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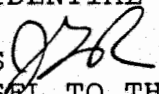
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THE WHITE HOUSE

WASHINGTON

September 3, 1985

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

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Address: William Neal
Reynolds Coliseum

Counsel's Office has reviewed the above-referenced Presidential address, and finds no objection to it 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: David Chew☐ MI Mail Report

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

Subject: Presidential Address: William Neal Reynolds
Coliseum

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>85109103</u>			<u>1 / 1</u>
	Referral Note:				
<u>CUAT18</u>	<u>R</u>	<u>85109103</u>		<u>S</u>	<u>85109103</u>
	Referral Note:				<u>10:00 a.m.</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:

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FOR OUTGOING CORRESPONDENCE:

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

Comments: Comments directly to Ben Elliott, copy to
David Chew.

Keep this worksheet attached to the original incoming letter.

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

Always return completed correspondence record to Central Files.

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

Received 93

(Gilder/PN)
August 30, 1985
4:00 p.m.

1005 AUG 30 PM 5:47
PRESIDENTIAL ADDRESS: WILLIAM NEAL REYNOLDS COLISEUM
NORTH CAROLINA STATE UNIVERSITY
RALEIGH, NORTH CAROLINA
THURSDAY, SEPTEMBER 5, 1985

Thank you very much.

It's great to be here at North Carolina State. In fact, nothing could be finer than to be in Carolina in the morning.

Last time I was in North Carolina was about a year ago in the middle of the campaign. One of my fondest memories of that campaign was the crowds of young college-age supporters who came to our rallies to cheer us on. I always felt as if it was the future of America calling -- urging this country on toward a vision of optimism, hope, and opportunity.

I've come back to you today because I need your support again -- I need your support to make that vision a reality. We've got before the Congress a plan that would completely overhaul our Nation's tax code, knocking down the barriers to achievement and making America's future as big and open and bright as our dreams. It's a plan to promote fairness, help families, and spur economic growth. It will mean more jobs, bigger paychecks, and smaller taxes, and it will give America a powerful boost ahead in the world competition. Somehow I just thought that's the kind of plan America's young people would whole-heartedly support. Am I right, are you behind me?

Thank you. You make it great to be back out on the road again. This is my first week out on the stump since I was in the hospital, and you're reminding me how much fun it is. You know,

I learned something while I was in the hospital: taxes are a lot like intestines. Sometimes you've just got to cut them a little.

All that stands between America and the future she deserves is -- you guessed it -- the special interests. Everybody agrees that our proposal would be better than that current disgrace we call our tax system. But all the cynical experts in Washington are laying odds against the fair share tax plan. They say forget the will of the people, all that matters are the high priced tax lawyers and lobbyists. There are plenty of powerful and influential people who make a pretty penny off the present, unfair system, and they have no desire to see it changed.

Well, the special interests may think they have this one locked up tight, and we may be starting this fall battle for tax fairness as the underdogs. But the students of NCSU know something about starting the season as underdogs and going on to victory. You started the '83 basketball season hopelessly behind, but you never lost heart, you never gave up. You gave it all you had through that final second of play when a dunk shot won you the championship. Well, we're going to bring a little of that Wolfpack spirit to Washington this fall -- and we're going to win one for America.

Many of you, I'm sure, have already had your first job. Then you've had your first experience with the Incredible Shrinking Paycheck. It has to be seen to be believed. There in one box it tells you your gross pay, and then you have all the little boxes with the taxes taken out: Federal tax, State tax, local tax, Social Security tax -- the list seems endless. And at

the end of it all, is the figure for your net pay. You may have wondered at that point who you were working for, yourself or the Government.

And it doesn't stop there. Because of the way our tax system is structured, the harder you work and the more you earn, the less of your income you get to keep. If you work hard at your job and get a raise, or if you put in overtime, you'll soon find that you're receiving a smaller and smaller reward for your extra effort. This, for some reason, is called a "progressive" tax structure, but it's hard to know what's progressive about a tax that discourages work and punishes achievement.

One of the first priorities of our tax overhaul is to make sure that more of your hard-earned dollars will end up where they belong -- in your pockets, not in Uncle Sam's wallet. Letting you keep more of what you work for -- that's one thing fairness means. And that's one reason that America needs tax fairness before this semester's seniors graduate. That's why we need America's Tax Plan this year, in 1985.

Fairness also means opportunity. And opportunity means a vital and growing economy. That's another priority of our fair share tax plan: to keep our economy humming, creating jobs and opportunity not only for your senior class, but for the juniors, sophomores and freshmen, too. Our first, 25 percent across-the-board tax rate cut has given us 33 straight months of growth and helped create 8 million new jobs. On the theory that you can't have too much of a good thing, we're going to cut tax

rates again. Our goal is a decade of economic expansion, and 10 million more jobs in the next 4 years.

The way the present system is set up, the privileged few who are able to afford high priced tax lawyers can tuck their income away in tax shelters. They get off scot-free, while everybody else has to make up the difference by paying higher rates.

