ARTS



STATEMENT OF WALTER F. MONDALE ON THE ARTS

If you examine the role of the arts through our nation's history, three points leap out.

First, their centrality. Art has always been at the heart of our national experience. No record of who we are, what we believe, how we have changed, or where we want to go is accurate or complete unless it takes account of American art. In every era, much of the creative, spiritual, and intellectual life of our people has been conducted in the language of art.

Second, the diversity of American art. The range of imaginative life in our nation stretches from painting to dance, from musical theater to Native American pottery, from poetry to public sculpture, from architecture to symphonic music, from film to jazz -- and that scarcely begins to define it. What's more, the development of each art form has been accompanied by a commitment to excellence. In broadening our range, we have not failed to deepen our quality.

Diversity also means diversity of audience. One of the glories of our history has been the democratization of the arts. In America, economic or social background is no barrier to imaginative life.

Third, our pluralistic support for the arts. Creating art and experiencing it are intensely personal acts, and individual support for the arts is a crucial American tradition. But other support is also vital. Government at all levels, the private sector, and the independent non-profit sector are all essential partners with individuals in support for American arts.

As President, I intend to bring desperately needed leadership to the arts and humanities.

I will set a different tone from the one today. The climate now is far from friendly to freedom of expression. Creative and intellectual life is viewed with suspicion or derision. The second-rate and the crassly material are celebrated, while the life of the imagination is too often regarded as a subversive fringe. And the arts are seen as a privilege for the few, rather than a treasure for all Americans.

I will honor American arts and artists and scholars. I will lead a renaissance of respect for learning and creativity. A President has many powers, but one I intend to use to the full is the power of personal example.

I want all Americans to know that their President believes that art is at the vital center of our nation. I want mayors to know how cultural organizations can be the anchors for urban revitalization. I want corporations to know that employees care about the artistic richness of their communities. I want developers to know that preserving and recycling historic structures and neighborhoods is more than public-spiritedness; it is good economic sense. And I want local governments to understand that affordable spaces for artists to live and work enrich their communities.

The arts play a vital role in our lives. They lift our spirits, refresh us, educate us, and open our minds to new ways of seeing. Providing appropriate federal support for the arts is an essential investment in our lives and in the future.

As President, I will make the White House a showcase for the best in American visual and performing arts. The White House should be more than the location of an occasional performance. It should be a place to demonstrate, on a living, continuing basis, the best in both performing and visual arts. It should be a place to celebrate the variety and vitality of artistic achievement in contemporary America.

As Senator, and then as Vice President, I supported reliable, adequate funding for the agencies that provide grants to artists and cultural institutions. My wife Joan chaired the Federal Council on the Arts and Humanities; she met with artists, visited museums, and attended performances throughout America; and she was an important link between the arts world and the Administration. That kind of personal commitment and active involvement will be a hallmark of my Presidency.

So would bipartisanship. The arts cannot flourish without support from both Parties in Congress. The attempt of the current administration to cut the endowments has politicized the agencies, undermined their historic mission, and weakened their support. That must change.

For three years, the Reagan administration has turned its back on the arts. They tried to cut both endowments in half and to destroy the Institute of Museum Services, only to have their efforts rebuffed by the Congress. This administration has paid political lip service to the arts while in fact working to slash federal support.

As President, I will seek stable and adequate funding for federal arts programs so that artists and institutions can rely on federal policies. Direct federal support for the arts is a very small part of the federal budget, but it is a crucial catalyst to inspire and encourage non-federal and private support many times over.

I will also appoint the highest quality professionals to federal programs that assist the arts. The arts endowment --

together with the National Endowment for the Humanities and the Institute of Museum Services -- are models of the role of the federal government in areas primarily private in nature but national in character.

At its best, the endowment has sought to balance its support of the artist, the arts institution, and the need to serve the public interest. It has also struck a balance between federal support, and support from states, communities, and the private sector. It has encouraged communities throughout the nation to form their own performing arts organizations, to host touring companies, and to add new works by American artists to their repertoire. It has left decisions about artistic merit to those in the best positions to judge — artists and experienced arts administrators. The willingness to leave judgement to well—balanced peer panels has given the grant award process an essential integrity. As President, I would look forward to working closely with the Congress as reauthorization of the endowment and the arts agencies takes place next year.

The arts receive their overwhelming support from the private sector and from state and local governments. The federal government is a relative latecomer to the area of direct support for artists and cultural organizations, and currently provides less than five percent of their total operating budgets. Nevertheless, endowment grants have taken on a far greater significance than suggested by absolute dollar figures. Federal support is not only a proven lever for private dollars; it is a multiplier of them. In recent years, every federal dollar invested in the arts has returned five times that amount in non-federal funding.

The success of the endowment in attracting the support of the private sector for arts organizations has been exploited by the Reagan administration as justification for proposed budget reductions. The rhetoric of private support has become an excuse for abdicating the federal government's role in every aspect of the nation's life. Cultural support has been no exception.

The endowment must provide the artistic community with opportunities to create, and it must help citizens across our country gain access to the nation's cultural wealth. This should be accomplished in partnership with individuals, states and communities, as well as with corporations and foundations. The endowment has been enormously effective in creating that partnership. That effectiveness should not be used to distort the balance that has been achieved, or cloud our view of the agency's purpose.

The goal of increasing private support for the arts is an important one for the arts endowment, but it is not the only one the endowment needs to meet. Until recently the endowment had struck a balance in its roles as advocate, disinterested benefactor, and point of leverage for private giving. The endowment must recapture that balance.

Arts support must be carried on at other agencies as well. The Department of Education, for example, must provide leadership in the field of arts education. Today, as American communities are moving to bolster their schools, it is important that the arts not be seen as a sideshow or frill. While greater strength in mathematics and the sciences is important, we must also reach for excellence in the arts and humanities and foreign languages. Here, too, national leadership is essential. Federal funds can play only a modest role, but federal leadership can dramatize the importance of the arts, and it can urge communities to recognize that quality education includes quality arts education.

Internationally, we need to emphasize the value of cultural exchange. Special programs with other countries can bridge differing viewpoints, bring together leading artists and scholars, and provide new dimensions of understanding, wisdom and grace. Such programs do not require an outpouring of federal dollars. What they do require is intelligent and creative leadership — the kind of leadership that my Administration will provide.

