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THE WHITE HOUSE
WASHINGTON

FG

July 9, 1982

MEMORANDUM FOR

J. GREGORY BALLENTINE
DEPUTY ASSISTANT SECRETARY
FOR TAX POLICY
DEPARTMENT OF THE TREASURY

FROM:

KEVIN R. HOPKINS
DEPUTY DIRECTOR
WHITE HOUSE OFFICE OF POLICY
INFORMATION

SUBJECT:

TUITION TAX CREDITS PAPER

Per our conversation this morning, I have enclosed a rewrite of the tax expenditure section of the tuition tax credits Issue Update. I have attempted to incorporate the corrections you suggested while maintaining the sense of the original. I hope this strikes an appropriate balance.

It would be extremely helpful to us if I could know your thoughts on the rewrite by 5:00 p.m. today.

Thanks.

cc: Edwin J. Gray ✓

The tax expenditure argument

Finally, some have tried to argue that since the proposed tuition tax credits would be a Federal "tax expenditure," they would provide an unfair benefit to private schools at a time when the growth in Federal aid to public schools is being slowed.

Aside from the fact, already discussed, that the credits will benefit individuals and not the institutions, the idea that when the government provides its citizens with a credit against their taxes it is "spending" government funds is wholly inappropriate. Such a notion implies that the government has prior claim to all of a taxpayer's earnings, and that whenever the government permits him, through a tax credit, to keep a little more of his income it is "giving away" Federal money. By contrast, the President believes that an individual has first claim to what he earns, and that the government can tax its citizens only within strict limits.

Given that principle, tax credits should be evaluated not according to the pejorative connotation some would attach through the label of "tax expenditures," but according to whether the credits' are an appropriate form of tax relief. On these grounds, the tuition tax credits proposal, with its many beneficial effects, is well-justified.

Moreover, as the President has pointed out, inflation-induced bracket creep, coupled with Social Security tax increases, left most Americans paying more in Federal taxes in 1982 than they did in 1981. A tuition tax credit, therefore, will permit working Americans to keep a much-deserved extra portion of what they earn, to be used for the worthwhile purpose of educating their children.

will be made to educational institutions, and the bill specifies that no student for whom a tuition tax credit is claimed will be considered a recipient of Federal financial assistance. These safeguards provide adequate protection to meet the relevant constitutional tests.

Indeed, while the Supreme Court has not ruled on tuition tax credits, constitutional scholars and the U.S. Department of Justice have concluded, after careful study, that the President's legislation is constitutional.

There are, moreover, constitutionally-agreeable precedents for this form of aid. For example, since the proposed tax credits would be equally available for use at sectarian and non-sectarian schools alike, they would be similar to the tax deductions approved in the Walz case in 1970.

The proposed credits are also similar to the aid provided under the G.I. Bill of Rights, which granted military veterans an allowance for education regardless of the type of school they attended.

The tax expenditure argument

(A) Finally, there is the concern expressed by some that tax credits are a tax expenditure rather than tax relief and thus an unfair benefit to private schools at a time when the growth in Federal aid to public schools is being slowed. This line of reasoning stems from the notion that the government has a prior claim to a taxpayer's earnings, and that whenever the government permits him to keep a little more of his earnings through a tax credit it is providing a "tax giveaway".

(B) What is really at issue here is who has the primary right to the earnings of an individual -- the individual or the State. The President believes that the individual has first claim, and that the government can tax its citizens only with the express consent of the governed. Given that principle, tax credits should properly be regarded as an instrument of tax relief rather than as a "tax expenditure."

And such tax relief, especially when it has as many beneficial effects as the tuition tax credit proposal does, is well-justified. As the President has pointed out, inflation-induced bracket creep, coupled with Social Security tax increases, left most Americans paying more in Federal taxes in 1982 than they did in 1981. Tax credits, therefore, will permit working Americans to keep a well-deserved extra portion of what they earn, to be used for the worthwhile purpose of educating their children.