It's not only unfair, it's dumb economics. Most of those shelters are a complete waste of our country's resources -- things like windmill farms, chinchilla ranches, or so-called "educational" cruises on luxury ocean liners. The waste engendered by the real estate provisions of our tax code alone is mind-boggling. Many of our Nation's business districts are beginning to look more like ghost towns, with huge "see-through" skyscrapers that are never occupied because they were only constructed for tax reasons in the first place. Tax waste, we should call it. It's huge, reaching into the multi-billions, and you, the American people are paying for it with higher taxes and lower economic growth. It's time we pulled our money out of the tax shelters and invested it in America's future.

By closing loopholes and making sure that everybody pays their fair share, we can lower tax rates for all. With lower personal and corporate rates, and another cut in the capital gains tax, small and entrepreneurial businesses will take off. Americans will have an open field to test their dreams and challenge their imaginations -- and the next decade will become known as the Age of Opportunity.

Fairness also means giving some relief to the long-suffering American family. Over the last 40 years, the huge increase in the Federal tax burden has fallen mainly on families with children because inflation has steadily eroded the value of the personal exemption. We're going to give those families a break by raising the standard deduction and nearly doubling the personal exemption for every man, woman, and child in your family.

This summer, I received a report card myself. The Democratically-controlled House Select Committee on Children, Youth and Families graded all the different tax plans according to their effect on children and families, and our fair share tax plan came out at the top of the class. I don't have to tell you how pleased I was -- that's a lot better than I ever did when I was in school.

Fairness also means a fair deal for the poor. Our tax plan would immediately take the working poor off the tax roles. We're also exempting the low-income elderly from taxation -- we think they've worked hard enough all their lives and shouldn't have to carry the I.R.S. on their backs into retirement.

The fact is, years of runaway Government spending in the sixties and seventies produced an inflationary binge that threw millions of people into poverty. Figures recently released by the Census Bureau show that the poverty explosion was only reversed in 1983, the year that our first tax cut took effect and ignited one of the strongest economic expansions in history. Between 1983 and 1984, poverty dropped faster and farther than it

had in over 10 years. Those who peddle Government compassion as a profession should take a close look at those figures. They prove conclusively that big Government, big spending, inflationary policies only create poverty; and that tax cuts, less Government, and a thriving private sector produce self-sufficiency and prosperity.

That's why we can't allow the opponents of our fair share tax plan to dither and debate and delay and try to filibuster it to death. America shouldn't have to wait for more jobs and faster growth. So we've set a time table. With the help of (North Carolina Congressmen and Senators present), we're going to marshal the pro-fairness forces in Congress and move America's Tax Plan through both Houses by Thanksgiving. Then, when we sit down with our families at Thanksgiving dinner this year, we'll have something extra-special to be thankful for.

We can do it, but we're going to need your very strong and vocal support. The walls of Congress are pretty thick. You're going to have to speak up if you want them to hear you.

Do we want a tax system that's fairer and simpler and lowers tax rates for the majority of Americans?

Don't make those old fogies in Washington turn up their hearing aids, now.

Do we want a decade of prosperity and 10 million new jobs before 1990?

Do we want record growth, record business starts and an entrepreneurial renaissance of invention and productivity that will keep America Number One in the world competition?

Do we want America's Tax Plan?

Something tells me I came to the right place.

Remember, we're fighting for more than a few dollars here or there, we're fighting for the American Dream. (North Carolina was the first State to vote for independence. Two centuries ago, the freedom-loving people of North Carolina were the first to rebel against unjust and burdensome taxation.) I get the impression your feelings haven't changed much in the meantime. ?

Today we're being called to a Second American Revolution of hope and opportunity. Our country has never been stronger or our economy so vital. We're at the dawn of a technological revolution which will soon be shining its light into every aspect of our lives. The world of possibility is opening like a flower. If I have one piece of advice to you, it's dare to dream big dreams. Follow your star. Maybe some of you dream of striking out on your own some day as entrepreneurs, starting your own business or joining a new start-up venture with exciting ideas.

Be like Jesse here. Sixty four years old and he's striking out in a new career in television.

There will always be the nay sayers, the people who tell you "it can't be done." They're the same ones who'll say, "tax fairness, sure, that would be nice, but the special interests won't let it happen." They're the one's who always talk about the "limits to growth" and who are constantly selling their country short. Just remind them that this is America, and that there are no limits except those that we put on ourselves. We're free to follow our imaginations into a future of abundant

promise. Maybe some of you have seen the new movie "Back to the Future." The last line in that film sort of sums up my vision of the future. My friends, where we're going, we don't need any roads. All we need is an open heart and trusting soul to map the way, and those standard American qualities of hard work, determination, and faith in the loving God who has so blessed our land.

Thank you and God bless you all.