Economic policy, too, has an important bearing on the vitality of the arts in America. A reduced deficit; a healthy economy, growing at a steady, sustainable rate with low inflation; an economy that provides jobs; a society with protection against unemployment and illness: these help artists no less than any other Americans.

I am especially mindful of the role of the tax code in supporting the arts. The single legislative provision that benefits cultural institutions most is not the legislation creating the arts and humanities endowments, but the tax deduction for charitable contributions. That provision is the bedrock of our diverse independent sector, and I support it. I also support the ability of corporations to take up to 10 percent of their pretax profits as a deduction for charitable giving. And I would urge many more corporations to take advangtage of that than do now. Other changes in the tax code of benefit to artists—including the ability of the creator of a work of art to deduct its reasonable value when giving it to a museum or library—deserve careful consideration. Reducing the deficit will not be easy, but it must not be an excuse to overrule new proposals out of hand.

In the months ahead, I want to encourage debate on these and all questions facing the arts community. When we choose a President, we say who we are and what we want our future to be. I want the voices of American artists, scholars, educators, and administrators to be heard as we make that fundamental choice.

BLACK, HISPANIC AND WOMEN CAUCUS QUESTIONAIRE

BLACK, HISPANIC, AND WOMEN'S CAUCUSES QUESTIONNAIRE MAY 1984

- Q.1. WHAT CAN BE DONE TO IMPROVE THE JOB PROSPECTS OF YOUNG PEOPLE -- PARTICULARY, MINORITY AND DISADVANTAGED YOUTHS -- WHO WILL BE ENTERING THE WORK FORCE IN THE NEXT DECADE? HOW CAN REQUIRED SKILLS AND EXPERIENCE BE IMPARTED TO UNEMPLOYED YOUTHS WHO ALREADY HAVE LEFT THE EDUCATION SYSTEM?
- 1. The cornerstone of our national efforts to enable all Americans including minority and disadvantaged youths to find jobs, must be sustainable long-term economic growth. Moreover, we need additional public investment to rebuild our infrastructure and move toward full employment. Skills and experience necessary for youths seeking to enter the work force can be developed if teachers are involved in the training process from the start, if geographical areas of greatest need are identified, and if a program for training and retraining minority workers and forging cooperation among groups in the communities that participate in education and employment programs can be established. We need more community-based programs, such as the Boston Compact, with sophisticated training facilities and jobs for young people who successfully complete their training program.
- Q.2. CURRENTLY, OVER 2 MILLION WORKERS HAVE BEEN WITHOUT JOBS FOR 27 WEEKS OR LONGER. SHOULD THE FEDERAL GOVERNMENT ENACT JOBS LEGISLATION, SUCH AS H.R 1036, TO ASSIST THESE PEOPLE, ESPECIALLY THOSE WHO HAVE EXHAUSTED THEIR UNEMPLOYMENT BENEFITS, IN THE SHORT TERM? WHAT FEDERAL MEASURES COULD/SHOULD BE TAKEN FOR THESE WORKERS, WHO HAVE LOST ALMOST ALL HOPE FOR A SECURE FUTURE, IN THE LONG TERM?
- 2. My program for attacking long-term structural unemployment would retrain workers displaced by both technological change and the altered position of the United States in the world economy. At the same time, I would adopt an industrial strategy to rebuild our basic industries and reclaim our edge in high technology. We also need a tough new trade policy to deal with unfair competition. In the short term, we need public sector jobs programs to rebuild our infrastructure, perform needed community services, and remove as many Americans as possible from the ranks of the unemployed.
- Q.3. THE HUMPHREY-HAWKINS FULL EMPLOYMENT AND BALANCED GROWTH ACT WAS SIGNED INTO LAW IN 1978. THIS LAW STATES THAT, BY JANUARY 1983, UNEMPLOYMENT WAS TO HAVE BEEN REDUCED TO 3% FOR THOSE 20 YEARS OF AGE AND OLDER, AND 4% FOR THOSE 16 YEARS OF AGE OR OLDER. WOULD YOU, AS PRESIDENT, ATTEMPT TO ACHIEVE THESE GOALS/WHAT SPECIFIC STRATEGIES SHOULD THE FEDERAL GOVERNMENT ADOPT TO

ATTAIN THESE GOALS? WHAT MEASURES SHOULD BE TAKEN, BY THE FEDERAL GOVERNMENT, TO ENSURE PROPER IMPLEMENTATION OF THIS LAW?

- 3. The goal of full employment is the law of the land, and I am fully committed to achieving it as soon as possible. To ensure proper implementation, we should, as I suggested above, adopt bold new industrial and trade policies. To ensure that all Americans share in the benefits of these policies, the federal government should enforce affirmative action programs and policies; ensure full minority participation in Small Business Administration loan programs; guarantee that minority businesses obtain at least their mandated share of federal contracts; upgrade jobs and economic development programs such as EDA, CDBG, and UDAG; and strengthen education and jobs training programs targeted for minority and disadvantaged young people, as mentioned above.
- Q.4. DESPITE THE WELCOME REDUCTIONS IN THE OVERALL UNEMPLOYMENT RATE, MILLIONS OF AMERICANS STILL SUFFER FROM JOBLESSNESS AND UNDEREMPLOYMENT. OTHER THAN MACROECONOMIC POLICIES DESIGNED TO GET THE ECONOMY MOVING AGAIN (I.E. DEFICIT REDUCTION, RECONSTITUTING OUR BALANCE OF TRADE, ETC.), HOW WOULD YOU AS PRESIDENT IMPLEMENT A COMPREHENSIVE EMPLOYMENT AND TRAINING POLICY FOR OUR NATION? WHAT SPECIFIC LEGISLATIVE IDEAS WOULD IT CONTAIN? HOW WOULD YOU ADDRESS THE NEED FOR COMMUNITY SERVICE AND PUBLIC INFRASTRUCTURE REPAIR/HOW WOULD YOU ADDRESS THE NEED FOR PLANT CLOSING AND DISLOCATED WORKER LEGISLATION? HOW WOULD YOU STRENGTHEN THE ENFORCEMENT OF EQUAL EMPLOYMENT OPPORTUNITY LAWS?
- 4. I have addressed these questions in the answers provided above. Community service and public infrastructure repair require strengthened economic development programs. Structural unemployment demands an ambitious retraining program implemented in conjunction with a broad industrial policy. And we must remove the barriers that have discouraged women and minorities from entering job sectors -- especially science, engineering, management, and skilled crafts -- where they have been historically underrepresented.
- Q.5. THE FEDERAL RESERVE BOARD HAS BEEN SUBJECTED TO GROWING CRITICISM CONCERNING ITS ADMINISTRATION OF MONETARY POLICY. ITS CRITICS CLAIM THAT MORE OFTEN THAN NOT, ITS POLICIES ARE IN CONFLICT WITH THE FISCAL POLICIES OF THE FEDERAL GOVERNMENT. WHAT STEPS WOULD YOU TAKE TO FOSTER MORE COORDINATION BETWEEN MONETARY AND FISCAL POLICY DECISIONS?
- 5. In the context of my plan to reduce the Reagan budget deficits, we must strike an accord with the Federal Reserve Board to accommodate long-term sustainable growth with civilized interest rates. I believe that improved Presidential leadership can make the Federal Reserve Board a useful partner in a program to achieve sustainable, long-term, non-inflationary growth. At the same time, the Fed must understand that its failure to cooperate in such a balanced program would inevitably give rise

