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THE WHITE HOUSE

WASHINGTON

March 25, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks for Meeting With
Corporate and Economic Leaders in
New York on March 28, 1985

Counsel's Office has reviewed the above-referenced remarks, and finds no objection to them from a legal perspective. On page 1, line 19, should "spending" be inserted between "and" and "over"?

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

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

Subject: Presidential remarks for meeting
w/ corporate and economic leaders in
New York on 3/28/85,

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>85103122</u>			<u>1 / 1</u>
	Referral Note:				
<u>CUAT18</u>	<u>R</u>	<u>85103123</u>			<u>85103125</u>
	Referral Note:				<u>3pm</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>
	Referral Note:				

ACTION CODES:

A - Appropriate Action
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WHITE HOUSE STAFFING MEMORANDUMDATE: 3/22/85 ACTION/CONCURRENCE/COMMENT DUE BY: 3:00 P.M. MONDAY 3/25SUBJECT: REMARKS: MEETING WITH CORPORATE AND ECONOMIC LEADERS
(3/22 - 7:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	McMANUS	☒	☐
REGAN	☐	☒	MURPHY	☒	☐
DEAVER	☐	☒	OGLESBY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☒	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHEW	☐	☒	SVAHN	☒	☐
FIELDING	☒	☐	TUTTLE	☐	☐
FRIEDERSDORF	☒	☐	VERSTANDIG	☐	☐
FULLER	☒	☐	WHITTLESEY	☐	☐
HICKEY	☐	☐	CEA	☒	☐
HICKS	☐	☒	ELLIOTT	☐	☒
KINGON	☒	☐	HENKEL	☒	☐
McFARLANE	☒	☐		☐	☐

REMARKS:

Please provide any edits directly to Ben Elliott by 3:00 p.m. Monday, March 25th, with an information copy to my office. Thank you.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

105 MAR 29 11 7 46

(Robinson/BE)
March 22, 1985
7:00 p.m.

PRESIDENTIAL REMARKS: MEETING WITH CORPORATE AND
ECONOMIC LEADERS
NEW YORK CITY, NEW YORK
THURSDAY, MARCH 28, 1985

Thank you and good afternoon. It's an honor to join you in this historic room, and I might add that it's refreshing to speak in a place where the word "capitalism" doesn't have to be whispered.

Now, before we get to your questions, permit me to say a few words about an issue that affects each of you directly -- the Federal budget.

When we took office in 1981, the American economy, once vigorous, had become moribund. To bring the economy back to life, we made the first attempt in many years to restrain the growth and power of Government and free enterprise to do what it does best: we slowed the pace of spending and regulations, supported a sound monetary policy, and proposed an across-the-board personal income tax rate cut of 25 percent with new incentives for business investment. Our reasoning on this was straightforward. Throughout the seventies, effective tax rates had risen relentlessly, eroding incentives and driving millions to choose leisure over work, conformity over innovation, and over savings and investment. And, the impact of inflation on outdated depreciation schedules was eroding capital investment. A tax cut, we believed, would reverse the process, giving our economy new vigor.

At the time, you will remember, our policies were received with less than universal acclaim. In October 1982, John Kenneth Galbraith stated, "We have . . . an unprecedented experiment in economic policy. It has failed." Mr. Galbraith was correct that it was an experiment, but he should have waited for the results to come in.

Since the day our tax rate reductions became fully effective, we have seen 27 straight months of economic growth; the strongest rate of business investment in 35 years; the lowest rate of inflation in 18 years; a sharp rise in productivity; and the creation of some 7 million new jobs -- more than were created by all the nations of Western Europe during the past 10 years.

But the way I really knew our program was working was when they didn't call it Reaganomics anymore.

Here in New York, the stock exchange has come back to life. Perhaps of greater significance, the number of Americans who own stocks has increased from __ million in 197__ to today's record __ million, as more and more of our citizens have chosen to purchase a stake in our growing economic enterprise, each of them making himself -- oh, that word -- a capitalist.

As for Government revenues, the expansion spurred by the tax cuts has actually caused them to mount. Indeed, the Treasury's monthly statements for the first 4 months of the current fiscal year show that, compared to the same period last year, receipts have risen more than 11 percent. This means that remarkably enough, revenues are growing more quickly than the rates of inflation and real growth combined.