THE WHITE HOUSE

WASHINGTON

September 4, 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: Dropby Briefing
for U.S. Marshals

Counsel's Office has reviewed the above-referenced draft remarks. The reference to the recent capture of the alleged "Night Stalker" in the third full paragraph on page 2 should be deleted. The President should never comment on particular pending criminal prosecutions. In the penultimate paragraph, "Stanley" can be changed to "Stan," which is what Mr. Morris goes by.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

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

Subject: Presidential Remarks: Dropby Briefing for
U.S. Marshals**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>	<u>ORIGINATOR</u>	<u>85.09.04</u>			<u>1 1</u>
	Referral Note:				
<u>CUAT18</u>	<u>R</u>	<u>85.09.04</u>		<u>S</u>	<u>85.09.04</u>
	Referral Note:				<u>10:00 a.m.</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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David Chew

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: 9/3/85 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 am, 9/4/85SUBJECT: PRESIDENTIAL REMARKS: DROPBY BRIEFING FOR U.S. MARSHALS
(SEPTEMBER 3, 7:00 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
WRIGHT	☐	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐ P	☒ SS	SPEAKES	☐	☒
DANIELS	☐	☐	SPRINKEL	☐	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☒	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☒	☐
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS:

Please submit your comments directly to Ben Elliott's office by 10:00 a.m. Wednesday, September 4.

RESPONSE:

SEP 4 1985 7:35

David L. Chew
Staff Secretary
Ext. 2702

(Rohrabacher/BE)
September 3, 1985
7:00 p.m.

PRESIDENTIAL REMARKS: DROPBY BRIEFING FOR U.S. MARSHALS
THURSDAY, SEPTEMBER 5, 1985

Thank you. I appreciate this opportunity to spend a few minutes with you. I feel right at home with you folks. You see I once played a Deputy United States Marshal back in 1953 in a film entitled "Law and Order."

The fellow I played was named Frame Johnson and the story was set in Tombstone and Cottonwood, Arizona. Now, I know that some people suggest that in those old films we portrayed things in a simplistic manner -- making it a choice between the good guys and the bad guys. Well, that may be too simple, but I think it is important to reaffirm that there are good guys. And I'm proud to say that the United States Marshals are among the best.

And there are also bad guys. I think every American should be grateful that today we've got on the front lines battling the criminal element, the finest crop of law enforcement professionals in our country's history.

Coming to grips with America's crime epidemic has been one of our top priorities since getting to Washington 4-1/2 years ago. We've done our best to appoint judges who understand that the purpose of the criminal justice system is supposed to be the protection of the innocent. In the last two decades there was a funny idea going around that constructing road blocks to prevent conviction was in itself protecting innocent defendants. That twisted logic ignited an explosion of crime, crime often

committed by individuals who have been arrested over and over again.

I'm proud of the part we're playing in pushing the pendulum back in the right direction. I think Attorney General Meese has made and will continue to make an enormous contribution in this vital area.

But even before Ed's appointment, we worked with our friends up on Capitol Hill to pass needed reform. Last October it was my pleasure to sign into law the most wide-ranging proposal in recent history strengthening the Federal role in criminal justice, the Comprehensive Crime Control Act of 1984.

But all the laws mean nothing unless the people are behind us. We've been building a new spirit of cooperation between the public and law enforcement. It is beginning to pay off. I was just out in California, and a man accused of a string of murders was captured by some courageous citizens of East Los Angeles. It was just another sign that, as far as crime goes, the patience of the good and decent people of this country has worn out. I predict we are on the edge of a new era of community involvement in American law enforcement. Change is the name of the game in law enforcement. Already, your job compares to the Marshal of the old West, in about the same way the Space Shuttle compares to the stage coach. You've kept your honorable traditions, but today you are fulfilling your responsibilities with modern skills, technology, and innovative thinking. I especially would like to congratulate you for some of the creative methods being put to use in apprehending criminals. I have to hand it to the Marshal

who thought of luring criminals with free vacation trips and tickets to concerts. There's an old saying about catching more bears with honey. The animals you've been catching are more illusive than bears.

Today you are in a central position in the Federal Justice System. Virtually every Federal law enforcement initiative involves the Marshal Service. The custody, care, and transportation of Federal offenders is your responsibility. If a Federal criminal jumps bail, violates parole or escapes from prison, tracking him down and recapturing him is your responsibility. When an order is issued by a Federal court, it's your job to see that the order is carried out. You are protecting the courts, judges, attorneys and witnesses; paying the court's bills; and overseeing a dozen other tasks essential to the functioning of the justice system. This all adds up to a heavy burden of responsibility. I can tell you it's a lot more than I had to cope with back when I was Marshal Frame Johnson.

Seriously though, I'm happy to see you are here in the Nation's Capital honing your skills and learning new techniques. I want to take this opportunity to personally congratulate Stanley Morris for the fantastic job he has done. Stanley, thanks for the leadership you've given to these fine men and women. We can see the results.

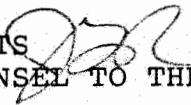
And thank all of you, for your hard work, dedication, courage. We're all counting on you so keep it up. Thank you and God bless you.