to pressures to rein in its current independence..

- Q.6. GIVEN THE PROJECTIONS REGARDING THE STABILITY OF THE MEDI-CARE TRUST FUND AND THE INCREASING COST OF HEALTH CARE TO THE ELDERLY, WHAT SPECIFIC MEASURES WOULD YOU PROPOSE TO MAINTAIN AN ADEQUATE LEVEL OF MEDICAL SERVICES TO THE LOW-INCOME ELDERLY, WHILE WORKING TO ENSURE THE SOLVENCY OF THE TRUST FUND OVER THE LONG TERM?
- If we don't act now, Federal Medicare costs will reach \$112 billion by 1988, and by the end of the decade, the Medicare Hospital Trust Fund will be empty. I have proposed a tough, new health care cost containment package that neither cuts benefits nor raises taxes. I believe that the burden of reducing the rate of increase in health care costs should fall primarily on health providers. I propose overall limits on hospital spending, based on the rate of increase in the goods and services that hospitals purchase and consume. Under my plan, expenditures for physician services provided in hospitals will be limited as well. addition, my program will not be biased against the poor or against institutions serving the poor; it will include all payers, government, private insurance companies, and individuals. My plan would guarantee the integrity of Medicare. It would substantially reduce the federal deficit (by as much as \$15 billion in 1989 and a cumulative \$200 billion by 1995 if Congress acts swiftly). And it would not threaten continued medical services to low-income elderly. Entrenched interests have defeated previous efforts at reform . But today, a broad consensus has formed among business, labor insurance, and enlightened hospital administrators and physicians for an innovative approach to the serious problems posed by skyrocketing health care costs.
- Q.7. DO YOU HAVE A STRATEGY FOR ENSURING ADEQUATE AND AFFORDABLE HOUSING TO THE EXPANDING NUMBER OF LOW-INCOME AND ELDERLY CITIZENS WHO CANNOT AFFORD NOR FIND DECENT SHELTER?

HOW DO YOU PLAN TO MEET THE NUTRITIONAL NEEDS OF THE GROWING NUMBER OF PEOPLE IN POVERTY?

7. The Mondale Administration would reassert our nation's responsibility to ensure that all Americans enjoy decent housing. To provide adequate and affordable housing for low-income families and the elderly, we must insist on policies that assure production of sufficient rental housing, adequately fund housing programs for low-income families and the elderly, and continued, decent assistance to preserve and revitalize our public and assisted housing, and to promote economic development in rural and urban areas.

As President, I would place people's social needs high on the nation's agenda. In the case of nutrition, I would reverse Reagan's cuts in vital nutrition programs. In particular, I would strengthen the food stamp and school lunch programs, as well as WIC and other critical nutrition programs.

- Q.8. WHILE INPLATION HAS BEEN REDUCED TO ITS LOWEST LEVEL IN MANY YEARS, IT WAS DONE THROUGH POLICIES WHICH DELIBERATELY MADE A TRADE-OFF BETWEEN LOWER INFLATION BY CREATING THE WORST RECESSION AND HIGHEST UNEMPLOYMENT RATES SINCE THE GREAT DEPRESSION. THE FIGHT AGAINST INFLATION HAS NOT BEEN WON. SHORTAGES STILL EXIST IN SECTORS OF THE ECONOMY; GLUTS IN OTHERS. DO YOU HAVE A SPECIFIC ANTI-INFLATION PROGRAM THAT WILL MOVE TOWARD THE ATTAINMENT OF PRICE STABILITY WHILE SIMULTANEOUSLY REDUCING UNEMPLOYMENT?
- 8. My approach to the structural aspects of inflation involves encouragement of sensible growth and reduction of the budget deficits, which raise real interest rates, discourage long-term investment, severely damage our international competitiveness, and saddle our children and grandchildren with mounting debts. At the same time, I have proposed targeted approaches to deal with the major sectoral sources of inflation for average families -- food, energy, health care, and housing.
- Q.9. GIVEN THAT FEMALE SINGLE HEADS-OF-HOUSEHOLDS ARE ONE OF THE FASTEST GROWING SEGMENTS OF THE POPULATION AND THAT THEY REPRESENT A MAJOR PROPORTION OF THOSE RECEIVING PUBLIC ASSISTANCE, WHAT SPECIFIC ACTIONS WOULD YOU TAKE TO ENSURE THEIR ACCESS TO THE LABOR MARKET; FACILITATE THIS ACCESS; AND PROVIDE FOR THEIR ECONOMIC SELF-SUFFICIENCY?
- 9. While women have dramatically increased their share of the labor force, they continue to be concentrated in the lowest paying jobs. To guarantee fair and equal participation by women in the workforce, it is essential to remove the serious impediments that still remain. We should encourage flex-time and increase our commitment to child care to ensure that working women at all income levels can participate. And we must repeal marriage taxes. To attack occupational and wage discrimination, I have proposed a comprehensive program of affirmative action and pay equity. I would work to repeal the destructive Reagan social program cuts, which penalize the working poor, especially women. To provide a solid foundation for these and other measures, I believe the ratification of the ERA is essential. As President, I would use the moral authority of my office to help bring that about.
- Q.10. THERE HAS BEEN NO SUFFICIENT SUBSTANTIAL CHANGE TO THE MALE/FEMALE EARNING DIFFERENTIAL OVER THE LAST 20 YEARS, WITH WOMEN'S EARNINGS REMAINING AT APPROXIMATELY 60% OF MEN'S. THIS DIFFERENCE IS OFTEN ATTRIBUTED TO DISCRIMINATION IN ACCESS TO CERTAIN JOBS, AS WELL AS THE PAY ASSIGNED TO JOBS TRADITIONALLY HELD BY WOMEN AS OPPOSED TO THOSE HELD BY MEN. WHAT POLICY AND ENFORCEMENT ACTIONS DO YOU SEE AS VIABLE MEANS OF REDRESSING BOTH OF THESE PATTERNS WHICH KEEP WOMEN FROM BEING AS ECONOMICALLY SECURE AS THEIR MALE COUNTERPARTS?
- 10. The Mondale strategy for ending wage discrimination against women and job segregation by gender is an innovative program of pay equity. The Mondale program includes enforcement of Title