Today, with the effects of our tax cuts being fully felt, the American people have new opportunities with rising incomes; American business is growing, with more capital and higher rates of return. John Kenneth Galbraith, where are you now?

Unfortunately, even with Government revenues up, Government spending is up even higher. I know you agree: this year, the deficit must be cut. There are three options for doing so.

Option one is a tax increase. A tax hike, however, would once again dampen economic activity. Indeed, Government revenues might actually fall. A tax increase is out.

Option two is a radical cut in defense spending. Yet already during the past 4 years, defense spending has been reduced by more than \$150 billion below the 5-year plan we proposed in 1981. Indeed, our projected defense expenditures for 1985 are already almost \$16 billion less than the figure the last Administration projected for this year. The military threats we must face, however, have not been reduced. They have grown.

At this point, it is a simple necessity to continue to bring our Armed Forces up to date. I've told the Senate leadership that I'm willing to consider proposed savings on defense, but I cannot compromise on funding for weapons systems, either conventional or strategic, vital to our security.

That brings us to option three, cuts in domestic spending. It is here that we must make our greatest efforts.

Yes, it will prove difficult -- indeed, to paraphrase Dr. Johnson, watching the Congress cut deficit spending is like

seeing a dog walk on its hind legs. The remarkable thing is not that it gets done poorly, but that it happens at all.

The deliberations of the Senate Budget Committee, for example, have in their way been encouraging. At first the Committee proposed shallow spending cuts and considered a tax increase. Then they rejected the tax increase and proposed deeper cuts -- not all of them good cuts, by any means, but cuts. This represents progress, and I am confident that this session of the Congress will begin to bring deficit spending under control.

Permit me to close by suggesting an idea that is, perhaps, a little revolutionary -- namely, that there just might be a fourth option for reducing the deficit . . . another cut in tax rates.

Our tax reform proposal is at present undergoing substantial revision, but we know that it will simplify our tax code, broaden the base, and cut both personal and corporate tax rates. On static analysis, it is revenue neutral. But I fully expect that, by adding to the incentives our first tax cuts produced, it will spur further economic growth -- and add to Government revenues.

Some say that chances for the passage of such a bill during this session of the Congress are virtually nil. Please, don't believe it. As the remarkable results of our first tax cuts begin to sink in, it will become clear to Members of the Congress that, if they want to share the credit for economic growth in the 1986 elections, a good way to do so would be by supporting another cut in tax rates.

Growth -- growth is what we have already fostered; growth is what we continue to seek; growth, I am confident, is what, together, we shall achieve.

Thank you and God bless you.

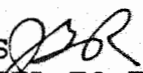
And now I'd be happy to answer your questions.

THE WHITE HOUSE

WASHINGTON

March 25, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Remarks: Open New York Stock Exchange
(Thursday, March 28, 1985)

Counsel's Office has reviewed the above-referenced remarks, and finds no objection to them from a legal perspective. As a matter of taste, however, I question whether the humor at the top of page 2 is sufficiently Presidential.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMING

Date Correspondence

Received (YY/MM/DD) 1 / 1Name of Correspondent: Dave Chew☐ MI Mail Report

User Codes: (A) _____

(B) _____

(C) _____

Subject: Remarks: Open New York Stock Exchange
(Thursday, March 28, 1985)**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>85,03,22</u>			<u>1 / 1</u>
	Referral Note:				
<u>CUAT 18</u>	<u>R</u>	<u>85,03,22</u>		<u>S</u>	<u>85,03,25</u>
	Referral Note:				<u>12N</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>
	Referral Note:				

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/22/85 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY, 3/25

SUBJECT: REMARKS: OPEN NEW YORK STOCK EXCHANGE

(3/22/85 - 12:30 p.m. draft)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	McMANUS	☒	☐
REGAN	☐	☒	MURPHY	☒	☐
DEAVER	☐	☒	OGLESBY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☒	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHEW	☐	☒	SVAHN	☒	☐
FIELDING	☒	☐	TUTTLE	☐	☐
FRIEDERSDORF	☒	☐	VERSTANDIG	☒	☐
FULLER	☒	☐	WHITTLESEY	☒	☐
HICKEY	☐	☐	<u>ELLIOTT</u>	☐	☒
HICKS	☐	☒	<u>CEA</u>	☒	☐
KINGON	☒	☐	<u>HENKEL</u>	☒	☐
McFARLANE	☐	☐	_____	☐	☐

REMARKS:

Please provide any edits directly to Ben Elliott by noon Monday, March 25th, with an information copy to this office. Thank you.

