yet the federal debt increased by \$283 billion (from \$632 billion to \$914 billion). Higher taxes without spending restraint didn't end the deficit then; they won't now.

TERRORISM

- o In 1983 more than 250 American citizens were killed in terrorist attacks, the largest number in any year on record. During 1983, we witnessed the tragic deaths of our diplomats and Marines, the murder of four South Korean cabinet officers, and many others by North Korean terrorists in Burma, and the attack on our embassy in Kuwait.
- o During the past decade alone, there have been almost 6,500 terrorist incidents. Over 3,500 people have been wounded.
- o American citizens have been the victims of more than 2,500 terrorist incidents. Of special concern to the President has been the toll inflicted on our diplomats and members of the Armed Forces. He is also deeply concerned about attacks against other American citizens, who have been the victims of 40% of the terrorist incidents over the past decade.
- o In response to these developments, the President has proposed a three part plan to improve our ability to defend ourselves against terrorism:
 - Submitted legislation (4 bills) which will make it easier to prosecute those who commit or support terrorist acts.
 - Called for better cooperation among our friends in the world -- especially other similarly-threatened democracies.
 - Directed measures that can be taken by the U.S. government which will improve our ability to predict and prevent terrorist attacks against U.S. citizens and installations.
- o The three part program will reduce the risk posed by international terrorists and those states which support terrorism. The President has also directed that all U.S. government entities improve their security against terrorist threats.

TOXIC WASTE

- o In FY 1985, the Reagan Administration is proposing \$640 million for Superfund, to clean up abandoned hazardous waste dumps around the nation.
- o That's \$230 million more than in FY 1984, and it represents 15 percent of the entire Environmental Protection Agency budget.
- o The Superfund tax expires in 1985; President Reagan has directed EPA to come up with a proposal for extending it.
- o EPA has already taken more than 350 emergency actions involving hazardous materials.
- o The agency has negotiated cleanups at 43 waste sites and started paying for long-term cleanup at 69 more. The Reagan EPA has published a priority list of 546 sites for cleanup.
- o This year alone, EPA is doubling its awards for state cleanup and increasing by more than a third the number of new sites at which cleanup has started.

TUITION TAX CREDITS

- o The idea is to give more low-/and middle-income parents greater freedom to choose the kind of education they want for their children.
- o The President's proposal would give the full tax credit only to parents with taxable incomes of \$40,000 or less. There'd be no credit at all when income exceeded \$60,000.
- o Now, government usually decides the school to which a student is assigned. Tuition tax credits would give parents more of a role in that decision.
- o All low-/middle-income families would benefit.
- o Many now send their children to private and parochial schools at considerable personal sacrifice.
- o A 1982 study found more than 41 percent of private school students were from families making less than \$25,000. 66 percent were from families with incomes under \$35,000.
- o In some urban areas, more than half the students in private schools are minority students.
- o For these families, tuition tax credits are a matter of equity. These families fund the public system through their taxes and have to pay again, through tuition, for the education they choose for their children.

UNEMPLOYMENT

- o Total unemployment for July was 7.4 percent. (The civilian jobless rate was 7.5 percent.)
- o Since peaking in December of 1982, the jobless rate has fallen farther, faster than at any time during the last 30 years. By July, it had fallen 3.2 percentage points.
- o By July of 1984, there were 6.4 million more Americans at work. The creation of more than 6 million jobs in the six quarters following the recession's end is an all-time record.
- o The trend to higher unemployment was already underway when President Reagan took office. The rate was below 6 percent for 1979. As the economy deteriorated, it rose to over 7 percent for 1980 and was at 7.5 percent at inauguration time.
- o As the President has pointed out, surges in unemployment follow surges in inflation. It's happened 3 times in the last 20 years -- with unemployment hitting higher peaks each time.
- o The double-digit inflation of the late 1970s made double-digit unemployment by 1982 almost inevitable.
- o This is the first time since the Kennedy Administration that a Presidential term has seen a fall in both unemployment and inflation.
- o But recovery and growth were not inevitable. They've come because the President's economic program of lower tax rates, spending control, regulatory reform and less inflationary monetary policy is working.