VII and Executive Order 11246 -- federal mandates that prohibit discrimination against predominantly female jobs. As President, I will direct the EEOC to publish clear guidelines on what constitutes sex-based wage discrimination. My program also includes ensuring that the Office of Federal Compliance, the Department of Justice, and the EEOC are staffed by appointees committed to the principle of pay equity. Finally, it includes establishment of a federal pay equity information clearinghouse that will enable state and local governments to respond to the need for pay equity and to implement it more fully.

Honorable Julian C. Dixon House of Representatives Washington, DC 20515

Dear Congressman Dixon:

The problems of high unemployment and continuing job discrimination against minorities and women are among the most important on the domestic agenda of our country. President Reagan has presided over the highest unemployment since the Great Depression, and he has withdrawn federal support from efforts to reduce job discrimination, enforce affirmative action, and implement pay equity. His excessive military buildup, huge budget deficits, and soaring trade deficits are undermining our future and our children's future.

Mr. Reagan must be replaced, not just by a Democratic President, but by a Democratic program that works effectively for high employment and fairness. That is the program I offer. It will revitalize our basic industries, restore our international competitiveness, rebuild our infrastructure, and promote a new era of innovation. At the same time, it will ensure that all members of our society have a fair and equal chance to share in the blessings of prosperity and opportunity.

My answers to the key questions you and the members of the Congressional Black, Women's and Hispanic Caucuses have posed reflect these objectives and spell out some ways of achieving them. I look forward to working with you to forge a platform, a campaign, and a Presidency that will reflect and redeem our Party's historic commitment to the American people.

Sincerely,

Walter F. Mondale

Enclosure

BUDGET

MONDALE/FERRARO

2201 Wisconsin Avenue, N.W., Washington, D.C. 20007 - Telephone 202-625-1600

FACT SHEET ON THE BUDGET

JANUARY 1984

The Problem

Four years ago, Ronald Reagan campaigned on a pledge to balance the federal budget. But today, because of his broken promises, our country now faces a fiscal crisis. The precise dimensions of this crisis depend on assumptions about economic growth, inflation, and interest rates over the next five years. But by the most conservative estimates, we are faced with budget deficits of \$200 billion or more, as far as the eye can see. These deficits raise real interest rates, discourage long-term investment, severely damage our international competitiveness, and hurt the economies of other nations. They saddle our children and grandchildren with a mounting burden of debt and interest payments. They are intolerable. But the Reagan administration has no plan to reduce them.

The Plan

Walter Mondale has a plan to reduce the deficit, because he believes that our economic future is at stake. He has committed himself to a plan that would cut the deficits in every year of his administration. At the end of his first term, he would cut the Reagan deficits by more than half

This is how he will do it:

1. Reduce the rate of increase in defense spending.

Walter Mondale stands for a strong defense. But the Reagan defense budget makes no choices, purchases unneeded or dangerous new weapons systems, and opens the door to unprecedented waste in defense procurement.

I will make the tough choices and bring defense spending down to a steady, sustainable level. I will terminate the MX missile while proceeding with Midgetman. I will terminate the B-l bomber while pressing forward on the much more advanced Stealth bomber. I will block new nuclear aircraft carriers while shaping a strong Navy with a realistic mission. I will halt renewed production of poison nerve gas. I will sharply expand competitive bidding and other management reforms to reduce procurement waste and overcharges for spare parts, and strengthen defense management through institutional changes in the Joint Chiefs of Staff.

Savings in FY 1989: About \$30 - 40 billion.

2. Enact tough, comprehensive health care cost containment.

Health care costs are soaring out of control. By 1988, unless we act now, Medicare costs will rise to \$112 billion. By the turn of the century, the trust fund will be at least \$500 billion -- perhaps even a trillion -- in the red. And throughout out society, rising costs will imperil family budgets and reduce business investment. Only Walter Mondale stepped forward with a plan to cut health care costs in a way that is fair to all Americans. The states would be free to adopt their own strategies within an overall spending limit. The integrity of Medicare would be guaranteed, without benefit cuts. And access for all to medical care would be ensured.

Savings in FY 1989: About \$15 billion.

Manage our agriculture programs wisely.

Prior to the Reagan administration, annual expenditures on agriculture programs never rose above \$5 billion. But in the fiscal year just ended, the administration managed to spend \$21 billion, plus at least \$10 billion on the PIK program. Meanwhile, farm exports have collapsed, and net farm income is down.

Walter Mondale understands agriculture. He knows how to promote exports and use farm programs to achieve a better long-term balance between supply and demand and reduce federal program costs. I will expand the Food for Peace program, use the Commodity Credit Corporation more aggressively, and make prudent use of loans, paid diversion, set-asides, reserves, and other key supply management programs to ensure fair prices and growing markets for our agriculture products.

Savings in FY 1989: About \$10 billion.

Restore needed revenues.

The Reagan tax cuts were the most unfair tax measures in modern American history, and they went much too far. We simply cannot afford to reduce taxes by \$750 billion while giving enormous breaks to wealthy individuals and large corporations. We must pay for what we choose to spend —not shift our responsibilities to our children and grandchildren. And we must make wealthy individuals and corporations join the rest of us in paying their fair share.

Mondale's revenue plan will:

defer indexation, with reforms to protect low and moderate income Americans (about \$30 billion);

cap the third year of the Reagan tax cut for incomes above \$60,000 (about \$6 billion);

impose a 10 percent surcharge on incomes above \$100,000
(about \$5 billion);

enact a 15 percent corporate minimum tax, and end a wide range of loopholes and abuses in the corporate tax code (about \$21 billion); and

adopt a tough compliance program to reduce the \$90 billion in_annual tax evasion (up to \$10 billion).