RESPONSE:

1985 MAR 22 PM 2:02

David L. Chew
Staff Secretary
Ext. 2702

(Gilder/BE)
March 22, 1985
12:30 p.m.

PRESIDENTIAL REMARKS: OPEN NEW YORK STOCK EXCHANGE
NEW YORK CITY, NEW YORK
THURSDAY, MARCH 28, 1985

Thank you. Thank you all.

This is a great view from up here -- kind of like ring side at a Saturday night tag-team wrestling match at the Garden. In a few moments I'll ring the bell and the action will begin. But in this lull before the storm, I'd like to say a few words about where this country has been and where we'll be going from here.

The last time I visited the New York Stock Exchange was in 1980, and the mood sure was different back then. But in the last 5 years, we've moved from malaise to hope, confidence, and opportunity. We knew that malaise for what it really was. Government, with its high taxes, excessive spending, and over-regulation, had thrown a wrench in the works of our free markets. In essence, Government was trying to run the economy, but was ruining it instead.

So we cut tax rates and counter-productive regulations and moved to limit spending growth. And I think we've seen some healthy results on this trading floor. As soon as the tax cut began to take effect, the stock market surged ahead. An enormous rush of new equity issues, venture capital, and new investment became the driving force behind an economic expansion stronger than any we'd seen in over a generation -- an expansion so strong it catapulted the United States once again into the position as the world's leading economic power. And for all those who say we can't repeat the dramatic growth record of the past 2 years for

the rest of the decade, we have only one thing to say:
bull . . . market.

The American economy is like a race horse that's begun to gallop in front of the field. Other nations, hobbled by high tax rates and weighed down by oversized Government spending, have been slow to catch up. This has caused some painful dislocations, especially for America's exporting industries. But the answer is hardly to hamstring the American economy to make it drop back with the others. The solution is for our trading partners to throw off the dead weight of government -- cut their own tax rates, spending, and over-regulation -- so that they can catch up with us in our race to the future.

There's one sure method to cut the expense and price of American-made goods and increase our export sales. The surest way to make American products more competitive is to cut the cost of Government to our private sector by cutting tax rates yet again. And that's exactly what we intend to do.

It's about time, too, that Congress took a serious look at itself and figured out why it is unable to cut spending. I saw Senators on the news state publicly that Amtrak was wasteful and unaffordable, but that they still couldn't bring themselves to vote to end Federal subsidies. If Congress can't bring itself to do what's right, they should give the President what 43 Governors have, a line-item veto. I can tell you, it would really make my day.

With tax reform and budget control, our economy will be free to expand to its full potential; the bears will go back into

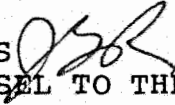
their caves for a permanent hibernation, and this bull market will continue to hit new, history-making highs. That's our economic program for the next 4 years -- we're going to turn the bull lose.

THE WHITE HOUSE

WASHINGTON

March 26, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Remarks: Meeting with Corporate
and Economic Leaders (NY)

Counsel's Office has reviewed the above-referenced remarks,
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: Dave Chew☐ MI Mail Report

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

Subject: Remarks: Meeting with Corporate and
Economic Leaders (N.Y.)

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>CUITOLL</u>	ORIGINATOR	<u>85,03,26</u>			<u>1 / 1</u>
	Referral Note:				
<u>CUAT 18</u>	<u>R</u>	<u>85,03,26</u>		<u>S</u>	<u>85,03,26</u> <u>12N</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/25/85 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW, 3/36

SUBJECT: _____ REMARKS: MEETING WITH CORPORATE AND ECONOMIC LEADERS
(3/25 - 7:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	McMANUS	☒	☐
REGAN	☐	☒	MURPHY	☒	☐
DEAVER	☐	☒	OGLESBY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☒	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHEW	☐ P	☒ SS	SVAHN	☒	☐
FIELDING	☒	☐	TUTTLE	☐	☐
FRIEDERSDORF	☒	☐	VERSTANDIG	☐	☐
FULLER	☒	☐	WHITTLESEY	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☒	HENKEL	☒	☐
KINGON	☒	☐	RYAN	☒	☐
McFARLANE	☒	☐		☐	☐

REMARKS:

Please provide any edits directly to Ben Elliott by noon tomorrow, March 26th, with an information copy to my office. Thank you.