THE WHITE HOUSE

WASHINGTON

September 13, 1985

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

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Address: Tax Plan, Concord, NH

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

cc: David L. Chew

ID # _____

CU

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: address: Jay Plan, Concord, New Hampshire

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>Civil</u>	ORIGINATOR	<u>85,09,13</u>			<u>1 1</u>
	Referral Note:				
<u>Cust 18</u>	<u>R</u>	<u>85,09,13</u>		<u>S</u>	<u>85,09,16</u>
	Referral Note:				<u>11am</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 MEMORANDUMDATE: 9/13/85 ACTION/CONCURRENCE/COMMENT DUE BY: 11:00 a.m. 9/16/85SUBJECT: ADDRESS: TAX PLAN
Concord, New Hampshire
(9/13/85 - 2:30 p.m. - draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☒	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☒	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 11:00 a.m. Monday, September 16, Thanks.

RESPONSE:

1085 SEP 16 11 30 59

David L. Chew
Staff Secretary
Ext. 2702

(Rohrabacher/BE)
September 13, 1985
2:30 p.m.

PRESIDENTIAL ADDRESS: TAX PLAN
CONCORD, NEW HAMPSHIRE
WEDNESDAY, SEPTEMBER 18, 1985

Governor Sununu, ladies and gentlemen. It is a great pleasure for me to be with so many old friends. New Hampshire has a special place in my heart. I came here in 1980 asking for your help. Many of you were active in that campaign. Together we started something that has changed the face of America. So let me just take this opportunity to express to you my heartfelt appreciation. Thank you New Hampshire!!

A lot of political pros come up here to test the waters. I heard about one who was driving on a backroad when he noticed a chicken running parallel to his car. He looked over and to his surprise it looked like that chicken had three legs.

Well, the fella sped up and the chicken sped up. He sped up. The chicken sped up. This happened a few times and then at about 70 miles per hour, the chicken passed him and took off down a side road. The driver followed. The chicken raced through a barnyard and the driver screeched to a halt and jumped out.

A farmer was standing there and the driver asked him if his eyes were deceiving him, or did he just see a three-legged chicken run by. The farmer said, "I bred it that way. Ya see," the farmer explained, "I like the drum stick. Ma likes the drum stick and Junior likes the drum stick. I just got tired of fightin over it."

"Well, how does it taste?" the driver asked.

The farmer just scratched his head. "Don't know. Never been able to catch one."

Well, unlike that farmer, the American people are enjoying the fruits of what we set out to do. There was a monster loose in the land back in 1980, inflation. Running at double digits for 2 years in a row, it was destroying the economic well being of our people and tearing at the fabric of our free society.

We put that monster in a cage and brought inflation under control. The latest figures have inflation still running below 4 percent. Have we made a difference? You bet we have.

Our economy was in serious trouble and today we have enjoyed 33 straight months of economic growth. Retail sales are up. Real take home pay is up. Overall unemployment is down to 6.9 percent, and more Americans are working than ever before in our history.

We've created 3 million new jobs just this year. Many of those jobs are flowing from a tidal wave of new small business activity. Well over a million businesses were incorporated in the last 2 years, most of them small operations, the entrepreneurial dream of one individual. This grass roots free enterprise can keep America number one. On November 22, there will be a meeting of the White House Conference on Small Business in Concord to get New Hampshire's input on how to further expand the opportunities on Main Street America. I urge you to participate and make your voices heard.

The way to progress is not, as some in the Nation's Capital would have us believe, to harness the energy of the American

people by centrally directing it from Washington. Do any of you want to be harnessed by Government planners? The way to a better life for all Americans is to free the energy of our citizens, to let you the people make decisions with your own lives -- and to do that by getting Government out of your way. That's the plan for a more prosperous future. With freedom and the profit motive there's nothing we can't do!

It is frightening to think of where we would be now, had we permitted Government policies of the last decade with their disastrous economic consequences to continue. Instead, together, we set America on a new course, and because we stuck to our principles, life is improving.

One of the accomplishments of which I am most proud is the reduction we've made in poverty. When I campaigned here back in 1980, I said, and still firmly believe, the best cure for poverty is a strong and growing economy. The answer to helping those in need is not more welfare, Government programs, and dependency. The answer is growth, jobs, and opportunity.

After years of progress the number of poor people in America started to grow in 1978, just as the tax, tax, spend, spend philosophy of the previous administration came on line. Well, it took time to put our program in place, time to reverse previous trends. But as our program began to take hold in 1983, contrary to certain news accounts, that increase in poverty which had continued since 1978, ground to a halt. And last year, we witnessed one of the largest reductions in the number of people

living in poverty in history -- 1.8 million people lifted into new lives of progress and hope.

One of the cornerstones of our economic program was a 25 percent across-the-board reduction in the tax rates. In the years before we got to Washington taxes had been skyrocketing. The Federal tax take doubled just between 1976 and 1981, siphoning off the strength and resources of the private sector, undermining any chance for economic growth. Our economy was being bled dry and the liberals acted surprised when they found the patient was nearly dead.

We put a stop to the tax spiral by offsetting tax increases built into the system. Without our changes, a family of four with two earners in America would have paid \$2,544 more in taxes in the last 4 years. Has being able to keep \$2,544 more of your money been good for you and your family? Anyone who doesn't like it, can send in their check.

