

Remarks in Columbus to Members of Ohio Veterans Organizations

October 4, 1982

Mr. Wagonseller, Father, Governor Jim Rhodes, the Members of the Congress who are here, another Governor -- I hope -- and you ladies and gentlemen:

I can't tell you -- well, incidentally, first of all, I'd better explain. To those who might not have known, ``break a leg" in the theater means -- that's what they say before opening night. And it's supposed to mean, ``Good luck." [Laughter] But I can't tell you how refreshing it is to get out of Washington and back here to the heartland of America.

As some of you know, we've had our headaches lately. The big spenders in the Congress are at it again -- present company not included in those. [Laughter] They've been inventing their miracle cures for which there are no known diseases. [Laughter]

But it's good to be back on the campaign trail, even if it does mean the silly season is upon us once again. In solid, hard-working Ohio, this year you can make a real difference in government. There are two classic confrontations between the past and the future, between candidates who reject the policies of tax and tax and spend and spend and candidates who endorse them, and between candidates who stand for growth and opportunity and candidates who want more government and more spending. But this is a bipartisan meeting, so I'm not going to tell you how proud I am of Congressman Bud Brown and what an invaluable ally he's been in the fight against big government in Washington. And I'm certainly not going to tell you how he's won the respect of virtually everyone he's dealt with there, or of my confidence that he'll do a great job in any position the people of Ohio elect him to.

And that goes for Paul Pfeifer, too. You already know he'd make a great Senator. Of course, your own Congressman from this district, Chalmers Wylie -- I don't have to tell you about him; you know. But, as I say, this isn't a political rally, so I won't say any of those things. [Laughter]

Two years ago I made a good many campaign stops in this State. The reasons for that aren't hard to figure out: Ohio isn't just one of the most important States in the Union; it's also a measure of America, a

barometer of our people. As I traveled through Ohio -- States like Ohio -- one thing became very clear. Something was stirring in America, a new political consensus was emerging -- a consensus that rejected government intrusion and expansion into areas where it was neither competent nor needed; but a consensus that was also critical of government's failure to perform its legitimate and traditional duties -- like maintaining our national security and keeping our streets safe. I think that in 1980 we saw the beginning of an historical tide.

Something has been going on in America -- a change of mind and heart that goes beyond one election or even one administration. And just as I think that some of the political pundits couldn't see this tide in 1980, I think it's possible they're not seeing it now.

The trouble is that too many of the seers and prophets in Washington spend their time talking to each other and not to the American people. If a career in politics teaches one truth it teaches this: Over the long run it's the people who know, who understand, and who decide.

Despite the hysterical cries of the opposition, the people of Ohio understand the economic mess this administration inherited when we took office. I hate to dredge up unpleasant memories, but we'd had inflation in double digits for 2 years in a row -- the first time in 60 years that had happened. Interest rates had shot as high as 21 1/2 percent. The rate of growth in the gross national product had gone down for the third year in a row. And the money supply had increased at a 13-percent annual rate in the last half of 1980. That was the fastest increase in our history. Unemployment was already a serious problem; business failures were increasing.

That recession worsened in 1981, a recession that was a legacy from all the years of boom and bust, of wild spending and erratic fiscal policy, of tax and tax and spend and spend, and, lest we forget, of deliberate, planned inflation. They called it -- years ago when they started it -- the new economics, and they said it was necessary to maintain prosperity. Well, what a job we had before us 20 months ago -- to try and control the spending juggernaut.

In the previous 10 years Federal spending had tripled; in the last 5 years, Federal taxes had doubled. The budget for the Department of Health and Human Services, roughly \$250 billion, became the third largest budget in the world. It came just after the entire national budget of the United States and of the Soviet Union. The Federal debt reached a trillion dollars, and the interest payments on that debt alone were in the range of a hundred billion dollars, which was just about as much as the entire Federal budget 20 years ago.

Automatic spending programs had gone completely out of control. Medicare and Medicaid payments had gone up 400 percent in those 10 years, and the food stamp program had grown in 16 years from just \$65 million to 11.3 billion. That's an increase of 16,000 percent.

Now, maybe the people of Ohio don't have all those statistics at their fingertips, but like most Americans they know what got us into this economic mess, what caused inflation and unemployment:

Government is too big, and it spends too much money.

Now, that's why the American people supported us when we moved to cut the growth in spending, when we reduced taxes for individual Americans and indexed them to the rate of inflation, when we cut through the thicket of Federal regulations, when we mobilized our

Inspectors General in a war on waste and fraud in the Government. They found in just one 6-month period thousands of people still receiving checks from the Federal Government, and they'd been dead for an average of 7 years.

In 20 months we've managed to slow three decades of momentum toward bigger and bigger government. Even in Washington, it's beginning to sink in: You can't drink yourself sober or spend yourself rich -- you can't prime the pump without pumping the prime. Our economic recovery program has been in effect for less than a year, but it's already beginning to work.