RESPONSE:

1985 MAR 26 AM 7:17

David L. Chew
Staff Secretary
Ext. 2702

(Robinson/BE)
March 25, 1985
7:30 p.m.

Received SS

PRESIDENTIAL REMARKS: MEETING WITH CORPORATE AND
ECONOMIC LEADERS
NEW YORK CITY, NEW YORK
THURSDAY, MARCH 28, 1985

Thank you and good morning. It's an honor to join you in this historic room. Don Regan used to preside over meetings here when he served as president of the New York Stock Exchange, and he tells me this is one place where the word "capitalism" doesn't have to be whispered.

Now, before we begin our give-and-take, permit me to say a few words about an issue that affects each of you directly -- the Federal budget.

When we took office in 1981, the American economy, once vigorous, had become moribund. To bring the economy back to life, we made the first attempt in many years to restrain the growth and power of Government and to set enterprise free. We slowed the growth of Government spending and regulations, supported a sound monetary policy, and proposed an across-the-board personal income tax rate cut of 25 percent with new incentives for business investment.

On the tax cut, our reasoning was straightforward. Throughout the seventies, effective tax rates had risen relentlessly, eroding incentives and driving millions to choose leisure over work, conformity over innovation, and immediate gratification over savings and investment. At the same time, the impact of inflation on outdated depreciation schedules was

eroding capital investment. A tax cut, we believed, would reverse the process, giving our economy new vigor.

At the time, you will remember, our policies were received with less than universal acclaim. In October 1982 John Kenneth Galbraith stated, "We have . . . an unprecedented experiment in economic policy. It has failed." Mr. Galbraith was correct that it was an experiment. He should simply have waited for the results to come in.

Indeed, the results are historic. Since our tax rate reductions became fully effective, we have seen 28 months of economic growth; the strongest recovery of business investment in 35 years; the lowest rate of inflation in 18 years; a sharp rise in productivity; and the creation of some 7 million new jobs -- more than were created by all the nations of Western Europe during the past 10 years.

But I really knew our program was working when they didn't call it Reaganomics anymore.

Here in New York, the stock exchange has come back to life. Just as significant, the number of Americans who own stocks has increased from 25 million in 1975 to today's record 42 million, as more and more of our citizens have chosen to purchase a stake in our growing economic enterprise, each of them making himself -- oh, that word -- a capitalist.

As for Government revenues, they appear to be on the rise. While revenues in 1984 held steady, the Treasury's statements for the first 4 months of the current fiscal year months show that, compared to the same period last year, receipts have risen more

than 11 percent. Remarkably enough, this suggests that revenues are growing more quickly than the rates of inflation and real growth combined.

With the effects of our tax cuts being fully felt, today the American people have new opportunities and rising incomes; American business is growing, with more capital and higher rates of return; and the Government is watching its revenues rise.

John Kenneth Galbraith, where are you now?

Unfortunately, even with Government revenues up, Government spending is up even higher. Deficit spending this fiscal year is expected to top \$200 billion, absorbing vast sums of resources that could be used far more efficiently in the private sector. I know you agree: this year, deficit spending must be cut. There are three options for doing so.

Option one is a tax increase. Yet a tax hike would squander our hard-won progress by placing a new damper on economic activity. Indeed, Government revenues might actually fall. A tax increase is out.

Option two is a radical cut in defense spending. Already during the past 4 years, however, defense spending has been reduced by more than \$150 billion below the 5-year plan we proposed in 1981. Indeed, our projected defense expenditures for 1985 are almost \$16 billion less than the figure the last administration projected for this year. Yet the military threats we must face have not been reduced. They have grown.