Offsetting the built-in tax increases was a good start and has paid off with more investment, more jobs, and better times for everyone. That was step one. Now it is time to finish the job. Taxes are still too high and the system is unfair and too complicated. It encourages people to channel their resources into tax shelters rather than job creating investment. It is a boon to the tax lawyers and a drag on just about everybody else.

The politicians in Washington who constructed this tax code monstrosity say you, the American people, are not interested in tax reform. That is why I came. I want to simplify the system and overhaul it from top to bottom. I want to bring down the

rates and close up the loopholes. Are those politicians right when they say you don't care? Can I count on your support to finish the job we began in 1981? Thank you, you just made my day. I'll give 'em your message personally.

We propose to reduce the 14 tax brackets down to 3 -- 15 percent, 25 percent, and 35 percent. Virtually everyone will be paying at a lower rate. At the same time we will be closing loopholes that distort economic choices, do nothing to improve our economy, and are downright unfair. There is no reason that high salaried businessmen and lawyers, for example, should expect everyone else to subsidize outrageously expensive lunches. Working people are not sweating at their jobs, brown bagging it at noon, in order to help pick up the tab for somebody else's expensive wine, \$25 entrees, and gourmet desserts.

Let's not blame those using legal but unfair loopholes and write-offs. Let's just change the system so all of us are treated the same.

One of the write-offs we're talking about concerns State taxes. Less than 40 percent of all taxpayers -- usually the more well-to-do -- use this write-off. So even for people within the same State, within the same community, it is unfair. It is even more unjust for those, like you in New Hampshire, who live in low tax States. In effect, the current system rewards rich States with big budgets and high taxes. You people who've been responsible and kept your budgets low don't receive an equal benefit. Is that any way to run a Federal tax system?

What we want is a tax system that encourages prudent management of resources, a system that rewards those who work by permitting them to keep more if they produce more. We want the ingenuity and creative talents of the American people channeled into beating the competition instead of focused on beating the tax collector with schemes and maneuvers. We want a system that is good for the American family. We want a new tax system for Americans -- a fair share tax plan for all.

So we propose raising the standard deduction for the American family to \$4,000 and nearly doubling the personal exemption to \$2,000. The political establishment back in Washington says you don't care about these things. I say the Washington establishment is out of touch with the people. America wants tax reform, America deserves tax reform. And if we stand together, America is going to get tax reform.

One cannot come to this spot without remembering what New Hampshire has meant to America. The tranquility of your streams and forests, the majesty of your wooded hills, the richness of your soil, gave birth to a new breed of people -- people respectful of God, fiercely independent and unafraid to stand up and be counted. In 1976 and then again in 1980, I traveled your beautiful State, speaking at city halls, school gymnasiums, and town meeting halls. If anyone doubts that democracy is alive and well, let them come to New Hampshire. "Live free or die," is more than a motto; it is a way of life that we are bound and determined to preserve.

The American revolution that began here never died. It, too, started over unjust taxation. King George underestimated how much the people cared about this issue. Don't you think it's time for a Second American Revolution? Together we will win. We will overhaul our tax structure and continue building a society where people are free and opportunity is unlimited; One Nation, under God, with liberty and justice for all. God bless you and thank you for letting me be with you today.

THE WHITE HOUSE

WASHINGTON

September 17, 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: News Conference
Opening Statement

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 / 1 / 1Name of Correspondent: Dave Chew☐ MI Mail Report

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

Subject: Presidential Remarks: News Conference
opening statement**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>85109116</u>			<u>1</u> / <u>1</u> / <u>1</u>
<u>CUAT18</u>		Referral Note: <u>R/D</u>	<u>85109116</u>	<u>1</u>	<u>S</u>	<u>85109117</u> <u>10 AM</u>
		Referral Note:	<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>
		Referral Note:	<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>
		Referral Note:	<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>
		Referral Note:	<u>1</u> / <u>1</u> / <u>1</u>			<u>1</u> / <u>1</u> / <u>1</u>

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Completion Date = Date of Outgoing

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WHITE HOUSE STAFFING MEMORANDUMDATE: 9/16/85 ACTION/CONCURRENCE/COMMENT DUE BY: Tues., 9/17/85 10:00 a.m.SUBJECT: PRESIDENTIAL REMARKS: NEWS CONFERENCE OPENING STATEMENT
(Sept. 16 5:00 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☒	☐
DANIELS	☒	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	GIBSON	☒	☐
HICKS	☐	☐	ELLIOTT	☒	☐
KINGON	☒	☐			☐

REMARKS:

Please submit your comments on the attached to Ben Elliott by 10:00 a.m. TOMORROW and provide me with an info copy. Thanks.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

Received
SEP 16 PM 6:11

(Elliott)
September 16, 1985
5:00 p.m.

PRESIDENTIAL REMARKS: NEWS CONFERENCE OPENING STATEMENT
THE ECONOMY
TUESDAY, SEPTEMBER 17, 1985

Good evening, I have a statement. We've been pleased to see mounting evidence of new strength in our economy. By following policies of lower taxes, and free and fair trade, America has led the world with 33 straight months of growth, and more than 8 million new jobs. Inflation has been held under 4 percent. Meanwhile, nations clinging to high taxes and protectionist policies have not only failed to match our performance, they've lost jobs and seen their investment flow to the United States.

