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THE WHITE HOUSE

WASHINGTON

March 19, 1985

MEMORANDUM FOR MICHAEL E. BAROODY
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PUBLIC AFFAIRS

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Draft Domestic Materials for Press Conference

Counsel's Office has reviewed the above-referenced materials. The third bullet item concerning the Donovan resignation should be deleted. Now that the matter is going to trial the President should make absolutely no comment on the merits of the case, and should limit any response at all to noting that the matter is before the courts and he accordingly cannot comment.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 / 1 / 1Name of Correspondent: David Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Draft Domestic materials for Press
Conference

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUTROLL</u>	ORIGINATOR	<u>85.03.18</u>			<u>1</u> / <u>1</u> / <u>1</u>
	Referral Note:				
<u>CUAT 18</u>	<u>R</u>	<u>85.03.18</u>		<u>S</u>	<u>85.03.19</u>
	Referral Note:				<u>4pm</u>
		<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>
	Referral Note:				
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		<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>
	Referral Note:				

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F - Furnish Fact Sheet
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R - Direct Reply w/Copy
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Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/15/85 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 P.M. TOMORROW

SUBJECT: DRAFT DOMESTIC MATERIALS FOR PRESS CONFERENCE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MURPHY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>CEA</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any edits directly to Mike Baroody by 4:00 p.m. tomorrow, with an information copy to my office. Thank you.

RESPONSE:

1985 MAR 18 PM 5:36

David L. Chew
Staff Secretary
Ext. 2702

POSSIBLE DOMESTIC QUESTIONS

Budget and economy

1. Senate Republicans joined Dems on the budget committee to reject your FY86 request -- then passed one of their own that freezes defense and SS COLAs. Is there a GOP revolt taking place?
2. On freezing SS COLAs, you told Human Events last December that you thought people interpreted your campaign statements as ruling out a freeze. You said then "you felt bound" by that interpretation -- even though it went farther than you intended. Will you veto a SS COLA freeze?
3. Almost no one outside the Administration seems to take seriously the chances that Congress will give you the Defense budget total you asked for; except for Weinberger, there aren't many inside the Administration who do either. Isn't now the time for talking compromise on defense spending?
4. Some Republican Senators are also talking tax increase. How do you get them back on the reservation?
5. If you "go over Congress' heads to the people," won't you have to criticize Republican members as well as Democrats?
6. What does taking "care of our friends first" really mean? Will you retaliate against Republican Senators up in 1986 if they vote against you on MX, budget, Contra aid or other major issues?
7. When will you send a tax plan to the Hill? Do you plan to send them an Administration bill, or just a statement outlining your preferences that leaves the drafting to them?
8. Realistically, aren't the chances for passage of tax reform this year pretty slim?

- DE 11
9. Your own CEA suggests the Treasury plan's proposal to drop the investment tax credit will hurt investments. Many businessmen and economists say the whole plan will stifle capital formation and business growth. Have you studied the plan yourself yet and do you agree with these concerns?
 10. 71 state-chartered S&Ls in Ohio had to be closed because of a run by depositors. Whats the federal government doing to help and why shouldn't depositors in other states be worried about their savings?

Farm credit issues:

11. There's a lot of nervousness among farm state Republicans about the 1986 election (and some polls show your own popularity dropping fast in the farm belt). The fact is, your much ballyhooed \$650 million emergency credit plan has only helped 61 farmers so far, so aren't they right to blame the GOP?
12. How can a freer market for agriculture help the 200,000 or so now on the brink of bankruptcy?
13. You said 4% were in trouble. USDA says it's closer to 13%, about 3 times as many. Where'd your numbers come from, if not from USDA?

Miscellaneous issues

14. Time magazine uses words like "swagger" and "cocky combativeness" to describe a new tone to your second term. The "make-my-day" challenge to Congress on taxes, your televised veto of the farm bail-out contribute to the impression of a new, harder line in the White House. Just trying to send a signal to Congress or is there some other reason for new tone?
15. This new tone came in with your new team of Regan, Buchanan, et al. Are they encouraging a harder line?