Inflation, which a little more than a year ago was the number one economic concern of most Americans, is now down from 12.4 percent in 1980 to 5.1 percent so far this year, the 8 months since last January. And just last month it had dropped down to a rate, that if it keeps at that particular rate, it would be around 3 percent. And, oh, yes, we've brought individual Americans the first real tax cut they've had in nearly 20 years.

The American people know the truth, that we've done something that hasn't been done in American politics for a very long time. We said we would cut spending, and we cut spending. We said we would ease the tax burden, and with the help of these gentlemen who are with me today, we eased the tax burden. We said we would rebuild our national defenses, and we're rebuilding them. We said we would be firm with totalitarian powers, and we've been firm. We said these things, and we meant them. We made our promises, and we kept them.

Now let me speak for a minute about one of the things I just mentioned. I think all of you here today -- and especially those of you who served in our Armed Forces -- will agree: A President's first duty is protecting the peace by guarding us from foreign attack and ensuring the safety of our country and the future of our children.

In the last 20 years, as Government got into areas where it didn't belong, it failed to meet one of its most important and legitimate responsibilities. An almost complete reversal took place in fiscal priorities. In 1960 we were devoting 49 percent of the budget to national defense, while 28 percent went to social spending. By 1980 that proportion had completely reversed itself, with 52 percent going to social spending and less than 24 percent going to defense spending.

I think you all realize the consequences.

Remember those stories in 1980 about our military, about the airplanes that couldn't fly for lack of spare parts, about ships that couldn't leave port, about a rapid deployment force that was neither rapid, deployable, nor much of a force? Well, we've begun to change all that. We've improved our strategic forces, toughened our conventional forces, and -- one thing that's made me particularly happy -- more and more young Americans are proud again to wear their country's uniform. The organized reserves, which had almost disappeared, are getting back to strength, and ROTC in our schools and colleges is again flourishing.

I know that many of you here today have served your country in uniform and that you continue to serve through the tremendous work done by your individual veterans groups. On behalf of all America, I thank you for this, and I hope you never lose that pride in country. I know what it is to be accused of being patriotic -- overly patriotic. But, you know, the best answer was that that was given by George M. Cohan, that great performer on Broadway, when he was asked why there was so much flag-waving in his plays. And George said, ``Do you know a better flag to wave?"

There's something else, too. As we've rebuilt America's military and strategic strength, we've also adopted a foreign policy that speaks openly and candidly about the failures of totalitarianism, that advocates the moral superiority of Western ideals like personal freedom and representative government -- a foreign policy that calls for a global crusade for personal freedom and representative government. It's this combination of strategic strength and rhetorical candor that for the first time in years has taken American foreign policy off the defensive. Most important, it has strengthened the chances for lasting peace by providing a credible basis for important new peace initiatives, especially in the arms control area and in regions like the Middle East. These vital initiatives for peace now have a far better chance of success than they did in that climate of doubt about American leadership that existed only a few years ago. But none of this would have been possible without the new political consensus that I've talked about -- without the support of the American people. I know during the campaign sometimes in question-and-answer sessions before groups like this, someone would say, ``Well, about balancing the budget and at the same time rebuilding our defenses -- what if you find that you have to make a choice between the two?" And I said without hesitation then -- and I must say, received great applause from the American people for saying it -- then I would have to come down on rebuilding our national defenses -- come down on that side. I hope I said that wrong to begin with. I hope I made that clear -- but come down on the side of national security. That's our first responsibility.

But our initiatives in other areas as well -- our attempts to return prayer to our schools, to get tuition tax credits for the parents of independent school children, to protect the unborn, to help make our streets and homes safe again by tightening up on bail and parole -- these are not just separate initiatives. They're all part of the same consensus -- that see change in American politics, that historical tide that is sweeping America.

For the truth is that Americans must choose between two drastically different points of view. One puts its faith in the pipedreamers and margin-scribblers in Washington; the other believes in the collective wisdom of the people and their commitment to the American dream. One says tax and tax, spend and spend, and the other says have faith in the common sense of the people.

The other side believes the solutions to our nation's problems lie in the psychiatrist's notes or in the social worker's file or in the bureaucrat's budget. We believe in the workingman's toil, the businessman's enterprise, and the clergyman's counsel. The other side speaks of limitations and redistribution. We want growth and opportunity. The other side wants us to lower our expectations. Well, we have a vision of making America great again. The other side speaks of national malaise, a sickness. We offer hope.

That's what the political choices boil down to this election year -- a choice between basic values, between two differing political and social philosophies; between government as master or government as servant; between a vision of America strong and secure and able to stand forthrightly for human freedom, or an America that is weak and confused and reluctant to speak for the downtrodden.

It's easy to get confused these days with the chorus of charge and countercharge we're subjected to. Little more than a year ago the people in overwhelming numbers -- all of you said that double-digit inflation was the number one problem to be solved. Well, today, understandably, unemployment is number one. For one thing, we've drastically reduced the inflation rate as I've said. But even so, all of us deeply feel the tragedy to our neighbor when layoff comes. And those of us who experienced the Great Depression of the thirties have a particular horror of the very word ``unemployment."