The Tax Expenditure Argument

A
B

Finally, some have tried to argue against tuition tax credits on the grounds that they represent a tax expenditure. The fact that tuition tax credits, like all other credits, may be labeled "tax expenditures" should not obscure the real issue, which is the appropriateness of the credit. Each government program, including tax credits, must be judged on its particular merits, not on whether the label "tax expenditure" applies to the program.

In light of the many beneficial effects of the tuition tax credit proposal, it is well-justified. As the President has pointed out, inflation-induced bracket creep, coupled with social security tax increases, left most Americans paying more in Federal taxes in 1982 than they did in 1981. Tax credits, therefore, will permit many working Americans to keep a well-deserved extra portion of what they earn, to be used for the worthwhile purpose of educating their children.

TAX EXPENDITURES

The Budget of the United States Government, 1983

OFFICE OF MANAGEMENT AND BUDGET
EXECUTIVE OFFICE OF THE PRESIDENT

February 1982

SPECIAL ANALYSIS G

TAX EXPENDITURES

The Congressional Budget Act of 1974 (Public Law 93-344) requires a listing of "tax expenditures" in the budget. The act defines "tax expenditures" as "revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax or a deferral of tax liability." The very term "tax expenditure" is misleading in several respects, and there are formidable difficulties in trying to define the underlying concept or to measure the effect of "special" tax provisions.

(A) Rarely, if ever, is it the case that a tax provision is actually equivalent to direct outlays by the Government for purchase of goods or services. These outlays involve a direct preemption of the production inputs used to produce the goods or services the Government buys. "Tax expenditures" never involve such a direct impact on the use of production inputs. Instead, the effect of most special tax provisions is to subsidize a particular activity. Their operation is therefore directly comparable only to those outlay programs, such as milk price supports and rent subsidies, that also provide a subsidy to particular activities. For this reason, the term "tax subsidies" is more descriptive of these special tax provisions than is "tax expenditures."

(B) The term "tax expenditures" is also unfortunate in that it seems to imply that Government has control over all resources. If revenues which are not collected due to "special" tax provisions represent Government "expenditures," why not consider all tax rates below 100% "special," in which case all resources are effectively Government-controlled? Previous budgets have indefensibly included such items as graduated corporate tax rates and the maximum tax on earned income as if only the highest rates are "normal."

This year's analysis deals exclusively with "tax subsidies," and uses the misleading term "tax expenditures," only where that term is required by the Budget Act. The definition of tax subsidies relies on the distinction between the "normal" or "reference" provisions of the tax structure, which are necessary to make the tax operational, and the "special" provisions which are exceptions to the reference tax provisions designed to further functional program objectives, such as health care, export promotion, or employment of

THE WHITE HOUSE

WASHINGTON

August 2, 1982

MEMORANDUM FOR JACK BURGESS

FROM: MORTON C. BLACKWELL 
SUBJECT: Tuition Tax Credits—Meeting
with Senator Dole

I understand there is to be a meeting of the Tuition Tax Credits Coalition with Senator Dole this morning at 11:00, pursuant to the Friday afternoon Roosevelt Room meeting.

Paul Weyrich was given a message about the meeting, but he called to tell me is obligated elsewhere at that time.

Sister Rene Oliver called at 9:15. She has not been invited to the Dole meeting despite her attendance at the Roosevelt Room meeting Friday.

Phil Morrison of Senator Dole's staff just called and requested that we provide him a list of those who will be attending. He wishes to be called at 224-4515 and asked that we tell his office to take the list to him in the hearing which he is attending.

If you have a list of those invited, I'll be happy to check with them and get back to Morrison.

Reagan Sends Tuition Tax-Credit Bill to Hill

By Charles R. Babcock
Washington Post Staff Writer

President Reagan yesterday sent to Congress a tuition tax-credit bill that would cost \$1.5 billion a year by 1987. It contains anti-discrimination provisions that civil rights groups are attacking already.