Revenues in FY 1989: Raised at least \$60 billion

Reduce interest payments

As a result of the Mondale spending and revenue proposals, the federal debt by 1989 will be at least \$200 billion lower than under the Reagan do-nothing approach. Therefore, annual interest payments on the debt will decline steadily below the Reagan figures.

Savings in FY 1989: about \$15-20 billion.

6. Restore competitiveness and fairness.

The Reagan administration's budget cuts have gravely weakened programs essential to a competitive economy and a fair society. Under the Mondale administration, prudent and carefully targeted increased would be made in vital programs.

To promote competitiveness, new investments of about \$20 billion would be made in such areas as education, research and development, job training, industrial strategy, and exports. These investments would help the United States compete more effectively in the world economy of the 1980s and 1990s.

To promote fairness, restorations of about \$10 billion would be made in compensatory education, health nutrition, legal services, environmental protection, and other programs that treat every American with dignity and respect. If we are to be a civilization, not a jungle, and honor the commitments we have made to one another and to future generations, we can do no less. If Walter Mondale makes any additional commitments in the areas of competitiveness and fairness, he will tell the American people how he would pay for those commitments.

Spending in FY 1989: Up to about \$30 billion.

* * *

Summary

Defense	\$30 - 40 billion
Health Care	15
Agriculture	10
Revenues	at least 60
Interest	15 - 20
Competitiveness and Fairness	up to 30

Total FY 1989 Deficit Reduction:

More than \$100 billion

BUSINESS

Election '84 / Mondale on Business

Economic Conditions Demand A Shrinking Deficit Coupled With Policies Designed to Increase the Supply Of Growth Capital and Make Exports Competitive

BY WALTER F. MONDALE

here may be disagreement about how best to run the economy. But, there is no disagreement about the kind of economic system we want. Americans believe in the free enterprise system. They relish the freedom to take risks. They treasure the opportunity to achieve. They believe in profits. They believe that hard work and determination can solve any problem.

But, Americans also understand that we face serious challenges today. Our growth isn't fast enough. Our competitive edge isn't sharp enough. Our productivity isn't high enough. As much as we believe in our system, we know it will take more than belief to get the economy growing again. Business leaders in Oklahoma understand this as well as anyone.

I believe it is fair to point out that the Reagan Administration has brought record business failures, record farm foreclosures, record unemployment, and record trade imbalances. These facts simply are not in dispute. We've had the worst recession in half a century — and record high real interest rates that persisted even at the recession's bottom.

Some of America's biggest corporations indulged in an orgy of unproductive mergers. Factories and workers now stand idle. Our entrepreneurs are starved for capital. And the recovery does not appear to be sustainable.

With friends like this, business doesn't need enemies.

I believe Mr. Reagan operates from two fundamentally flawed premises



The accompanying article was prepared by former Vice President Walter F. Mondale especially for Oklahoma Business. Mr. Mondale was appointed to the Senate and twice re-elected from his home state of Minnesota. He previously served as state attorney general. He was elected vice president in 1976 and served under former President Jimmy Carter until 1980.

about how the American economy works.

First, he believes that government is bad for business. And his economic approach is radical. His campaign pledge in 1980 was to "get government off your back." He should have promised to put government on your side.

Government can create problems for business. We must keep careful watch for over-regulation, undue paperwork, and unnecessary interference. But, as many of you have been saying, it's time for business and government to put aside their traditional and mutual distrust and begin to work together.

Let me define the way I see our nation's economic policy and explain how I would pursue economic policy as president of the United States.

No one in our country can be against American business. Business means jobs. Jobs mean opportunity, dignity, and social justice. On the work of our free enterprise system, on the importance of private sector growth, Americans do not divide. The real debate is how to achieve that economic growth.

When I laid out my industrial policy, I said that cooperation does not mean picking winners and losers. It does not mean coercive planning. It does not mean blind imitation of countries with very different traditions and institutions. But it does mean this:

- Government must encourage growth — not penalize growing companies with higher tax rates.
- Government must help our manufacturers crack foreign markets not spend years trying to gut the Ex-Im Bank
- Government must share responsibility for restraining not dump it on business alone.

The federal government fostered our earliest economic development with roads and canals and railroads. It created the great land grant colleges and agricultural research centers, in which Oklahoma has shared. For two centuries, our national government has created the conditions for growth and it must play that role again today.

The Economic Recovery Tax Act was a bonanza, but not for business. It gave 80 percent of its benefits to individuals. It gave almost no benefits to rapidly growing firms. In fact, it took some benefits away.

It also assumed that deficits could be ignored. In the next six years, if we let them, this administration will add \$1.5 trillion to the national debt. That is almost equal to all the private savings in the country. We'll be paying over \$100 billion more each year just on the interest.

Growth Strategy

In order to have long-term sustainable economic growth, we must have a policy that deals sensibly with the realities of the private market. It means, first of all, that we must deal with the deficits. I would propose four ways to reduce the deficits to manageable proportions.

1. To attack the structural deficit, we must scale the defense budget to reflect economic realities. I favor steady spending increases for a strong and sensible defense. As President, however, I would set a measured pace for defense expenditures. And I would press our allies to live up to their agreements for real growth of 3 percent in defense support. I would pursue spending controls through mutual and verifiable arms control. I would more clearly define our vital interests and focus defense spending on the protection of those interests.

Contracting and procurement deserves special attention. We need to revise these procedures to give us more competitive bidding. We've been treated to bizarre stories of procurement failures: \$5 hammers for \$50; 17 cent light bulbs for \$50; plastic caps for chair legs at \$1,100; and on and on. I think over 80 percent of defense department procurement is now sole source. That needs to be changed.

2. We must deal with entitlements. Congress has taken steps to guarantee the integrity of the Social Security system. Medical and health care costs, which are rising at about three times the rate of inflation, must be next. We must have a tough program of health care cost containment to stop this budgetary hemorrhage.

We must shape a sensible longterm farm program. I believe in strong family farms. I grew up in rural America. I served for years on the Senate Agriculture Committee. Today, American farmers are in their worst shape in decades. Even though the farm program will cost over \$21 billion this year, farmers are having about as bad a year as they've had.