At this point, it is a simple necessity to continue to bring our Armed Forces up to date. I've told the Senate leadership

that I'm willing to consider proposed savings on defense, perhaps stretching out the acquisition of such items as food, fuel, and munitions. But I cannot compromise on funding for weapons systems, either conventional or strategic, that are vital to our security.

That brings us to option three, cuts in domestic spending. It is here that we must make our greatest efforts.

Yes, this will prove difficult -- indeed, to paraphrase Dr. Johnson, watching the Congress cut deficit spending is like seeing a dog walk on its hind legs. The remarkable thing is not that it gets done awkwardly, but that it happens at all.

The deliberations of the Senate Budget Committee, for example, have in their way been encouraging. At first the Committee proposed shallow spending cuts and considered a tax increase. Then they rejected the tax increase and proposed deeper cuts -- not all of them good cuts, by any means, but cuts. This represents progress. Earlier this week, moreover, I held budget discussions with the Senate leadership, and we made still further progress. If the House cooperates, I am confident, this session of the Congress will begin to bring deficit spending under control.

Permit me to close by suggesting an idea that is, perhaps, a little revolutionary. There just might be a fourth option for reducing the deficit: a major tax reform that would include . . . another cut in tax rates.

Today, Treasury's tax reform proposal is undergoing revision, but I can tell you this much about it for certain: it

will simplify our tax code, broaden the base, and cut both personal and corporate tax rates. Of course, absolutely nothing can take the place of major reductions in spending. But with those cuts made, a tax reform could add to the incentives our first tax cuts provided, foster still more economic growth, and even increase Government revenues.

Some say that chances for the passage of such a bill during this session of the Congress are nil. Please, don't believe it. As the remarkable results of our first tax cuts begin to sink in, it will become clear to Members of the Congress that, if they want to share the credit for economic growth in the 1986 elections, a good way to do so would be by supporting another cut in tax rates.

Growth -- growth is what we have already fostered; growth is what we continue to seek; growth, I am confident, is what, together, we shall achieve.

Thank you and God bless you.

THE WHITE HOUSE

WASHINGTON

March 26, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Remarks: Open New York Stock Exchange

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

cc: David L. Chew

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

Subject: Remarks: Open New York Stock Exchange

ROUTE TO:

ACTION

DISPOSITION

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	Referral Note:			
<u>CUAT 18</u>	<u>R</u>	<u>85,03,26</u>	<u>S</u>	<u>85,03,26</u> <u>12N</u>
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Comments: _____

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

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/25/85 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW, 3/26

SUBJECT: REMARKS: OPEN NEW YORK STOCK EXCHANGE

(3/25 - 6:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	McMANUS	☒	☐
REGAN	☐	☒	MURPHY	☒	☐
DEAVER	☐	☒	OGLESBY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☒	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHEW	☐	☒	SVAHN	☒	☐
FIELDING	☒	☐	TUTTLE	☐	☐
FRIEDERSDORF	☒	☐	VERSTANDIG	☐	☐
FULLER	☒	☐	WHITTLESEY	☐	☐
HICKEY	☐	☐	<u>ELLIOTT</u>	☐	☒
HICKS	☐	☒	<u>HENKEL</u>	☒	☐
KINGON	☒	☐	<u>RYAN</u>	☒	☐
McFARLANE	☒	☐		☐	☐

REMARKS:

Please provide any edits directly to Ben Elliott by noon tomorrow, March 26th, with an information copy to my office. Thank you.

RESPONSE:

1985 MAR 26 AM 7:17

David L. Chew
Staff Secretary
Ext. 2702

(Gilder/BE)
March 25, 1985
6:00 p.m.

Received SS

PRESIDENTIAL REMARKS: OPEN NEW YORK STOCK EXCHANGE
1035 MAR 26 AM 7:11 NEW YORK CITY, NEW YORK
THURSDAY, MARCH 28, 1985

Thank you. Thank you all.

This is a great view from up here -- kind of like ringside at a Saturday night tag-team wrestling match at the Garden. In a few moments I'll ring the bell and the action will begin. But in this lull before the storm, I'd like to say a few words about where this country has been and where we'll be going from here.