The bill would allow parents to take a tax credit of up to 50 percent of each child's private school tuition, for a maximum of \$100 in 1983, \$300 in 1984 and \$500, the maximum credit, in 1985 and thereafter.

The maximum would be phased out for families with incomes of more than \$50,000 a year, and those with incomes of more than \$75,000 a year would be ineligible. The credit would not apply to college students.

Gary L. Jones, undersecretary of education-designate, told reporters that the administration's cost estimates are based on the assumption that the tax credit would not increase enrollment from the estimated 4.5 million to 5 million private school students in the nation.

Sen. Robert J. Dole (R-Kan.) is expected to introduce the bill in the Senate today, Jones said, with Reps. Willis D. Gradison Jr. (R-Ohio) and

Mario Biaggi (D-N.Y.) sponsoring it in the House. He said the administration will push for passage this year.

Support for such a measure in Congress has been lukewarm since Reagan announced the outline of the bill April 15 to Roman Catholic educators in Chicago. Many members saw it as a gesture to fulfill a campaign promise and boost the president's support among Catholic voters.

Even supporters like Dole have questioned the wisdom of pushing the bill at the same time Congress is wrestling with \$100 billion deficits. A Dole aide said yesterday that it is unlikely that the tuition tax credit will be part of this year's tax bill.

Administration officials acknowledged that they delayed introducing the bill to try to work out an anti-discrimination clause acceptable both to civil rights groups and conservative church schools who have complained about Internal Revenue Service harassment.

The administration is still smarting from the outcry that followed the announcement in January that it no longer supported the IRS authority to bar exemptions to schools that discriminate.

The explanation accompanying the bill describes a three-pronged enforcement mechanism to ensure that racist schools don't benefit. Under

the provisions, a tax credit could not be used unless a school met the IRS rules for being tax-exempt and filed an annual statement with the secretary of the treasury swearing it didn't discriminate.

In addition, the bill would allow a person who claims he has been discriminated against to file a complaint with the attorney general, who, in turn, could file a suit against the school. If the court found the school discriminatory, and all appeals were upheld, tax credits at that school could be disallowed for three years.

In the past, complaints were investigated by the IRS. But church schools complained about harassment, and Reagan promised to rein in the agency.

Norman Chachkin, of the Lawyers' Committee for Civil Rights Under Law, and Elaine Jones of the NAACP Legal Defense and Education Fund Inc., said yesterday that they told administration officials at a meeting last month that the enforcement provisions are not adequate because they would shift the burden of proof from the suspect schools to individual complainants.

"It's words without substance, a ruse," Jones said.

"We don't think this is any kind of advance at all," Chachkin said.



NATIONAL COALITION FOR TUITION TAX CREDITS

1435 G Street, N.W., Suite 854, Washington, D.C. 20005
Telephone: (202) 638-6469

August 2, 1982

MEMORANDUM

TO : MORTON BLACKWELL
FROM : TUITION TAX CREDIT COALITION/BOB BALDWIN
RE : MEETING WITH PRESIDENT REAGAN

REF

The following names were submitted to Bob Thompson for inclusion in a meeting with the President on their support of tuition tax credits.

Senators

Robert Dole (R-Kans) Russell B. Long (D-La)
Bob Packwood (R-Oreg) Daniel Patrick Moynihan (D-N.Y)
William V. Roth, Jr (R-Del) Howard H. Baker, Jr. (R-Tenn)

Representatives

Daniel Rostenkowski (D-Ill) Barber B. Conable, Jr (R-N.Y)
Richard A. Gephardt (D-Mo) Willis D. Gradison, Jr.(R-Oh)
Marty Russo (D-Ill) Philip M. Crane (R-Ill)
Bill Frenzel (R-Minn)

This list should also include Representative Mario Biaggi, (D-N.Y)

This meeting must take place before August 12, 1982.