Our long-range farm policy must bring production into line with demand. We must boost our exports in an effective way and increase farm income.

4. We must face facts; we need more revenues. The Reagan tax cuts went much too far. We can never close this \$200 billion gap with spending cuts alone. People in both political parties are aware of that now. It's easier to say that something else will close that gap. It won't.

For more than a year, I have proposed deferring or repealing indexation. I still do because we can't afford it. For more than a year, I have advocated capping the third year of the tax cut for the wealthy. I still do because we need the revenue and because fairness requires it.

I favor a simplified tax system that provides equal treatment for people of the same class, a system that restores progressivity, and promotes savings and productive investments.

Fairness would also mean corporate tax reform. Why do banks pay taxes at an effective rate of 2.7 percent? Why is the windfall profits tax being gutted? Why do 90,000 profitable corporations pay no taxes at all today? As President, I intend to get some answers and end the abuses.

Not everyone will applaud these steps, but their effects will be to cut the budget deficits deeply and to spur growth. And that is the most important thing we can do for business.

We must free capital for productive use by making unproductive uses less attractive. In recent years, too many managers have become paper entrepreneurs. But, hostile takeovers and unproductive mergers and acquisitions don't sell new products or create new jobs. The tax system should not encourage such mergers while product entrepreneurs can't get affordable loans.

Next, we must use the tax system to increase the supply of growth capital. Large firms, as a group, have created almost no new jobs in the past decade. Yet, their tax rate is about half that of smaller, more rapidly growing firms.

There is absolutely no social or economic sense in this. We must simplify and equalize the corporate tax burden.

Our tax system must also recognize the importance of investment in research and development. Most real growth now comes from such investments. Therefore, we should make the 25 percent research and development tax credit permanent and apply it to all research and development costs.

Global Policy

As we work to strengthen our economy and bring openness and a sense of fairness to the task, we will be required to employ a very sophisticated, knowledgeable and committed strong new policy on international finance and trade. It must be obvious to everyone now that we have to improve our export position.

Perhaps one of the most severe indictments of this administration is its appalling inability to understand or shape a policy in that regard.

As we shrink the deficit, we will realign world currencies and make our exports more competitive. Still, that won't be enough. We will need affirmative government action as well. We must ask American multinationals who must invest around the world to keep their high technology and their future here, just as European, and other multinationals who invest everywhere, keep their own futures in their homes.

We must fully fund an aggressively used Ex-Im Bank and the Commodity Credit Corporation to support exports. And we must make those institutions easily and swiftly and efficiently available to small business as well.

Too often, banks in other countries

— the equivalents of our Ex-Im and
CCC lending institutions — engage in
low-balling credit terms and undercutting the competitive advantage of
some of our major exporters. These
practices are costly to our exporters and
to our workers.

I think we have no choice but to fight back. I propose that we tell the world that we've had the last of these deals, and that we're going to use the Ex-Im Bank and CCC credit facilities to match their credit terms dollar for dollar until they agree to sit down with us and negotiate a balanced and fair market rate of support.

We must counteract foreign trade barriers. American companies and farmers can compete with any private companies and farmers in the world, but they are far too often competing with a foreign government these days. We need strategies to face up to that reality. Matching their credit terms is one weapon that we should not be afraid to use.

Finally, we should recognize that there is a massive under-investment in the training of this next generation wholly inappropriate in the economic future before us. The next generation must be prepared to deal with the knowledge-intensive world that they will inherit.

There is no excuse for this nation to lose its edge in science, in training, in high technology. We will not be able to defend ourselves unless we're at the outer edge of high technology. Increasingly, defense is technology.

There simply is no alternative but to invest again and commit this nation to the concept that our next generation of Americans will be the best educated in the history of the country.

For labor, it must mean a new willingness to push for productivity and quality. For business, a new commitment to the quality of work life and the renewal of skills. For both, it means a new recognition of their common interests in long-term profitability.

For government, it means that it's time to listen and make the essential policies of government as efficient and carefully tailored to the realities of the economy as possible.

I believe this country is ready to put its confrontations, its petty divisions behind it. The time has come for us to sit down and work together for a better, stronger economy and a stronger, more confident America. I want to lead this nation in that direction.

Energy Policy

My energy policy is based on a balanced dependence on renewable energy, conservation, and conventional supply, with emphasis on short-term cost-effectiveness of existing technologies, which favor conservation, and on a longer term need to shift dependence from fossil fuels to renewable energy, accompanied by funding for research, information programs, and tax credits.

We should curtail and, in some cases, eliminate subsidies that discourage conservation and the use of renewable energy. And, we must prepare for future energy shortages by filling the Strategic Petroleum Reserve and by returning to the type of contingency planning eliminated by the Reagan Administration. For national security interests. I believe most Oklahomans will support such a policy.

We are spending too much of our national capital on energy and using more than we need; domestic energy projects remain the prime cause of environmental pollution in the United States; we are unmindful of the future and we need to begin the transition to a 21st century based on renewables; and we are dangerously unprepared for a supply disruption.

I expect OPEC to remain a force in international markets. The most appropriate way to temper the potential influence of cartel orchestrated prices is to diversify our energy base by becoming less dependent on foreign oil and more dependent on the inexhaustable energy sources available to us, including decentralized applications of solar and renewables. But, my administration would not attempt to eliminate foreign oil from our economy at any price. Instead, I would consider the full costs, including environmental costs, of the alternatives, and make choices that consider the future as well as the present.

The Joint Economic Committee estimated in 1979 that up to two million jobs could be created in the renewable energy industry by 1990. With a \$500,000 investment in the 1981 Solar Trade Development Program, the federal government generated immediate sales of \$3 million and another \$60 million in projected sales for twelve months. The Solar Energy National Security and Employment Act (SENSE) legislation introduced by a bipartisan group of Congressional leaders focuses on the use of existing resources. That's the kind of approach I support.

In 1980, the United States held 80 percent of the world market for photovoltaic cells. Today, our share is only 50 percent and may be as low as 30 percent by 1985, according to experts. This decline is due in no small part to the demise of federal support for exports of renewable energy technologies. I support efforts that would earmark export subisides for small businesses, including renewable energy business.

Renewable energy technologies and traditional industries such as automobiles and steel are both essential for a solid economy. Basic industries, moreover, provide an essential market for hightech products.