Opportunity is our engine of progress. So I'm asking Congress to work with me, not against me -- to control Federal spending; pass our own fair share tax plan lowering rates further; open up closed markets overseas; and urge other nations to cut their tax rates to strengthen their economies and their ability to buy American products.

This is the path of cooperation and success that can lead to a decade of growth and 10 million new jobs in the next 4 years.

But there is another path that can only lead us away from opportunity and progress. A mindless stampede toward protectionism will be a one-way trip to economic disaster. That's the lesson of the Smoot-Hawley tariff in 1930, which helped to trigger a worldwide trade war that spread, deepened and prolonged the worst depression in history.

We estimate that one proposal awaiting Congressional debate, a 25-percent surcharge on imports from four countries, would

immediately place in jeopardy \$35 billion in U.S. exports, and over 1 million jobs. That's a conservative estimate.

Americans whose jobs are tied to the export of machinery, commercial aircraft, and chemical products would be immediate targets of retaliation. But agriculture, an industry already in great difficulty, would be even more vulnerable. Protectionist tariffs could well invite retaliation that would deliver an economic death blow to literally tens of thousands of American family farms.

We have begun doing many good things for America these last 4 years. Much remains to be done, and can be done. So let us not place all that progress, all our hopes for the future at risk, by starting down a slippery slope of rash acts and reckless judgement. This is a time for cool heads and clear vision.

THE WHITE HOUSE

WASHINGTON

September 19, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Address: President's Export Council

Attached is the President's proposed address to the Export Council that we discussed at this morning's staff meeting. The speech is a pitch for free trade, criticizing the wide range of protectionist legislation pending in Congress. It minimizes the significance of the trade deficit, and explains that deficit on the basis of the relative strength of the American economy.

There are two minor legal problems with the draft, both on page six. The first full paragraph on page six states "Under authority granted by the Trade Act of 1974, we are the first Administration in history to initiate investigations and take action to counter unfair practices in so-called 301 cases." It is true that an amendment to the Trade Act enacted October 30, 1984, first authorized the Trade Representative to self-initiate § 301 investigations. The sentence in the draft, however, conveys the false impression that other Administrations refused to do this (rather than were not authorized by Congress to do so) and that other Administrations did not take action under § 301. Other Administrations did take such action, in response to petitions calling for an investigation. I would change the sentence to "Under a recent amendment of the Trade Act of 1974, we have initiated investigations to help counter unfair trade practices in so-called 301 cases."

In the last paragraph on page six, the draft states that the President has asked the Secretary of the Treasury to establish a \$300 million war chest for trade purposes. This should be changed to the President has requested the Secretary to seek legislation to establish such a war chest.

Attachment

THE WHITE HOUSE

WASHINGTON

September 19, 1985

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

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Address: President's Export Council

I have reviewed the above-referenced draft Presidential address. The first sentence in the first full paragraph on page six should be changed to read as follows: "Under a recent amendment of the Trade Act of 1974, we have initiated investigations to help counter unfair trade practices in so-called 301 cases." As written, the sentence is misleading in suggesting that other Administrations could but chose not to self-initiate § 301 investigations, and that previous Administrations took no action to counter unfair trade through § 301 cases. Previous Administrations did take such action, in response to petitions initiating investigations, which was the only way to do so until October 30, 1984.

The first sentence in the last paragraph on page six should be changed by adding "to seek legislation" between "Treasury" and "to."

cc: David L. Chew

FFF:JGR:aea 9/19/85

cc: FFFielding
JGRoberts
Subj
Chron

ID #

CU

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

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

Subject: Address: President's Export Council

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>CU HOLL</u>		ORIGINATOR	<u>85.109.119</u>			<u>1</u> / <u>1</u> / <u>1</u>
<u>CUAT 18</u>		Referral Note:	<u>R/D 85.109.119</u>		<u>S</u>	<u>85.109.119</u>
		Referral Note:				<u>3:30 PM</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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		Referral Note:				

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WHITE HOUSE STAFFING MEMORANDUMDATE: 9/19/85 ACTION/CONCURRENCE/COMMENT DUE BY: 3:30 TODAYSUBJECT: ADDRESS: President's Export Council

(9/19/85 12:30 p.m. - draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☒	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 3:30 p.m. today. Thanks.

RESPONSE: _____

David L. Chew
Staff Secretary
Ext. 2702

105 SEP 16 1985 1:17

Received
1987 12 17 14:13

PRESIDENTIAL ADDRESS: PRESIDENT'S EXPORT COUNCIL
MONDAY, SEPTEMBER 23, 1985

Well, thank you all and welcome to the White House. I'm pleased to have this opportunity to be with you to address the pressing question of America's trade challenge for the eighties and beyond.

My views on this subject were shaped by what I consider a principle for eternity borne out by the great and terrible events of this century: the freer the flow of world trade, the stronger the tides for human progress and peace among nations.

I saw this principle borne out in 1930, when America tried in vain, through the trade-killing Smoot-Hawley tariff, to swim against the tides of history. The result, swift and sure, was a trade war so terrible, it dragged down all the nations of the world into the Great Depression.