Today's meeting with Dole, Packwood and staff of Senator Moynihan was very favorable. The ball is rolling. It is imperative that the President give it a shove.

*Tuition
Tax
credits*

THE WHITE HOUSE
WASHINGTON
September 14, 1982

Dr. Ronald E. Johnson
Accelerated Christian Education
2600 Ace Lane
Lewisville, TX 75067

Dear Ron:

Thanks for sending me a copy of the letter from Steve Symms regarding tuition tax credits.

Steve has told me that he does not believe tuition tax credits will be passed this year. He has some problems with the concept because of the spending implications. I hope that when we do get a vote in the Senate on the subject, he will be supportive.

One reason why some of our best conservatives from rural states are not enthusiastic about tuition tax credits is that the public school systems in rural states tend to be more like the public schools of thirty or so years ago. That is, the education achievement levels, the dedication of the teachers, the school discipline, and the inculcation of patriotism and traditional moral values have not disintegrated.

In urban and industrial states the situation is, of course, much worse.

I remain hopeful that we can find a way to pass tuition tax credits this year.

Cordially,



Morton C. Blackwell
Special Assistant to the President
for Public Liaison

THE WHITE HOUSE

WASHINGTON

August 2, 1982

MEMORANDUM FOR JACK BURGESS

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SUBJECT: Tuition Tax Credits—Meeting
with Senator Dole

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Phil Morrison of Senator Dole's staff just called and requested that we provide him a list of those who will be attending. He wishes to be called at 224-4515 and asked that we tell his office to take the list to him in the hearing which he is attending.

If you have a list of those invited, I'll be happy to check with them and get back to Morrison.

Citizens for Educational Freedom

Suite 854 • Washington Bldg. • 15th and New York Ave., N.W. • Washington, D.C. 20005
Telephone (202) 638-6423

July 20, 1982

Executive Committee

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Chairman, Board of Trustees

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James Condit, Ohio
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Robert E. Baldwin
Executive Director

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Henry J. Bromelkamp, Minn.

Martin Duggan, Mo.

Dr. Philip Elve, Mich.

Paul C. Mecklenborg, Ohio

James L. J. Flé, Penn.

William Todla, Ohio

John J. Watson, Penn.

Mrs. Ann Richardson, Tx.

MEMORANDUM

TO : MORTON BLACKWELL
FROM : ROBERT BALDWIN
RE : TUITION TAX CREDITS

The testimony of Secretary Regan before the Senate Finance Committee on Friday, July 16 indicates to the members of the tuition tax credits coalition that there are two voices coming from the White House : one to strongly support tuition tax credits and attach it to the revenue bill and another to waffle for now and to let it work its own way through Congress - if possible. At this juncture leaders of the coalition are fearful that there is no White House strategy or that tuition tax credits is deliberately being sabotaged.

Regardless, we are convinced that unless key Congressmen are contacted personally and assured that the White House is indeed serious about passage of this legislation in this session, the coalition will explode.

For these reasons it is imperative that members of the coalition meet Ken Duberstein, James Baker and Edwin Meese today, July 20 before the House Ways & Means Committee begins discussing the revenue reconciliation bill. We are more than willing to consider strategy other than attaching tuition tax credits to the revenue bill, but we must know what that strategy is. However, it is the feeling of the coalition that the revenue bill is the last best hope.

Representatives of the coalition - Msg. Edward Spiers, Dr. Leonard Di Fiore, Sister Renee Oliver and I - will be willing to meet with you at your convenience.

copy to Mr. Robert Thompson.

Citizens for Educational Freedom

Suite 854 • Washington Bldg. • 15th and New York Ave., N.W. • Washington, D.C. 20005
Telephone (202) 638-6423

July 8, 1982

Executive Committee

Dr. Eugene W. Linse, Minn.
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Martin Duggan, Mo.
Dr. Philip Elve, Mich.
Paul C. Mecklenborg, Ohio
James L. J. Plé, Penn.
William Todia, Ohio
John J. Watson, Penn.
Mrs. Ann Richardson, Tx.