16. Clarence Pendleton called civil rights leaders racists, then said you phoned him to agree. Do you? Is Ben Hooks of NAACP, or John Jacobs of Urban League, a racist?
17. Education Secretary Bennett says he might favor more lenient loan eligibility standards for families with several children of school age. Do you agree or are you sticking by the budget plan as sent to Congress?
18. Richard Nixon's given up his secret service protection to cut federal costs. Don't you think it's time for other cuts in the costs of supporting ex-Presidents?
19. Any reaction to Urban Institute's idea of offering \$2000 to any girl on welfare who reaches age 20 without having a baby?
20. A major leak at Union Carbide's chemical plant in South Charleston, W.Va., put a toxic cloud over the town and put four in the hospital. What assurance is there that we can avoid a tragedy here like that in Bhopal, India?
21. GSA has announced plans to begin monitoring federal employees' phone use. White House budget officials are said to be involved in the program, and say it's part of the war on waste. Isn't it really part of the war on bureaucrats that poses an unconstitutional threat to their privacy?
22. The Physician's Task Force on Hunger in America said recently that recent progress has been reversed by your budget cuts and that hunger is epidemic in this country. How do you respond?
23. Would-be assassin John Hinckley's writing a book and stands to make money from telling his story. The law would prevent him from that if he had been found guilty but since he was not guilty by reason of insanity, it's permitted. Any comment?

BUDGET ISSUES

Key points:

- o The right way to get the deficit down is to keep spending down; if Congress won't make the cuts, RR is willing to take the heat and use the veto.

Social Security COLA freeze?

- o RR's budget calls for no change in retirement program.
- o RR has said he would resist SS COLA freeze; there is no change in that position.
- o Nonetheless, we should all stand by for more political game-playing -- some Democrats are getting ready for another round of scare-tactics on this.
- o Reminder -- fact is, under RR's leadership:
 - trust fund was saved from bankruptcy;
 - benefits have risen (over \$200 a month for average retired couple);
 - system solvent and secure well into next century.

Republicans in revolt on Senate budget committee?

- o Disappointed in defense figure and SS COLA freeze passed by committee.
- o But, talk of tax increase seems to have quieted down and emphasis, from Republicans and Democrats is on controlling spending to get deficit down.
- o Controlling spending is the right way to do it; they just have the wrong mix of cuts (too much from defense, too little from domestic programs) -- but RR confident we can work with them.

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Isn't now the time to signal compromise on Pentagon budget?

- o RR's defense request not a bargaining chip. Still serious about the amount requested in FY86 budget. ('86 request is \$285 billion in outlays.)
- o RR's budget followed very thorough review of all spending, including Defense.
- o It's easy for members of Congress to say "freeze Pentagon across the board" but it's not responsible to do that.
- o Those who would cut spending have to say where -- What weapons won't be built? What bases will they close?
- o RR went through that process -- and have found places to save. Our budgets have been reduced \$150 billion from what we thought we'd have to spend four years ago.

Aides tell GOP Senators up in '86 that RR will take care of friends first. Will you refuse to campaign for those who oppose your budget?

- o RR has several goals for second term -- and getting substantial cuts in the deficit is a major objective.
- o Holding control of Senate for GOP tops the list of political priorities -- and RR intends to work hard to meet both of these goals.
- o Senators up for re-election in '86 won with RR in 1980. We were a winning team then; can win again if we stay together as a team.

DRAFT

ARE BLACK LEADERS 'NEW RACISTS?'

- o RR not going to join name-calling. It's come from both sides.
- o On the substance of the issues, RR does agree with Pendleton, others on the Civil Rights Commission and in the Administration.
- o Right policy goal is a color blind society where no one is helped or hurt by race -- can simply go as far as talents allow. If that's the goal, then:
 - Quotas are the wrong way to go;
 - Busing is very often counter-productive.
- o So RR won't join in name-calling but does wish critics of this Administration would be more fair. Some refuse to concede we've done anything right yet record is a good one:
 - one million more blacks have jobs than when RR took office;
 - poor and disadvantaged better off with growing economy and low-inflation;
 - have program to help even more -- enterprise zones and youth opportunity wage, for example -- both hold promise of tens of thousands more jobs.

DRAFT

DONOVAN RESIGNATION

- o RR accepted with regret and with gratitude for his four years of good service.
- o RR won't comment on these legal questions about what happened before he came into government since they must be decided in courts of New York state.
- o RR will say that Ray cooperated with federal inquiries into many of these same matters and the special counsel found no violations of law.
- o Ray decided legal process would take his full time for foreseeable future, prevent his resuming duties at Department any time soon -- so he did honorable thing and offered his resignation.