The last time I visited the New York Stock Exchange was in 1980, and the mood sure was different back then. But in the last 5 years, we've moved from malaise to hope, confidence, and opportunity. We knew that malaise for what it really was. Government, with its high taxes, excessive spending, and over-regulation, had thrown a wrench in the works of our free markets. In essence, Government was trying to run the economy, but was ruining it instead.

So we cut tax rates and counter-productive regulations and moved to limit spending growth. And I think we've seen some healthy results on this trading floor. Those tax cuts helped re-energize the stock market, with the volume of shares traded hitting record highs, and more Americans than ever before participating in the market. An enormous rush of new equity issues, venture capital, and new investment became the driving force behind an economic expansion as strong as any we'd seen in 20 years. And for all those who say we can't repeat the dramatic

growth record of the past 2 years, we have only one thing to say: bull . . . market.

The American economy is like a race horse that's begun to gallop in front of the field. Other nations, hobbled by high tax rates and weighed down by oversized Government spending, have been slow to catch up. This has caused some painful dislocations, especially for America's exporting industries. But the answer is hardly to hamstring the American economy to make it drop back with the others. The solution is for our trading partners to throw off the dead weight of government -- cut their own tax rates, spending, and over-regulation and join us in opening up their markets to foreign competition -- so that they can catch up with us in our race to the future.

There's one sure method to cut the expense and price of American-made goods and increase our export sales. The surest way to make American products more competitive is to spur innovation, enterprise, and productivity by cutting tax rates yet again. And that's exactly what we intend to do.

It's time, too, that Government got off its present spending spree before it squanders our future prosperity. Senate Republicans are trying to put together a package of meaningful spending reductions, and they're going to need all of our support and encouragement in the coming weeks. And let me repeat again, if the political heat of budget cutting is too much for Congress, they should give the President what 43 Governors have, a line-item veto. If Congress can't cut, I will. Let me tell you, it would really make my day.

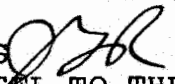
With tax reform and budget control, our economy will be free to expand to its full potential; the bears will go back into their caves for a permanent hibernation, and this bull market will continue to hit new, history-making highs. That's our economic program for the next 4 years -- we're going to turn the bull lose.

THE WHITE HOUSE

WASHINGTON

March 26, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: National Space Club
Luncheon (3/26/85; 11:30 a.m. Draft)

Counsel's Office has reviewed the above-referenced draft remarks. The joke in the first paragraph on page 3 plays into the hands of those who seek to ridicule the Strategic Defense Initiative as "Star Wars." It was my understanding that we were trying to avoid use of that label; saying "the force is with us" hardly helps.

The first sentence in the last paragraph on page 6 should be changed. The National Commission on Space was created some time ago by Public Law 98-361, 42 U.S.C. § 2451 note; the sentence in question conveys the false impression that the Commission was all the President's idea. Suggested alternative: "I am accordingly happy to introduce today the members of the National Commission on Space, which will devise an aggressive space strategy to carry America into the 21st century."

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) _____

Name of Correspondent: _____

David Chew☐ MI Mail Report

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

Subject: _____

*Presidential Remarks: National Space
Club Luncheon (3/26/85, 11:30 am draft)***ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<i>CU Holl</i>	ORIGINATOR	<i>85103126</i>			<i>1 1</i>
<i>CU AT18</i>	Referral Note: <i>R</i>	<i>85103126</i>		<i>S</i>	<i>85103127 10:00 am</i>
	Referral Note:	<i>1 1</i>			<i>1 1</i>
	Referral Note:	<i>1 1</i>			<i>1 1</i>
	Referral Note:	<i>1 1</i>			<i>1 1</i>
	Referral Note:	<i>1 1</i>			<i>1 1</i>

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

FOR OUTGOING CORRESPONDENCE:

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

Comments: _____

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/26/85 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. 3/27/85

SUBJECT: PRESIDENTIAL REMARKS: National Space Club Luncheon

(3/26/85, 11:30 a.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	McMANUS	☒	☐
REGAN	☐	☒	MURPHY	☒	☐
DEAVER	☐	☒	OGLESBY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☒	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHEW	☐	☒	SVAHN	☒	☐
FIELDING	☒	☐	TUTTLE	☐	☐
FRIEDERSDORF	☒	☐	VERSTANDIG	☒	☐
FULLER	☒	☐	WHITTLESEY	☒	☐
HICKEY	☐	☐	<u>ELLIOTT</u>	☐	☒
HICKS	☐	☒	_____	☐	☐
KINGON	☒	☐	_____	☐	☐
McFARLANE	☒	☐	_____	☐	☐

REMARKS:

Please provide any comments or edits directly to Ben Elliott, with an information copy to my office.