MEMORANDUM

TO : MORTON BLACKWELL
FROM : ROBERT E. BALDWIN *RFB*
RE : TUITION TAX CREDITS

There is an urgent need for a meeting with Senior White House officials and a representative group of tuition tax credit supporters.

It has been the opinion of the Coalition that the best way - and probably the only way - to get tuition tax credits passed is by adding it to the Revenue Bill currently working its way through the Senate and the House.

When the Senate Finance Committee was considering the Revenue Bill, Senator Packwood asked Buck Chapotin from the Treasury Department if the Administration wanted to attach the Tuition Tax Credit Bill to it. Mr. Chapotin's response was negative.

The signal, therefore, coming to the Coalition is that the actions of the White House do not show real support for the passage of the Bill, despite the verbal support.

We need to meet with Ken Duberstein, Elizabeth Dole, and either James Baker or Edwin Meese. Also invited to the meeting should be :

- ✓ Monsignor Edward F. Spiers, Archdiocese of Washington
- ✓ Dr. Leonard DeFiore, Archdiocese of Washington
- ✓ Robert Smith, CAPE
- ✓ Mr. Virgil Dechant, Knights of Columbus
- ✓ Robert E. Baldwin, Learn, Inc.
- ✓ Mr. Paul Weyrich, Committee for the Survival of a Free Congress
- Rev. Thomas Gallagher, United States Catholic Conference
- ✓ Mr. William Billings, National Christian Action Coalition
- ✓ Dr. Ronald Godwin, Moral Majority
- ✓ Rabbi Manachem Lubinski, Agudath Israel of America
- ✓ Mr. Ed McAteer, Religious Roundtable
- ✓ Sister Renee Oliver, Citizens for Educational Freedom

FRANCIS MARRAS

Commie
Frank Barrett

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Morton Blackwell
July 8, 1982

Among others, we would like to discuss these questions:

1. Why did the Administration not want the Tuition Tax Credit Bill on the Revenue Bill?
2. Will the Administration support an amendment to the Revenue Bill on the floor of the Senate?
3. What is the White House strategy for passage of this Bill in this Congress.

These are serious questions that need immediate response. We believe that the President wants Tuition Tax Credits, but if the White House isn't serious and doesn't plan to press for passage of this bill, we want to know now.

We can have a representative group of supporters available to meet with you on short notice, preferably Monday morning. Please contact me on this matter as soon as possible at 385-5826 or 638-6423.

Thank you for your time and consideration.



NATIONAL COALITION FOR TUITION TAX CREDITS

1435 G Street, N.W., Suite 854, Washington, D.C. 20005
Telephone: (202) 638-6469

August 25, 1983

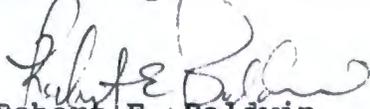
President Ronald Reagan
The White House
Washington, DC

Dear Mr. President:

Upon reviewing my letter to you of August 22, 1983 regarding tuition tax credits, I find on page three that the letter indicates that Morton Blackwell called the coalition to ask us to "pull out all the stops to get Senators and Congressmen to vote for this action". This is a misstatement on my part, in fact, Mr. Blackwell called the coalition to indicate that attaching tax credits to the repeal of interest withholding was a strategy that the White House could support. The coalition then acted upon this information to pull out all the stops to attach tuition tax credits to the repeal of interest withholding. Subsequently we met with Mrs. Whittlesey to discuss this strategy and were finally discouraged from pursuing this strategy by other Administration officials.

Thank you for your concern and I will be calling within a few days to determine your interest in a meeting.