Was Donovan pushed out?

- o He came to see RR last week on day the NY judge decided case must go to trial.
- o Was at Ray's initiative; no one else's.

What about successor?

- o Will announce when decision is made.
- o Have several good candidates we are considering.

FARM CREDIT ISSUES

NOTE: Question may be asked about why so few farmers have applied for re-financing under Administration's \$650 million program first announced last Fall. Some say that's evidence Administration is dragging it's heels, not really trying to help farmers who are in debt.

- o Administration is doing it's part; not sure all banks are, though.
- o We worked out a debt-adjustment program for farmers in full consultation with leaders of commercial banks, to make sure we had a plan that could help banks serve their customers. RR thinks that's what they should be doing.
- o But some banks not doing their fair share. Only 61 farmers have obtained re-financing from commercial lenders, and RR thinks banks can do a lot better.
- o At same time, the Farmers Home Administration has processed over 50,000 new or re-financed loans so far this year. (Have put on 2000 more people to help process loans.)
- o About 40% of these FmHA loans are going to new customers who've never borrowed from FmHA before.
- o It seems some banks are telling farmers who have been their customers in the past to go to the federal government (the FmHA) for credit.
- o Bottom line is there are substantial funds still available for loans to farmers who need assistance.

SECRET

MISCELLANEOUS ISSUES

Nixon gives up secret service to save taxpayers money:

- o A generous gesture by former President; taxpayers should be grateful.
- o Will save \$2-3 million a year.
- o Was Nixon's own choice; RR believes we should continue to offer protection to former Presidents -- they can accept it or not based on their assessments of risk and other factors.

GSA plan to monitor government phone-dialing:

- o Not going to listen-in on conversations.
- o Will just check phone-bills for numbers dialed, like many private citizens and private businesses do.
- o Goal is to make sure government phones not abused for personal calls.

Urban Institute researchers' suggestion of giving \$2000 to any welfare-dependent woman who turns 20 without having a baby:

- o RR would strongly oppose; amounts to abortion bounty in cases of young women who do get pregnant.

Toxic leak at W.Va Union Carbide plant -- can Bhopal happen here?


- o Was a leak March 7th, of 2 types of chemical solvents. Injuries were relatively minor, nothing like tragedy in India. Those sent to hospital were treated and then released.
- o EPA has sent investigative team to the plant to find out how it happened.
- o EPA, OSHA both looked at plants here that use or make the Bhopal chemical and found practically no chance of a similar occurrence here because of procedures in place in U.S.

THE WHITE HOUSE

WASHINGTON

August 21, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Revised Domestic Briefing Materials

Counsel's Office has reviewed the above-referenced revised questions, and finds no objection to them from a legal perspective.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence Received (YY/MM/DD) 1 / 1 / Name of Correspondent: Dave Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Revised Domestic Briefing Materials**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUHOLL</u>	ORIGINATOR	<u>85108121</u>			<u> 1 / 1 / </u>
	Referral Note:				
<u>CUAT</u>	<u>18</u>	<u>85108121</u>		<u>S</u>	<u>85108121</u>
	Referral Note:			<u>4PM</u>	
		<u> 1 / 1 / </u>			<u> 1 / 1 / </u>
	Referral Note:				
		<u> 1 / 1 / </u>			<u> 1 / 1 / </u>
	Referral Note:				
		<u> 1 / 1 / </u>			<u> 1 / 1 / </u>
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WHITE HOUSE STAFFING MEMORANDUMDATE: 8/21/85 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 p.m. todaySUBJECT: REVISED
DOMESTIC BRIEFING MATERIALS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input checked="" type="checkbox"/>	<input type="checkbox"/> SS	SPEAKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	MACK	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Attached are revised questions for Saturday's radio interview. Please give your comments/changes directly to Russ Mack, with an info copy to my office. Thanks.