And I have also seen this principle borne out in happier times -- after World War II, when the United States helped create an international trading and financial system limiting Government's ability to disrupt trade.

At a moment in history when citizens across the world hungered for leadership, America stepped forward to become a great and powerful magnet for progress. We helped improve, dramatically, the well-being of millions; we led the drive for democracy and peace; we showed the world we are a generous and united people who conquer fear with faith, who overcome poverty

with growth, and who defeat violence with opportunity and freedom -- and, yes, we remain that same people today.

Consider the stark and inescapable contrast: on one side, the freedom we enjoy -- to own property, to produce, sell and trade goods -- continues to shine its golden promise of hope for millions; while on the other, ^{hand} communism, which survives and thrives only through fear, repression, and violence, continues to darken whatever lands it controls with an unpardonable, unending wreckage of human lives and dreams.

Because we live for freedom, because we have enshrined the principle of free trade with the most open trading policies on Earth, the United States is the world's largest trader; we are the world's largest exporter; we are the world's most prosperous Nation -- and by keeping faith with that principle, we will remain the world's most successful and prosperous Nation.

I don't have to convince you what benefits free trade brings us: you know that our living standards are higher thanks to greater productivity as we specialize in what we do best; that consumers enjoy wider choices and more competitive prices from their access to raw materials and industrial products overseas; that half a trillion dollars worth of goods and services were added to our GNP from trade last year; and that exports account for 2 of every 5 acres of farm crops planted, and 1 out of every 5 jobs in our economy.

Impressive as these figures are, free trade is even more indispensable as a vessel for change -- change in the form of knowledge and equipment enabling America's workforce to modernize

older industries; to develop sunrise technologies; to push forward the frontiers of space, and to become entrepreneurs guiding us through a minefield of challenges into the 21st century.

We are seeing such a revolution right now. With tax policies encouraging record risk-taking and growth, with open markets accelerating the transformation of our economy, America's optimistic spirit is finally bursting free. We are creating a modern miracle unmatched by any other people, anywhere in the world.

Computer technologies, the leading catalyst of the Information Age, the leading wedge of productivity gains, have become our national growth industry number one. Led by thousands of new software firms, exports of computers are exploding. We've had a 200-fold increase in venture capital commitments, record business starts, a 60-percent increase in companies listed over-the-counter in the stock market, and, in these last 33 months, 8 million new jobs created and employment reach its highest level in history. A new American economy is being born -- an economy of hope, an economy of the future, an economy of immense opportunity where people can prosper and live in peace.

And, yet, cracks have begun to appear in the foundation of our international trading system. I recently had to reject a request for quotas on footwear imports; it would have cost American taxpayers \$3 billion, the equivalent of \$26,000 to protect each \$14,000 job. For some, it's become quite popular to

ridicule free trade. A great hue and cry is rising in our land -- the cry of a bunker mentality that would raise the drawbridge and close our markets. It troubles me deeply, for it evokes a haunting echo from the Great Depression.

It seems easier to repeat, like an incantation, that trade deficits are bad, than to reflect seriously on this issue. The trade deficit, we are told, is a sure sign of economic weakness. Well then, how did America have deficits almost every year between 1790 and 1875, the very period we became a major industrial power?

The trade deficit, we are told, cost us over 3 million jobs. Well then, how has America created jobs faster than any other nation, and twice as fast as countries with surpluses, including Japan. Now, during those years of the Smoot-Hawley tariff, we did enjoy trade surpluses. But we also had a 25-percent unemployment rate.

Nor has our share of world exports declined. In 1980, our share was just below 12 percent. By 1984, it was just over 12 percent. The truth is, we have a large trade deficit primarily because our economy is much stronger than other economies, and our people have more buying power. And we have large capital inflows offsetting that trade deficit because our incentives and ability to control inflation make us the best and safest investment in the world.

We must work aggressively to pry open the barriers blocking American exports wherever they exist. But we must also face up to the enormous imbalance in world growth. For example, the

economies of Asia have grown and increased their collective imports by 20 percent between 1980-84.

But, burdened by tariffs and quotas, marginal tax rates that can reach 70-80 percent on very modest incomes, (and in some instances, policies of deliberate austerity,) many economies in Europe, Africa, and Latin America have stagnated during this same period. With after-tax income low and unemployment high, their people simply cannot afford to buy our products.

That's why in Europe imports have dropped by 15 percent, in Africa by 21 percent, and in Latin America by 34 percent. Anemic growth is every bit as much a barrier to trade as quotas and tariffs are.

We need to address these problems on three different fronts: First, free trade must, by definition, mean fair trade for all. If trade is not fair for all, then free trade will be destroyed. We are not about to stand by and permit any nation to take unfair advantage of the American worker. We are mindful of the difficulties some industries face in a changing world economy. And we are committed to helping displaced workers adjust to industries that are healthy and growing. But our commitment will not rest there.