Sincerely,



Robert E. Baldwin

cc. James Baker
Faith Whittlesey
Ken Duberstein
Bill Barr
Gary Jones
Bob Sweet

Edwin Meese
David Stockman
Morton Blackwell
Terrell Bell
Charles O'Malley

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JOSEPH G. SKELLY
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RICHARD E. CONNELL
KATHLEEN A. O'MALLEY

TELEPHONE
AREA CODE 717
232-8731

THE EDUCATIONAL OPPORTUNITY
AND EQUITY ACT OF 1982
(Reagan Administration Tuition Tax Credit Bill)

THE ACT IS PART OF THE INTERNAL REVENUE CODE

This would be an amendment to the Internal Revenue Code, not an isolated statute.

THE REASONS FOR TUITION TAX CREDITS

Section 2. The Congressional findings contain a series of very important declarations, and anyone interested in freedom of choice in education should read these seven subsections carefully. They provide a very useful recital of rights and needs in private education.

HOW THE TAX CREDIT WORKS

Section 3 delivers the tax credit itself. The taxpayer is allowed a credit of 50 percent per annum of the tuition expenses paid to a private, nonprofit, tax-exempt, full-time elementary or secondary educational institution for any of his dependents who have not reached age 20. "Tuition expenses" means tuition and fees for full-time enrollment of a student; it does not include amounts paid for books, supplies, meals, lodging, transportation or for education below the first grade level. This credit is subject to a dollar limitation of \$100. (as to tuition during the first year after January 1, 1983), \$300. (during the first year after January 1, 1984)

THE WHITE HOUSE

Office of the Press Secretary
(Hartford, Connecticut)

*Tuition Tax
Credit*

ADDRESS BY THE PRESIDENT
TO THE CENTENNIAL MEETING OF
THE SUPREME COUNCIL OF THE KNIGHTS OF COLUMBUS

The Hartford Civic Center
Hartford, Connecticut

August 3, 1982

2:45 P.M. EDT

THE PRESIDENT: Thank you very much. Thank you.
Thank you. You've done that once. Thank you.

Supreme Knight Dechant, I thank you for those very generous words.

Your Eminence, Cardinal Casaroli, Your Eminences, Excellencies, Reverend Clergy, members of the Knights of Columbus and guests here today, I want to begin by saying how grateful I am that you've asked me here to participate in the celebration of the 100th anniversary of the Knights of Columbus.

Now, it isn't true that I was present at the first anniversary. (Laughter). But a few years back -- (applause) -- when I was a governor, I was privileged to be a Chubb Fellow at Yale University and I was staying just around the corner in those few days from a sturdy-looking stone church where the events that bring us here today first began.

It was there in the basement of St. Mary's Church on Hillhouse Avenue that Father McGivney and a few dedicated parishioners started an organization that would grow beyond any of their imagining.

Today, the spires of a great university can still be seen on the New Haven skyline, but there is another dominant presence: four huge towers of the national headquarters of the Knights of Columbus, a group -- (applause) -- a group that has grown to over 1.3 million members and comprises the largest Catholic fraternal society in the world. (Applause).

Much has happened to Father McGivney's dream since 1882 and much good has flowed from that church basement on Hillhouse Avenue. The Knights of Columbus is unrivaled in its dedication to family, community, country and church. And your corporal and spiritual works of mercy for those in need are both a legend and an example to your countrymen.

In the single year of 1981, you made in charitable contributions more than \$41 million. And even more important, devoted more than 10 million hours in community service.

As important as your works of charity are, however, you have also maintained individually and corporately your stalwart faith in religious and family values. Through activities, such as the Catholic Information Service, you've stood unhesitatingly for these values. And that's why, for example, in the 1920's, long before the cause was taken up by others, you were earnestly working for an end to racial and

MORE

ethnic prejudice in America, fighting for justice for Blacks and for Jews as well as for Catholics, and today you bring this same fervor to your work on behalf of the American family and your religious values. (Applause.) In doing so you provide inspiration to a world seeking desperately to find men who can make the message of the Gospel a reality in their lives and times. During those early 20's a motion picture, a movie, revolutionized motion picture making. It was an historic milestone in the technology of that industry -- D. W. Griffith's "Birth of a Nation."