RESPONSE:

1225 AUG 21 PM 12:50

David L. Chew
Staff Secretary
Ext. 2702

TAX SIMPLIFICATION

- o RR convinced that American people want a simpler, fairer tax system; it would be best possible Christmas present;
- o RR determined to fight for tax fairness this fall -- will take case to people so Congress gets the message;
- o The overwhelming majority of Americans will enjoy a lighter tax burden under RR's proposal;
- o Personal taxes will be lowered by:
 - shrinking the number of brackets from 14 to 3
 - nearly doubling the personal exemption, to \$2,000.00;
- o The rich will pay more. The income subject to tax of households making more than \$200,000 will rise over 18%;
- o Our Fair Share Tax Plan will be bad news for those who have been hiding behind tax shelters to avoid paying their due;
- o It will be good news for families;
- o A House Select Committee on Children, Youth, and Families recently examined all of the proposed tax overhaul plans in terms of their effect upon families and rated our plan the best;
- o Under current law, a one-earner couple with two children and an income of \$11,400 would pay \$386 in taxes. Under RR plan, they would pay nothing at all. In fact, they'd receive \$261 from the IRS under the earned income credit;
- o Middle-income families will also benefit. Under current law, a family with two children and an income of \$31,181 would pay \$3,980 in taxes. Under our plan, only \$2,976;
- o RR's plan will provide a sharp increase in the personal exemption -- a long-overdue reform because the exemption has lost 66% of its buying power since 1945.

ECONOMIC UPDATE

- o Although economic growth has slowed from very rapid pace of last year, the recovery from back-to-back recessions has entered the second half of its third year;
- o Despite this year's overall GNP growth being less than last year's (due largely to lower exports and less accumulation of inventory) most components of GNP -- including consumer spending and fixed investment by businesses -- show strong growth;
- o Nearly 9 million people have been added to payrolls in past 2½ years;
- o Consumer price inflation, which four years ago many experts said would be a permanent plague, has been held at or below the 4% level for 3½ years;
- o Producer prices, which often warn of future inflation, show little change;
- o Mortgage rates are at their lowest level in 5 years. The prime rate is down to 9½% now -- down from 13% a year ago and the lowest in 7 years;
- o Energy prices remain on a short leash, and OPEC's grip appears broken. Gasoline prices are 10% lower than in 1981. (Remember: critics said RR's oil decontrol would cause higher fuel prices!)
- o Despite the slower GNP growth, unemployment has not moved upward;
- o In sum -- many economic signs are encouraging. But if we want to sustain economic growth, we've got to reduce federal spending.

BUDGET

- o The budget compromise approved by Congress on August 1 is only a beginning, not an end;
- o RR would have liked to see more substantial cuts, as in original Senate version;
- o The savings in the budget resolution represent only a down payment on deficit reduction;
- o RR is, of course, pleased that Congress saw the light and did not include any tax increase, which RR has said he will not tolerate;
- o But the budget resolution only sets spending targets -- the actual spending is done in the appropriations bill;
- o So RR has put Congress on notice: he will examine every upcoming appropriation bill line by line;
- o If any spending bill contains excessive spending or in any way jeopardizes national security, RR is prepared to use his veto pen;
- o In baseball terms, RR will play role of umpire -- if a budget-busting bill comes along, RR will cry "foul;"
- o For the long term, solving the deficit problem will require stronger medicine;
- o That's why RR firmly believes a president must have the line item veto, which 44 governors already have. That way, if Congress refuses to make necessary cuts, RR can do it and he'll take the heat for it;
- o And, of course, it's high time for a balanced budget Constitutional amendment;
- o After all, deficits aren't caused by the American people paying too little in taxes -- but by government spending too much of the people's money;
- o What's at stake in the budget battle is continued strong economic growth -- including:
 - lower interest rates;
 - new job creation;
 - continued low inflation.

FARMERS


- o This year has been another bumper crop year on the farm -- good news for consumers, but mixed blessing for farmers because of lower prices;
- o Not all farmers are in trouble -- many are not. In fact, in general those whose crops are part of government programs are worse off than others;
- o What caused current farm problems? The shocks of the '70s, like grain embargoes, soaring inflation, high interest rates;
- o Some farmers borrowed heavily, based on inflated land values. When inflation dropped, they were hurt;
- o RR believes farmers should get a fair return out of farming with less government distortion of the marketplace;
- o We need farm policy that is:
 - steady (not lurching from one "emergency" program to another);
 - competitive, with trade policies that give our farmers full and fair access to foreign markets;
- o Our Administration did initiate a package of short-term help for farmers in trouble last fall and earlier this year;
- o That short-term aid included 25% set-aside of FmHA interest payments, guarantee to banks for loan refinancing, guarantees for loans when banks fail, changing banking regulations for easier payment schedules;
- o But for long run, we need to help farmers stand on their own feet. Our Administration has already spent more on farm programs than any in history -- if money alone were answer, there'd be no farm problem;
- o The law governing farm program expires September 30th. RR eager to sign legislation that will put farming on steady course;
- o We're working with Congress, and we expect Congress to stay within its own budget goals on farm policy.