Now, let's take a look at the production and marketing of natural gas an urgent consideration in Oklahoma's economy. What we see happening, at a time when natural gas is in excess supply, is a tendency for pipelines to curtail purchases of cheap domestic gas and buy more expensive gas from both domestic producers and from Canada. At the same time, drilling of new wells is down 40 percent from 1981 because the pipelines have virtually stopped buying new gas. This reduction has increased the cost of transporting gas. As a consequence, prices have been rising and demand falling natural gas markets. Prices have climbed 105 percent since 1979 while demand has dropped 11 percent. To remedy it, I suggest the following steps:

1. Restrict the operation of the socalled take or pay contract clauses, and adopt measures to make pipelines more accountable for their gas purchasing practices. I would also take steps to reduce the prices of foreign imports.

Oppose deregulation of old gas, which would harm the economic recovery and hurt consumers.

Maintain production incentives. In 1978, we decided to provide incentive prices for new gas discoveries and to deregulate them in 1985. I would oppose a reversal of this decision, but transitional problems caused by high take or pay clauses and indefinite escalators must be addressed by Congress to ward off distortions to the gas market.

Oil still has a special place in our energy supply mix. So, an adequate supply of oil will remain vital for the near term. But, there doesn't mean supply investment should receive 10 to 17 times greater financial incentives than does conservation. The best answer is to become more efficient in our use of oil in order to reduce our dependence on it.

The Reagan Administration has failed to safeguard us against new energy shocks, and it has failed to build for our energy future. Under the Reagan policies, support for the future - conservation and renewables - has been slashed while nuclear power has been unwisely and excessively subsidized. I would reverse these policies by beginning a transition to a 21st century based on renewable energy and an environmentally and economically sensible energy policy.

CIVIL RIGHTS

MONDALE/FERRARO 2201 Wisconsin Avenue, N.W., Washington, D.C. 20007 — Telephone 202-625-1600

WALTER F. MONDALE ON CIVIL RIGHTS AND CIVIL LIBERTIES

Mondale's Record as Attorney-General of Minnesota

Mondale organized the first civil rights demonstration in Minnesota history on the steps of the Capitol in St. Paul in 1962.

He led his fellow state attorneys-general in the effort to guarantee legal counsel for every criminal defendant. The brief submitted to the U. S. Supreme Court by Mondale and twenty other attorneys-general was instrumental in the landmark 1962 'Gideon' ruling, which established the right of indigent defendants to free legal counsel in all criminal cases.

He led the fight to integrate the all-white Mississippi delegation to the 1964 Democratic Convention, achieving an agreement that Martin Luther King Jr. hailed as a victory.

Mondale's Record as United States Senator

Mondale was an original cosponsor of the historic Voting Rights Act of 1965 and spoke out strongly against all attempts to weaken it during Senate debate.

Mondale led the opposition to a Constitutional amendment that was intended to negate the Supreme Court's one man, one vote decision on legislative reapportionment.

He introduced sweeping fair housing legislation in 1967 and 1968. After prolonged filibuster and cloture fights, this landmark legislation was enacted into law.

As Chairman of the FBI Subcommittee of the Select Committee on Intelligence, he personally investigated the Bureau's vendetta against Martin Luther King Jr.

Proclaiming in 1970 that "I would rather lose my public career than give up on civil rights," Mondale became a leading defender of the federal judiciary's constitutional right to employ busing as a method of desegregating schools.

In a 1975 speech, he assailed illegal activities by the CIA and FBI as a threat to the constitutional right of free expression essential to democracy. Mondale was one of the leaders in the fight to establish adequate guidelines for and oversight of U. S. intelligence activities.

Mondale's Record as Vice President

As Vice President, Mondale took a leading role in

- ---ensuring that the government came out strongly for affirmative action in its brief to the Supreme Court in the landmark Bakke case
- ---recommending appointments of minorities to all areas of the federal government
- ---appointing more blacks to the federal judiciary than all previous administrations combined
- ---increasing government procurement contracts for minority enterprise
- ---increasing government deposits in minority-owned banks
- ---increasing federal funding for education, especially Title I programs for disadvantaged youth
- ---increasing federal support for black colleges
- --- chairing the President's Task Force on Youth Employment
- ---pushing for Congressional approval for full House and Senate voting rights for the District of Columbia
- ---advocating a substantial expansion of the authority of the Equal Employment Opportunity Commission to coordinate all federal affirmative action programs

Mondale's Record since January 1981

Mondale has continued to speak out on civil rights since he left the Vice Presidency.

In July 1981, before the National Urban League, he challenged President Reagan to call for an immediate extension of the Voting Rights Act and attacked the Reagan administration's departure from twenty years of bipartisan achievements on behalf of civil rights for all Americans.

In April 1982, before the National Conference on Social Welfare, Mondale attacked the Administration's unjust combination of tax cuts for the rich and budget cuts for the poor: "What we see today is an exterior of geniality that disguises the absence of generosity. This administration has launched a war, not on poverty, but on the poor."

Mondale told the NAACP in July 1982 that "this administration is well on its way to creating two Americas -- one for the well-to-do who aren't suffering and are doing better all the time, and the other American for the rest of us who are getting less and less."

In August 1982 he told the Southern Christian Leadership Conference that "this nation is big enough to formally recognize one of the giants of our history. There is no better way for America to celebrate his contribution than to make Martin Luther King Jr.'s birthday a national holiday."

The Mondale Program

As a candidate for President of the United States, Mondale has made a renewed attack on discrimination of every kind a central focus of his campaign. He has asked Americans to "look at the Preamble to the Constitution. It says to 'establish justice' -- not just order -- but justice." And he has advanced a program to move this country toward equal opportunity for all. The program calls for:

- ---prohibiting tax breaks for segregated private academies
- ---renewing forward movement on school integration and fair housing through vigorous enforcement of all law and court decisions
- ---restoring budget cuts in programs for the disadvantaged -child nutrition, women and infants' feeding, food stamps,
 student loans, assistance for the handicapped
- ---protecting all individuals against discrimination on the basis of race, sex, national origin, sexual orientation, handicapped status, age, or any other irrational basis
- ---passing the ERA
- ---taking strong action against discrimination in the workplace, through pay equity and other initiatives to ensure fair opportunity for all

CRIME

We Can't Learn to Live With This Much Crime

It is difficult to be optimistic about the prospects for reducing crime. For nearly two decisions now, the nation has struggled to mount a successful anti-crime program. Billions have been expended on research, emperimental approaches and direct financial aid to police departments and court and prison systems. Yet things have steaming worsened. The urban environment today is more dangerous than it was in 1996, the time of the first riots in the Watts zrea of Los Angeles.