The United States' support of open markets does not absolve other nations from their obligation to dismantle trade barriers, eliminate subsidies or any other form of unfair trade practice. America has never been afraid to compete. When trade follows the rules, and there is equal opportunity to compete, American business is as competitive as any. This is fair trade and we

shall not impair it. When these conditions do not exist, it is unfair trade and we shall fight it.

Under authority granted by the Trade Act of 1974, we are the first Administration in history to initiate investigations and take action to counter unfair practices in so-called 301 cases. Those cases include: a Korean law that prohibits fair competition of U.S. life and fire insurance firms; a Brazilian law that restricts U.S. exports of advanced technology products; and, Japanese restrictions against U.S. tobacco products.

We're also accelerating our efforts to open up Japanese markets in leather products and challenging the European community's subsidies on canned fruit.

Our Administration is intensifying efforts to preserve intellectual property rights -- I'm speaking here about patents, copyrights, and trademarks -- and we will not hesitate to take action in this area.

The U.S. is also going forward with what we call MOSS -- market-oriented sector selective -- discussions with Japan. We're placing time limits on discussions now underway and then we'll evaluate the commitments made and begin follow-up procedures. New sectors that may promise expanded exports will also be added.

Finally, I've asked the Secretary of the Treasury to establish a "war chest" of \$300 million to dissuade our trading partners from unfairly subsidizing their exports. And let me say here that I believe Prime Minister Nakasone is a man of honor who is working in good faith to resolve our differences.

Our second major initiative will be to promote multilateral and bilateral trade negotiations for freer world trade. We should all be competing to lower trade barriers, not to raise them. If each of us gives a little, all of us can gain a lot.

So we intend to launch a new negotiating round of the GATT. We will seek to improve access for our agricultural products and address newer forms of international trade problems, including intellectual property protection, service trade, and investment issues. If the need arises, we will explore possible bilateral and multilateral negotiating opportunities. I am also willing, if Prime Minister Mulrooney agrees, to explore the possibility of a free trade arrangement with Canada.

Our third major initiative must be stronger world growth. Controlling spending is key. And our tax rate reductions have been so successful, I'm convinced we need more. Nothing could help make us more competitive in world markets than to pass, this year, America's tax plan to lower rates for every income group and businesses large and small. If we do, we can make our marginal tax rates the lowest on Earth, we can leapfrog our competitors, we can out-produce and out-sell anybody, anywhere in the world.

A recent Federal Reserve Board suggests that there is ample room for greater noninflationary growth in Europe. Where necessary, we will be asking all nations to lower high tax rates, and to remove other impediments to a freer flow of goods, services, labor, and capital. If they refuse, they will not only

be depriving their own citizens of opportunity, but eroding the entire fabric of the world economy and trading system.

Two other initiatives that can invigorate world growth will be to strengthen the international monetary system, by considering the value of hosting a meeting to build upon reforms suggested by the Group of Ten; and, to encourage debt burdened economies to substitute capital for debt through greater domestic and foreign investment.

Working together, there is so much we can accomplish. We can make real headway for prosperity and peace -- with policies that improve the performance of our economies, reduce or eliminate wild swings in currency markets, lift up the volume of world trade, and create millions of new jobs for people all over the globe. This is our commitment.

But if our cooperation is held hostage to destructive legislation that imposes new tariffs, or that closes our markets, then there will be no progress. A new spectre will loom on the horizon, a spectre of collapse bringing us ever closer to another nightmare, another Great Depression.

You know, one advantage of having celebrated your 39th birthday as often as I have is that you see some of the great events in history. I remember in 1929 that the stock market began sliding as Smoot-Hawley still was being debated. It crashed before the legislation passed. Over a thousand economists wrote to President Hoover begging him to veto that bill. But he signed it, and the stock market was jolted again.

Today, not one responsible economist believes that the Son of Smoot-Hawley bills would be beneficial.

I don't like the word "protectionist." It carries the germ of George Orwell's 1984. Who is not in favor of protecting our economy? But so-called protectionist measures will not protect anything. They won't protect consumers against rising prices that trade barriers bring; they won't protect farmers from losing their markets and getting wiped out; they won't protect working people whose jobs depend on other exports from being thrown out on the street by retaliatory actions; and, no, they won't protect us from a panic in the financial community -- as Koreans, Brazilians, and others denied access to our markets can no longer repay their loans.

Protectionist bills are growth-busting bills. And passing protectionist bills is playing with fire; it is pouring kerosene on the international trading system, and inviting someone else to light a match and set the whole system in flames. I am not President Hoover. I will not hesitate to veto any such legislation that crosses my desk.

We will oppose any and all unfair trading practices. But we do not want to stop other nations from selling goods in the United States; we want to sell more of our goods to other nations. We do not dream of protecting America from others' success; we seek to include everyone in the success of the American dream.

Another decisive moment in our history is upon us. The question is: will foolish passion once again set this nation

adrift in a sea of confusion and misfortune? Or will we lead the world on to the high tide of free trade toward open markets and greater prosperity for all?

I have made my decision, and I am ready to make my stand. I ask you to stand with me. I ask for your support. And I ask for your strength. Unite with us, and together we will make these coming years the greatest America has ever known.

Thank you and God bless you all.