THE WHITE HOUSE

WASHINGTON

August 21, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Domestic Briefing Materials
(Saturday Radio Interview)

Counsel's Office has reviewed the above-referenced questions, and finds no objection to them from a legal perspective.

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Subject: Domestic Breeding Materials (Sat Radio Interview)

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Curran</u>	ORIGINATOR	<u>85.08.20</u>			<u>1 1</u>
<u>Chat 18</u>	Referral Note: <u>R</u>	<u>85.08.20</u>		<u>S</u>	<u>85.08.21</u> <u>9am</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>

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	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
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CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input checked="" type="checkbox"/> P	<input type="checkbox"/> SS	SPEAKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input type="checkbox"/>	<input type="checkbox"/>
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KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Attached are questions for Saturday's radio interview.
 Could we have your comments by 9:00 a.m. Wednesday,
 August 21st? Thanks.

RESPONSE:

105 AUG 20 7:14:54

David L. Chew
 Staff Secretary
 Ext. 2702

(Charen/Mack)

QUESTIONS FOR RADIO INTERVIEW, SATURDAY, AUGUST 24, 1985

From Dick Doty of Washington Broadcast News:

1) Tax Reform. . . Mr. President, what do you plan to do about it when you return to Washington?

°I'll be taking to the road during September to talk about our Fair Share Tax Plan.

°This tax plan will be a present not only to ourselves, but to our children, and their children.

°The only losers will be those who have created complex and clever schemes to avoid paying their way in this country. It's perfectly true that they will suffer when they fill out their first return under our tax plan. For some, it will be the first time in their lives that they've actually contributed their fair share.

°I plan to make "shelter" a word for a boy scout tent. I plan to make "loophole" a new stitch in knitting. I plan to make "evasion" a way for mailmen to cope with Dobermans. I plan to make unfairness a thing of the past.

2) Budget. . .What next?

°I think the American people are very rapidly losing patience with a Congress which stubbornly refuses to face fiscal facts. It's not even as if they are risking political heat. After all, they could have voted to give me what 44 governors have, the line-item veto, and then I could have made the cuts and taken whatever heat was coming.

°But since Congress was too timid to make the kind of cuts we so desperately need, I'm going to have to play umpire when I return to Washington next week. If a piece of legislation comes across my desk which is budget-busting, I'll cry foul.

°If a veto is the only way to assure that Americans get a budget they can afford -- a budget which is responsive to their worries about looming deficits -- then I won't hesitate to use it.

°I simply do not believe that all of our options have been exhausted.

°If they're running out of ideas, let me remind them that our budget included the termination of 17 programs. When imagination fails them, I recommend that they remember the initials UDAG, SBA, and AMTRAK.

From Bob Mohan of WSB Radio, Atlanta:

1) Where does the tax bill stand at this point? What will you do to get the reforms through Congress?

2) The budget battles created a split in the GOP. What will you do to heal the wounds? What is your approach to working with Congress -- what do you say to those who believe you are a lame duck President?

°Well, I know there were some peace pipes being smoked a few weeks ago. . . .

°But no, there's no ill will between the White House and the Republicans on the Hill. We are all committed to grappling with this budget question, and we're going to be shoulder to shoulder on this in the future.

°As to those who believe I'm a lame duck, let me remind them of one thing: when a duck really wants to move ahead, he doesn't walk -- he flies.

From Tomas Regalado of WRHC radio, Miami:

1) Health. . . Mr. President, how do you feel? Do you think your recent surgery has slowed you down?

°I feel just great. At first, I thought it might slow me down. But it hasn't at all.