As one who has traveled widely, I must acknowledge our country's reputation for tolerating street crime. It is said that if one wants to study robbery and burglary, he had best come to the United States.

.. But the fact that the pest recipes have not worker does not mean that we can give up in the mame of budget-cutting. To talk tough but spend less the administration's program to date is either demagogic or hypocritical or both Surely it is irresponsihie Crime in the streets is a form of anarchy every bitt as dangerous to democratic gov-

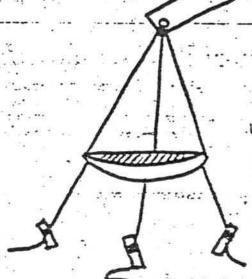
ernment as foreign enemies.

The law, particularly the criminal law, functions as a teacher. It states our commitment to musish those who commit serious crimes. When career criminals are let off with lighttwestences, the law is humbled, and all of use are rendered more vulnerable to predators who have learned in the most practical way that we don't take our laws ..

Next west, it is likely that 18,000 Americans will be murdered (an increase of 50 percent ffrom a decade ago), and 3 million more rollined, assaulted or raped. Two million bouseholds will be burgiarized.

. We can count on it—unless we act to preventiit s · · · ·

"The -miministration's chief action to date-hassbeen killing off the Law Enforcement Assistance Administration and cutting beck the Drug Enforcement Administration and the FBL Yet everyone who has studied the crime problem, including the attornevogeneral's own Task Force on Violent Crime believes that state and local government cannot do it alone. There is a continuity need for a sharply targeted program of technical and financial help. LEAA accomplished much in upgrading a creaky. The century criminal justice system wim continued funding, it would have somered more



For example, LEAA could continue its investigation of "plea bargaining" practices. Plea bargaining is the name lawyers give to the process by which a defendant is allowed to plead guilty to a less serious crime than the one he is charged with committing. In our system, most criminal cases are disposed of in this way-the prosecutor and the defense counsel make a deal. Trial by jury is the exception. It is difficult to explain to non-lawyers why a person charged with a serious crimearmed robbery, for example-should be treated as if he committed only a minor misdemeanor or two, in exchange for surrendering his right to trial.

Some lawyers think that lay persons aren't smart enough to comprehend the value of plea bargaining. The truth is more nearly the opposite the ordinary citizen understands only too well that a system of plea bargaining cripples the deterrent force of the criminal law. It is we lawyers who need re-education.

I don't suggest that all plea bargaining is undesirable, but only that a system that routinely downgrades serious offenses in credibility. I wish criminal lawyers and judges as well-were as vocal in emphasizing the shortcomings of plea bargaining as they are in identifying its merits. We need improved ways of processing criminal cases that don't rely on deals between opposing counsel and that provide a better bargain" for the public safety. _

Plea bargaining is closely linked to another problem that the LEAA examined: prison overcrowding. The housing shortage today is severe. For a long time, we have been convicting more criminals than our institutions can contain. As a result, many of our prisons have become savage places where much crime among inmates is tolerated. They may not be the worst in the world, but they are no credit to us.

WPOST 8-6-82'

The consequence of overcrowding is that dangerous persons, unfit for civil society, are granted probation or given suspended sentences because there is no secure place to hold them. To those who become their victims, it is no answer to say that prisons are schools for crime, or that we cannot afford to build more of them.

However, building new prisons need not be our primary response. There may be a host of unexplored alternatives between the suspended sentence and the maximum security facility, alternatives that are less expensive and more humane and that provide the necessary supervision for convicted persons. Intensive supervision in a structured work environment in the community may be an answer for many offenders. Work release programs which impose a set routine on prisoners hold many advantages.

There may be other approaches that deserve attention as well. Punishment has a legitimate place in a free society. It need not maim, physically or psychically, those imprisoned. Nearly all will eventually be released to live law-abiding lives.

Totally apart from specific proposals for reform, whether related to prisons or plea bargaining or any other matter, there is a more immediate task: to remind ourselves the name of bureaucratic expediency lacks - , that current levels of crime in America are neither normal or tolerable. The battle is not over or lost. I still believe, in the words of President Johnson's National Crime Commission, that "America can control crime if it will."

> Former vice president Mondale is currently practicing law.

CYPRUS/TURKEY

MOMOAIJE

STATEMENT OF WALTER F. MONDALE, November 16, 1983

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I DEPLORE THE ILLEGAL, UNILATERAL ACTION OF THE LEADER OF THE TURKISH CYPRIOTS IN DECLARING THE PORTION OF CYPRUS OCCUPIED BY TURKISH TROOPS AN INDEPENDENT STATE. I FURTHER DEPLORE THE FACT THAT TURKEY HAS RECOGNIZED IT AS SUCH.

THE UNITED STATES AND THE UNITED NATIONS RECOGNIZE
THE GOVERNMENT OF PRESIDENT KYPRIANOU AS THE SOLE GOVERNING
AUTHORITY OF A UNIFIED CYPRUS. THIS ACTION BY THE TURKISH
CYPRIOTS IS ILLEGAL AND CONTRARY TO THE POLICY OF THE UNITED
STATES. IT ERECTS YET ANOTHER BARRIER TO CHANCES FOR A
NEGOTIATED SETTLEMENT AND CREATES ADDITIONAL INSTABILITY IN
RELATIONS BETWEEN GREECE AND TURKEY, BOTH IMPORTANT MEMBERS
OF THE NORTH ATLANTIC TREATY ORGANIZATION.

I CALL UPON PAUF DENKTASH, HIS SUPPORTERS, AND

TURKEY TO RECONSIDER THEIR ACTIONS AND TO NEGOTIATE IN GOOD

FAITH TO END THE TEMPORARY PARTITION OF CYPRUS. I FULLY

ENDORSE THE FORTHRIGHT, UNEQUIVOCAL STATEMENT BY THE STATE

DEPARTMENT CONDEMNING THIS ACTION AND CALL ON THE UNITED

STATES GOVERNMENT TO TAKE FURTHER ACTION TO END THIS

ILLEGAL SECESSION:



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