Auto industry -- a case in point

- o The slump in auto sales led to shut downs and layoffs in the industry that put its jobless rate at over 16 percent on inauguration day.
- o Auto industry unemployment was bad then, and getting worse. Unemployment peaked at over 29 percent in 1980. It began to decline as our Administration's recovery program took effect and lower interest rates and inflation made cars more affordable.
- o By July, auto industry unemployment was down to 6.4 percent and there were 142,000 more people at work in industry jobs than four years ago.

ISSUES AFFECTING WOMEN

- o The fact is that President Reagan has built a solid record on issues that affect women.
- o On appointments, President Reagan has many historic firsts -- the first woman on the Supreme Court, Sandra Day O'Connor; the first Administration with three women in the Cabinet at the same time, Margaret Heckler, Elizabeth Dole and Jeane Kirkpatrick.
- o All told, more than 1400 women have been named to policy making positions in the Reagan Administration.
- o Thanks to economic improvements, homemakers have far less inflation to contend with and women in the work force are more easily finding jobs.
- o In our growing economy, more and more women are becoming entrepreneurs.
- o Changes in the tax code which many women have long sought, have eased or eliminated discriminatory treatment of:
 - working couples who paid a large "marriage penalty" before the 1981 tax cuts;
 - widows, who often had to sell the family farm or business to pay steep estate taxes. Often called the "widow's tax," it's been virtually eliminated.
 - working mothers, by nearly doubling the child care tax credit;
 - homemakers, by liberalizing their eligibility for IRAs.
- o The Administration has proposed legislation to improve the treatment of women in the private pension system, to ensure more effective child support enforcement, and to obtain IRA equity for non-wage earning spouses and divorced persons.
- o Social Security changes will provide about \$1.4 billion in increased benefits from 1983-1989 to disabled widows.
- o The Administration is working to end gender discrimination in federal and state laws and regulations.

WOMEN APPOINTEES

- o President Reagan appointed the first woman in history to the U.S. Supreme Court, Sandra Day O'Connor.
- o Never before in American history have as many as three women served at one time in a President's cabinet. President Reagan made history by naming Jeane Kirkpatrick Ambassador to the U.N., Elizabeth Dole as Secretary of Transportation and Margaret Heckler as Secretary of Health and Human Services (heading the largest government department in the world.)
- o The Reagan Administration has made more than 1500 appointments of women to important government positions. In the first two Reagan years, 105 women were appointed personally by President Reagan to the very highest positions, compared to only 101 by President Carter. Since then, the Reagan total has gone over 200.
- o 57 percent of all Reagan political appointments have gone to women. Twice as many women hold top White House staff jobs as under President Carter (24 to 12).

YOUTH UNEMPLOYMENT

- o In the last two decades, billions of dollars were spent on federal jobs and job training programs. (On the CETA program alone, almost \$60 billion was spent in just 8 years.)
- o During the same two decades, the unemployment rate among young people increased by more than 50 percent -- and for minority youth it doubled. (The rate for black teen-age boys went from 22 percent in 1962 to 44 percent in 1982.)
- o Clearly, spending for make-work jobs programs didn't work.
- o The National Conference of Black Mayors agrees with President Reagan that a different approach should be tried.
- o Like him, they support letting employers hire young people for summer jobs at less than the minimum wage.
- o Now, teens without skills or experience can't qualify for minimum wage jobs -- businesses can't afford to hire them for summer work.
- o The Reagan proposal would set a youth minimum wage of \$2.50 (75 percent of the current minimum) for workers under age 22 hired during the months of May through September.
- o The proposal would include provisions to ensure that older workers are not displaced by youth hired under the youth opportunity wage.
- o Estimates suggest 150,000 to 600,000 young people would get summer jobs as a result.
- o The Administration has also proposed extending the tax credits employers may claim for hiring disadvantaged youth in regular jobs and during the summer. Last year, 300,000 youth were hired using these tax credits.
- o About \$2 billion will be spent on youth training and employment in 1984 under the new Job Training Partnership Act to help disadvantaged youth gain skills necessary for jobs in the private sector. This includes continuing the Jobs Corps and the program that provides federally subsidized jobs for youth during the summer.