THE WHITE HOUSE

WASHINGTON

September 4, 1985

MEMORANDUM FOR TOM GIBSON

DIRECTOR, PUBLIC AFFAIRS

FROM:

JOHN G. ROBERTS *JGR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

Domestic Briefing Materials for Q&A
With NC State Students

Counsel's Office has reviewed the above-referenced briefing materials, and finds no objection to them from a legal perspective.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Domestic Breeding Materials for O-A with
NC State Students**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>custall</u>	ORIGINATOR	<u>85,09,04</u>			<u>1 1</u>
	Referral Note:				
<u>cust 18</u>	<u>R</u>	<u>85,09,04</u>		<u>S</u>	<u>85,09,04</u>
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ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered C - Completed
B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOb).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 9/4/85 ACTION/CONCURRENCE/COMMENT DUE BY: 3:00 p.m. TODAYSUBJECT: DOMESTIC BRIEFING MATERIALS FOR Q&A WITH N.C. STATE STUDENTS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
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HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>GIBSON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any edits directly to Tom Gibson, Room 160, with an information copy to my office. Thank you.

RESPONSE:

105 SEP -4 PM 1:22

David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

September 4, 1985

Received
1985 SEP -4 12:00

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON *16*

SUBJECT: Briefing Materials for the President's Luncheon
Q & A with N. C. State Student Leaders

Attached, for clearance, are briefing materials on domestic issues for the President's Thursday Luncheon Q & A with N. C. State student leaders. Topics/potential questions center upon tax reform, education, agriculture, textiles and other miscellaneous items.

Briefing Materials for the President's September 5, 1985
Luncheon Q & A with N. C. State Student Leaders

Fair Share Tax Reform Proposal

What does your tax reform proposal mean to the young people of America?

- o Lower taxes -- higher disposable income.
- o We'll be able to lower tax rates, by eliminating many deductions that young people, as a rule, don't use. Example: eliminating deductions for mortgage interest on second/vacation homes. Most young people are working on their buying thier first home.

Why is the public losing interest in your tax package?

- o August was a slow month for all of us. There remains strong support for the proposal in both Houses of Congress and in both parties.
- o It is my intention to redouble my own efforts and to vigorously campaign to junk the tangle of the current code, that gives cover to the special interests, and replace it with my Fair Share proposal to benefit all Americans.

Why have you decided to raise taxes on private pension plans?

- o Treasury, with RR's approval, wants to end the so-called 401(k) tax exemption, started under last administration.
- o This lets people put some of their salary into special accounts managed by their employers, and delay paying taxes on that money or its interest until they retire.
- o Repealing that break, only in place for a few years, will allow my proposal to remain revenue neutral -- while still bringing tax rates down.

But isn't that unfair to people willing to save for retirement?

- o No, look at the whole pension landscape. The 401(k) tax break was put in before RR's administration expanded IRA's in 1981.
- o RR wants to expand IRA's a lot more, by allowing both husband and wife to deposit \$2,000, tax-deferred.
- o The IRA is fairer way to help people save for retirement; anyone can start an IRA, but a 401(k) is complicated and most employers don't even give people the opportunity.

Why is it so important to have your plan this year?

- o The current system, despite RR's efforts to reform it, is still anti-family, unfair, complex and full of inefficiencies. It should be junked, and sooner is certainly better than later.
- o This is RR's legacy to young people -- fair taxes to help families and enhance economic growth. Why wait?

Education

Today's college students have been accused of being obsessed with careers and making money. Do you think college students today lack idealism?

- o In the first place, planning for a career and idealism are not inconsistent. Some terrific entrepreneurs with new ideas for making money are great idealists.
- o The latest poverty figures show that an expanding economy that creates jobs is the best means to escape poverty. Perhaps the greatest "idealistic" social good a young man or woman could do is to take the risk of starting a business and give a job to a person without work.
- o In any case, I don't see this so-called lack of idealism. America's college students seem to me to have enormous confidence in themselves, in their country, and in the future of both.

It costs money to train engineers and scientists. Isn't it inconsistent to talk about the great possibilities in high-tech industries when your Administration has cut funds for student loans?

- o The future lies in many directions, high tech is just one of them.
- o The problem with government targeting education and training is that it distorts the job marketplace. Too many applicants for too few jobs. Students will study engineering and science if there are jobs in those fields without any urging from Washington.

You've always been in favor of prayer in the public schools -- and now, Education Secretary Bennett has been saying that it's impossible to separate the Judeo-Christian tradition from our politics or our educational system. Where does that leave children of other faiths?