Thanks.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

Received SS
1985 MAR 28 PM 12:40

(Rohrabacher/BE)
March 26, 1985
11:30 a.m.

PRESIDENTIAL REMARKS: NATIONAL SPACE CLUB LUNCHEON
FRIDAY, MARCH 29, 1985

Thank you. Chuck, distinguished guests, ladies and gentlemen. I would like to express my appreciation to the Board of Governors for honoring me with this magnificent trophy. One of the fun things about my current job is being able to get personally involved in history-making endeavors, like the American space program. Nancy and I have watched space shuttles land and have spoken with the astronauts.

The space shuttle is now making it possible even for politicians to be transported into the heavens. Not long ago, the only way to do that was with hot air balloons. And scientists say there is no such thing as perpetual motion.

Seriously, though, I am proud to have been selected as the recipient of this coveted award. I accept it with thanks and on behalf of those tens of thousands of individuals across our great country who, with their hard work, creativity, and faith in the future, have built the American space program and laid the foundation for a better tomorrow.

Robert Goddard, for whom this award is named, exemplified the ingenuity and perserverance of individuals who make lasting contributions to their fellow countrymen and to mankind. Dr. Goddard persevered for 17 years of intense research and development. As so often happens, his genius was not apparent to many until after his success.

Arthur C. Clarke, distinguished author of science and fiction, says ideas often have three stages of reaction: first, it's crazy, don't waste my time; second, it's possible, but it's not worth doing; and finally, I always said it was a good idea.

In Dr. Goddard's case, the New York Times, claiming rockets would never work in the vacuum of space, ridiculed his effort. "He only seems to lack the knowledge ladled out daily in high schools . . ." the Times editorialized. My, my, I seem to remember when they were saying the same thing about Reaganomics.

Due to the efforts of Dr. Goddard and other individuals of vision and tenacity, America is now on the edge of a new era. By standing on the shoulders of giants like Robert Goddard, this generation is moving forward to harness the enormity of space in the preservation of peace, in increasing our economic well-being, and in expanding the horizons of human freedom beyond the greatest dreams of our Founding Fathers.

American freedom was once protected by musket and ball. Today scientific advancements are changing the way we think about our security. Two years ago, I challenged our scientific community to use their talents and energies to find a method of shielding us from attack with a totally defensive system. We seek to render obsolete the balance of terror -- or Mutual Assured Destruction, as it is called -- and replace it with technology incapable of initiating armed conflict or causing mass destruction, yet effective in preventing nuclear war. This is not, and should never be misconstrued as, just a method of protecting missile silos.

The Strategic Defense Initiative has been labeled, "Star Wars," but it isn't about war, it is about peace; it isn't about retaliation, it's about prevention; it isn't about fear, it's about hope -- and in that struggle, if you will pardon my stealing a film line, "the force is with us."

The means to intercept ballistic missiles during the boost phase of their trajectory would enable us to fundamentally change our national security strategy, permitting us to rely on a system based, not on offense, but on defense. What could be more moral than a system designed to save lives rather than avenge them?

And S.D.I. research is not aimed only at protecting the United States. Our security is inextricably linked with other free peoples. An essential element of S.D.I. research is an eventual ability to defend the United States and our allies from both long and short range ballistic missiles. Thus we will not only be consulting with our allies on S.D.I. research, but working actively with them. In fact, we are extending formal invitations to allied nations to join us in making S.D.I. a fully cooperative research effort. The Secretary of Defense will be establishing this program of allied cooperation on S.D.I.

Our activities in space are already helping keep the peace, providing us early warning and also, through spy satellites, enabling us to verify arms agreements. And far from being a violation of existing arms agreements, once our adversaries fully understand S.D.I., it will add new incentives to both sides in Geneva to actually reduce the number of nuclear weapons threatening mankind. By making missiles less effective, we make

these weapons more negotiable. If we are successful, the spiraling arms race will be a downward spiral.