Well, that picture came to our town -- I was just a boy. My father, who was a Knight, said that it was a picture about the Klu Klux Klan and we would not see it. Well, to this day, and after more than a quarter of a century in that motion picture industry, I still have never seen it and have no intention of seeing it. (Applause.)

During the last campaign I spoke frequently of these crucial values of family, work, neighborhood, religion, and personal freedom. Now some pundits claim that this was an attempt to appeal to various ethnic or religious voting blocks. I saw it as a simple recognition of the values that most Americans, whatever their racial, ethnic, or religious heritage, hold dear. Now in pointing out this tendency of some commentators to focus on only the immediate or the political, I don't mean to sound too critical. Actually the American press does a remarkable job of piecing together quite clearly and sometimes in a matter of hours or minutes the dizzying events of this modern world. Yet I think the very speed of this process can oftentimes cloud the understanding and serve as an obstacle to good judgment and historical perspective.

It would have been hard, for example, for any reporter covering those first meetings of the Knights of Columbus in St. Mary's basement to have sensed the potential importance of Father McGivney and his small band of Catholic laymen. But as the history of the Knights of Columbus has proven, discussions of our basic values are a vital part of our national political dialogue, for it is only in these values, only in the faith that sees beyond the here and now, that we find the rationale for our own daring notions about the inalienable rights of free men and women. This faith in the dignity of the individual under God is the foundation for the whole American political experiment. It is central to our national politics. Our first president put it very well. He said, "Of all the dispositions in habits which lead to political prosperity," Washington said, "religion and morality are indispensable supports." (Applause.)

And incidently to those who suggest that the two could be separated, he further pointed out that morality could not really be sustained or widely observed without religion. (Applause.) ~~There can be no freedom without order and there is no order without virtue.~~ Now that is a simple enough formulation, but it is an insight found not only in the writings of founding fathers like Washington or great political thinkers like Edmund Burke. It is also found in a great part of our Judeo--Christian tradition -- notably in the modern encyclicals of Popes Leo XIII and John Paul II.

MORE

Yet how often this simple truth, the importance of this belief in basic values, is overlooked in a society of high technology and mass communication and bewildering everyday events.

I guess what I'm trying to say was put very well by that great Catholic essayist G. K. Chesterton when he warned about the modern habit of those who try to put the heavens in their heads rather than their heads in the heavens. Or as Alfred North Whitehead observed, "There is a danger in clarity, the danger of overlooking the subtleties of truth."

Those subtleties of truth -- the belief in the importance of the family, of community and church -- the realization that the Western ideas of freedom and democracy spring directly from the Judeo-Christian religious experience -- are not often publicly discussed. Yet they -- every place I go lately there's an echo. (Laughter.) (Applause.) These things that are publicly discussed still remain the foundation for our concepts of social justice, our political system, our very way of life. They are the values that ennoble man, making him something more than just the plaything of hedonism or the vassal of dictatorship; they entitle him to personal dignity and to the individual liberty and representative government that dignity enjoins.

Now, perhaps some of you remember that just a few years ago these basic values were being forgotten in the highest levels of our government. Indeed, the machinery of government at times actively opposed them.

Government intrusion into the life of the family and the local neighborhood -- federally financed abortions, forced busing, HEW regulations and rules on many matters that government had no business dealing with -- had reached unparalleled heights. In a similar vein, the prerogatives of local communities and state governments were slowly being eroded as more and more decisions were made in Washington and government grew ever more distant and beyond control of the people. Federal spending sent inflation skyrocketing and the tax burden increasing to the point where rewards for honest work and extra initiative were evaporating.