- o Our constitution was intended to protect the rights of all citizens: believers and unbelievers, Christians and Jews, Moslems, Hindus, Buddhists, and anyone else fortunate enough to come under its protection.
- o What seems to be forgotten in the discussion of voluntary prayer in the public schools, is that the First Amendment contains a "free exercise" clause in addition to an "establishment clause." And that free exercise clause is every bit as important to a Muslim or Hindu child as the other.

The Department of Education favors a voucher system which would allow parents to send their children to parochial schools at the taxpayers expense. Isn't it a violation of the First Amendment?

- o I don't believe it's a violation of the First Amendment to give parents a choice.
- o Regarding a voucher system -- it would eliminate the unfairness of our present system where parents who send their children to private or parochial schools in effect pay twice: once in taxes to support the public schools their children don't use, and then tuition for schools they do use.
- o A voucher system would also introduce some healthy competition into the public school system and would lead to the general improvement of the quality of education across entire communities.

Agriculture

Some North Carolina farmers are in real trouble. Why have you threatened to veto legislation designed to help them?

- o We need to move toward getting the government out of farming business. Decades of subsidies, with farmers still in trouble have proven that.
- o Open markets, stable interest rates, increased exports, and a growing economy offer farmers the best solutions to their problems.

What should the government do to prevent another crisis?

- o Use targetted loan programs to help those in financial crisis, cut budget deficit, and federal borrowing;
- o More exports: a developing world unable to feed itself won't ignore our surplus farm goods.

- o Additional spending is not the answer. Spending more to prop up farm prices only gets us greater production, which drives down prices the following year.

Textiles

Why has the Administration refused to help North Carolina textile manufacturers?

- o The Administration opposes the textile import quota bill for several reasons:
 - The degree of protection the pending bills would provide is unnecessary for the maintenance of a viable industry.
 - This legislation would significantly roll back imports of textile and apparel products regardless of whether such imports cause damage to U.S. producers.
 - If enacted, this legislation would cost consumers \$14 billion, and spur inflation.
- o The proposed legislation is inconsistent with the Multifiber Arrangement that governs international trade in textiles and apparel, and would result in the abrogation of the 34 bilateral textile and apparel agreements.

Miscellaneous Topics

You have rejected the plea of shoe manufacturers for protection from cheaper foreign goods on the grounds of free trade. But how can there be genuine free trade if America is the only country doing the free trading? Aren't we just shooting ourselves in the foot?

- o Protectionism, whatever its disguise, always boomerangs to hurt the country which imposes it.
- o If we were to raise barriers to foreign goods all Americans would suffer, especially the poor, who would have to pay higher prices. In the shoe case a \$1 billion worth of protectionism would have cost American consumers \$3 billion.

How are you feeling? Fear of cancer impair your job performance?

- o Feel fine...

Can people of our generation ever expect to see the fruits of our investment in the Social Security system, or will it be bankrupt by the time we are old enough to collect?

- o In 1982, I appointed a bi-partisan commission to recommend steps to ensure the vitality of Social Security. Most of their recommendations have been implemented, and have placed S.S. on a sound financial footing into the next decade.

You've said you plan to use the veto power in the coming months to keep federal spending under control. But since you came into office, the budget deficits have grown dramatically. Why haven't you talked about using your veto until now?

- o We have gone the extra mile in trying to make the budget process work. The veto is a tool of last resort and a backstop for spending control.
- o I will use the veto on appropriations bills that have swelled above budget targets and violate the trust of American taxpayers.

Why isn't the Administration doing more to find a cure for AIDS?

- o AIDS research has been a top priority at the Department of Health and Human, and Center for Disease Control for over three years. *Sumner*
- o Over \$100 million is being spent on research this year alone.

Many states are raising the drinking age to 21 years. But most 18 to 21-year-olds do not drink irresponsibly. Why punish those of one age group instead of attacking problem drinkers of all ages?

- o If it were feasible to target problem drinkers of all ages, I'd be in favor of it. It isn't.
- o Unfortunately, statistics show the greatest problems are among young people who drink and drive. The 21-year-old drinking age has proved it saves lives.

What do you need to accomplish in the coming three years in order to consider your Presidency a success?

- o Passing the Fair Share Tax Plan.
- o More progress on cutting the federal budget.
- o Continued economic growth and raising the standard of living for all Americans -- particularly the poor.
- o Expansion of freedom and peace around the world.