

TALKING POINTS: THE NEW ADMINISTRATION

Senator Morgan
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ECONOMY

President and Congress inherited an economy in bad shape:

- 7.5 million Americans out of work
- 1.4 million making do with part-time jobs
- economy operating \$132 billion below its potential
- inflation growing even as the economy bogged down.

Real improvement after the administration took over:

- unemployment down dramatically, to 6.3 percent,
after being nearly at 9 percent
- More Americans working than ever -- 92 million on the job
- average salaries up, after-tax percapita income up
4 percent
- housing starts up 27 percent
- corporate dividends up 18 percent
- personal savings up 14 percent

Administration plans a \$400 million effort to involve business and labor in training and hiring the hard-core unemployed, to be implemented by business councils throughout the country.

President moved to help industry facing unfair competition from foreign imports:

--negotiated a reduction of 35 percent in number of televisions being shipped here from Japan (Japanese TV dumping cost thousands of U.S. jobs)

--negotiated reduction in imported shoes from Korea and Taiwan -- threat to North Carolina Jobs

--President's Ambassador Bob Strauss says N.C. tobacco farmers will be helped by Multilateral trade talks in Geneva

President acted to improve competition in American business:

--Appointed Antitrust Study Commission (including RM) to find ways to make anti-trust laws work better, promote competitive environment: good for consumers, good for business.

REGULATION

The President has made an affirmative commitment to relieve burden of federal regulation that is hurting small business.

- established high-level inter-agency committee to review effects of regulation on the economy, and propose solutions to the problem

- Paperwork burden already reduced by 12 percent

- President and Congress moved to deregulate the airline industry -- improves service, reduces costs to consumers, and promotes competition

- Small Business Administration developed a program to represent the interests of small business, before agencies proposing regulations

- President proposes reduction in excise tax and the unemployment tax

REFORMING THE GOVERNMENT

Democratic Administration committed to making the federal government responsive to the people. Bureaucracy must be controlled.

Major Administration proposal: CIVIL SERVICE REFORM:

- provide incentive bonuses for managers who improve their agency's efficiency, instead of "merit raises" everybody takes for granted
- speed up the procedures which now make it almost impossible to fire an incompetent bureaucrat
- separate out that part of Civil Service which protects employees and set up a department dedicated solely to managing Civil Service personnel

FEDERAL SPENDING

President still working toward balancing the federal budget "as soon as possible."

--Federal spending has been reduced from 22 percent to 20 percent of the Gross National Product. Less of American productivity going to support the government. \$10 billion savings.

ENERGY

An administration doing the hard work of providing government leadership in getting America to kick its energy habits.

--previous administration record: five "energy czars" and a pattern of indecision, policy reversals, and bureaucratic in-fighting

--now: for the first time, a Department of Energy to get the government organized

The Democratic program, as opposed to "magic" Project Independence of prior administration: **doing the** thorough job which will take years:

- setting up a strategic petroleum reserve to guard against future boycotts
- converting industry from oil and gas to coal wherever possible
- insulating 90 percent of American homes and all new buildings
- reducing gasoline consumption by 10 percent
- carrying on, until the problem is licked

HUMAN RIGHTS

For the first time, a President willing to speak out strongly on the denial of human freedom around the world.

--can't fight World War III, but the influence of an American President should not be underestimated

--positive result: repressive governments have had to confront the issue and undergo criticism in the free world press

--another result: provides moral leadership and a rallying point for citizens fighting for basic rights in the Soviet Union and elsewhere