Let history record that in our day America's best scientific minds developed technology that helped mankind ease away from the nuclear parapet, the ledge of a harrowing cliff upon which all living things were perched. Let us move on to a happier chapter in the history of man. And I would think any man of science would be proud to help turn that page.

We have used and will continue to use space to make ours a safer world. Space is also making a more prosperous world, and in this endeavor we have only scratched the surface. Space technology has already revolutionized communications and is assisting everyone from farmers to navigators. Industries that seem far removed from any direct tie with the space program have benefited beyond expectation.

Recently, the Presidential Commission on Industrial Competitiveness -- composed of leaders from business, labor, government, and academia -- reported that America's leadership in science and technology is the key to future U.S. competitiveness. Space can give America the edge. This is true not only for "high tech" industries like computers and biotechnology, but for mature ones as well. Innovation -- often spurred on, if not inspired, by the space program -- is vital to the modernization of our steel, automobile, and textile industries.

The grandeur of the space shuttle taking off and then landing after a successful mission has been a source of

inspiration to America. We cannot put a price tag on this. And we cannot take our achievements in space for granted.

Just 15 years ago, two Americans landed on the Moon and captured the imagination of the world. In 1969, the space program had momentum and we seemed on the verge of moving permanently into space. Instead, in the 1970's, America hesitated. It was almost like Columbus returning from discovering the New World, only to hear Queen Isabella say: "Well done, now let's break up the sailing ships for firewood. We have more serious things to do."

That attitude, shortsighted and pessimistic, didn't take our country anywhere. Investing in space and other frontiers of technology is like planting seed corn; the more you plant, the more you harvest.

Today we have an operating fleet of three -- soon to be four -- space shuttles. And last year we took the next step toward future achievements in space: a permanently-manned space station. The space station will serve as an orbiting laboratory for scientific and industrial research. It will give us vital new capabilities to work and learn in space and provide us a gateway to future space goals.

Our friends and allies have been invited to join us as partners in the space station effort. The response has been very exciting. We can fully expect that, in less than a decade, space will shine as an outstanding area of cooperation between the free peoples of this planet.

But we expect more than inspiration from our commitment to space. Space should and will become an increasing sphere of investment and commercial activity, a center of attention for entrepreneurs and businessmen. As free enterprise expands into space, not only will innovative ways be discovered to produce the goods and services we now enjoy, but new opportunities, inconceivable in the confines of Earth, will come to light and be acted upon. Before the end of the century, many billions of dollars of commercial activity will be taking place in and because of space. Government policies must be geared toward encouraging this wherever they can.

Let us always remember that our space program, first and foremost, belongs to and should address the needs of the American people. To maximize our benefits, we must look beyond short-term steps to develop a long-term strategy for our national space enterprise.

I am, therefore, announcing today the formation of a National Commission on Space that will devise an aggressive space strategy to carry America into the 21st century. The commission, with the participation of the brightest minds in and out of the space community, will bring into focus a vision of America's future opportunities and develop a strategy to ensure America is ready for tomorrow. The commission will outline for us an operational plan, including objectives, agents, and resources. The members will talk with a broad sampling of Americans to keep our space efforts on target with the hopes, dreams, and aspirations of the people.

It gives me great pleasure to announce to you that the Chairman of the National Commission on Space will be Dr. Thomas Paine.

We have other members of the commission with us today. Could they please stand? I want to thank all of you for taking on this task. We have faith in your dedication, in your judgement, and your imagination. Thank you for being willing to give of yourselves this way. You deserve a round of applause.

The challenge of pushing back frontiers is part of our character and, as we face the vast expanses of space, let us recapture those stirrings in our soul that make us Americans. Space, like freedom, is a limitless, never-ending frontier on which our citizens can prove that they are indeed Americans.

Dr. Goddard once wrote a letter to H. G. Wells. In it he explained, "There can be no thoughts of finishing, for 'aiming at the stars,' both literally and figuratively, is a problem to occupy generations, so that no matter how much progress one makes, there is always the thrill of just beginning."

Let us hope Americans never lose that thrill. Thank you for letting me be with you today.