But to get back to the confusion that I mentioned, there are various reasons given by a variety of people as to what's the cause for the present unemployment. Well, in my own view, that cause is one and one only: inflation. And that's why inflation must be the main target, so that we can reduce unemployment.

How do I justify that assumption? Well, in the last few years, between 1976 and 1980 alone, inflation went from 4.8 percent to 18 percent at one point in 1980, and for the 2 years of '79 and '80 it stayed in double digits. Interest rates had to keep pace. A lender must not only get a return on the money loaned; the lender must get enough interest to

cover the loss in purchasing power of each dollar loaned. So, between '76 and '80, the prime interest rate went from less than 7 percent to 21 1/2 percent.

Auto sales fell off as the interest rate on car payments went up. Layoffs in the auto plants began, and the sickness spread to associate industries such as steel, rubber, glass, et cetera. In housing, there was the same story. We brought inflation down, and interest rates are following. We intend to stay on this course.

James Madison. James Madison had a favorite quote he often repeated: "All great reforms, great movements, come from the bottom and not the top. Wherever there is a wrong, point it out to all the world, and you can trust the people to fight it." And a Frenchman who came here, the philosopher Alexis de Tocqueville, put it another way. He said, "There is an amazing strength in the expression of the will of people, and when it declares itself, even the imagination of those who wish to contest it is overawed."

Well, this country was born of an ancient dream and then was nourished by a new wisdom. The dream envisioned a place on this Earth where people of all classes and kinds could live together in peace and freedom. The wisdom held that the final resting place of power was in the hands not of the government but of the people. You know, I've often spoken to young people about our Constitution. And I haven't read all the constitutions in the world, but I've read some of them. And in those I've read I've found a great difference that's so simple we almost overlook it, and yet it tells the whole story. In all those other constitutions, they say, "We the government allow the people the following benefits and freedoms and so forth." And our Constitution says, "We the people will allow the government to do these specific things and no others."

In the last 20 months in Washington, we've tried to return to these honored ways and reassert the basic values of the American people. Because of that sea change and because we're part of a tide, we can look again to a future filled with hope.

America is on her feet again. The days of national malaise are over, and an era of national renewal is upon us. There's optimism and energy again in this land. And, as your State motto puts it, "With God's help, all is possible." Yes, with His help, and yours -- for all of us, for our children and for this much loved country of ours -- there are great days ahead.

Now, I'd expected that I was going to stop right there, but just grant me a moment more.

Coming in here, I passed a lot of your fellow Ohioans out there on the street. And some were generously applauding and waving, but there were some who were demonstrating. They were demonstrating in behalf of a movement that has swept across our country that I think is inspired by, not the sincere, honest people who want peace, but by

some who want the weakening of America, and so are manipulating many honest and sincere people.

It is the nuclear freeze movement and the peace movement. Well, I, too, want a nuclear freeze after we have been able to negotiate the Soviet Union into a reduction on both sides of all kinds of weapons -- and then have a freeze when we're equal and not freeze them now in a superiority that would bring closer the chance of nuclear war.

[Applause] Thank you very much. Thank you.

You know, when I see them I wonder why they haven't realized this, how they haven't realized, for example, that a nuclear freeze would cancel the development of the B - 1 bomber. Why is that important? It's important because that would leave us with a bomber that is older than the men who are flying it, that is obsolete, and that could not possibly offer the deterrent that we need to maintain peace in the world.

So, why are we rebuilding our defenses? Not because we want a war. All of you who wore the uniform, all of us who've been in wars, all of us know the horror of it, and we want to see no more. But we also know that we never got in a war because we were too strong. We got in wars because someone on the other side didn't think we had the will or the strength to defend our freedoms and our country and our rights. They had to learn the hard way.

So, what is really back of our great attempt to refurbish our military is to strengthen three delegations of Americans, two of which are in Geneva -- one, I believe, is still in Switzerland. One delegation is negotiating a reduction to zero, if possible, of the intermediate-range nuclear weapons in Europe on both sides. The other is seeking to reduce to equality the strategic nuclear weapons on both sides so that there is a deterrent that can prevent war. And the third is seeking to reduce the conventional weapons. What position would our negotiators be in if those who were demonstrating out there have their way and those sitting on the opposite side of the table from our people look across and say, ``Why should we give up anything? The Americans are giving it up without trading for anything."

They're strengthened by the knowledge on the other side of the table that this country will do whatever it has to do to maintain its security, safety, and peace in the world.

Thank you all, and God bless you.

Note: The President spoke at 2:25 p.m. in the Regency Ballroom at the Hyatt Regency Hotel. He was introduced by James M. Wagonseller, past national commander of the American Legion.

Those attending the meeting were members of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Vietnam Veterans, and AMVETS.