It is this latter problem that we had to confront when we came to Washington 18 months ago. In the last 10 years, federal spending had tripled. In the last 5 years, federal taxes had doubled. The philosophy of government seemed to be tax and tax, spend and spend. Now, no one can quarrel with the motive behind all this. It was well-intentioned and done in the name of humanity. The budget for the Department of Health and Human Services became the third largest budget in the world, right after the entire national budgets of the United States and the Soviet Union. The federal debt reached one trillion dollars; and our interest payments on that debt, in the range of \$100 billion, are more than the entire federal budget of about 20 years ago.

MORE

You know, I have to stop and interject here that I, as I said before, this was all done with the best of intentions, all of this was designed to help. But when you set out to help, you'd better have a pretty good idea of what you're doing.

You know, there was a fellow riding a bicycle one cold winter day -- motorcycle, I should say -- and the wind coming in through the buttons of his leather jacket were chilling him and finally he stopped, turned the jacket around, put it on backwards, too off again. Well, that solved the wind problem but he hit a patch of ice, his arms were kind of restricted, he skidded into a tree. And when the police got there and elbowed their way through the crowd that had gathered and they said, "What happened?" They said, "We don't know. When we got here, he seemed to be all right. But by the time we had his head turned around straight, he was dead." (Laughter). (Applause).

Since we've been in Washington, we've tried, and I believe, have brought an historic change to Washington. I can assure you we've replaced that old doctrine of tax and tax, spend and spend with a new philosophy that says that there is one overriding cause for our economic troubles: government is too big and it spends too much money. (Applause).

Now, I know that you've heard and read a variety of accounts almost every day of what we're trying to do, many of them quoting unnamed but highly placed sources in the White House. I wonder if you'd put up with another account, this time from a highly placed source who doesn't mind if you know his name.

To begin with, what we call our economic recovery program has already cut the rate of growth in federal spending nearly in half. And it has already cut away billions in taxes for individuals in businesses. And, for the first time in history, taxes are going to be indexed to the rate of inflation, a reform that takes away government's hidden profit from inflation.

We have cut through the growing thicket of federal regulations that was stifling business and industrial growth.

Vice President Bush heads up a Task Force that deals with this. And already we've made savings of nearly \$6 billion annually, just in changing regulations. And this year alone, there will be 200 million fewer man-hours of paperwork imposed on American citizens. (Applause).

Our Economic Recovery Program has been in effect for only 10 months, but its impact has already been felt. Last quarter's rise in the Gross National Product is an encouraging sign. Our dollar is stronger than it's been in 10 years. Inflation, which a little more than a year ago was the number one economic concern of most Americans, has taken an impressive turn for the better. And in the last six months has run at less than half of what it was in 1980. And we're going to keep it going down. (Applause).

We've brought

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to individual Americans the first comprehensive tax cut they've said -- had since John F. Kennedy's tax cut 20 years ago.

And, incidentally, some of the critics of ours were criticizing him then for trying to do what he did.

We said we were going to cut spending, reduce the tax burden, rebuild our national defenses, strive for legitimate arms reductions, and be firm with totalitarian powers. And I believe the record shows we have kept those promises. (Applause.)

But our promises about working to clean up the federal fiscal mess and cut the size of government were not made just in order to get the economy moving again, as important as that is. Government can't interfere with economic freedom without restricting the political and personal freedom of individual Americans. That's what we mean to restore.

John Stuart Mill put it very well: "A state which dwarfs its men, in order that they may be more docile instruments in its hands, even for beneficent purposes, will find that with small men no great thing can really be accomplished."

The intrusive hand of government can only hinder creativity, stultify growth and suffocate enterprise, initiative and diversity. Our goal is to take government out of areas where it does not belong so that it can properly perform its traditional and legitimate functions.

That's why we support and endorse a program of tuition tax credits so that our independent schools and our country as a whole will prosper. (Applause.) We need diversity and excellence.

As economist Thomas Sowell has suggested, these tuition tax credits are especially important "to those who are mentioned the least: the poor and the working class." As the cost of education has skyrocketed, it is these groups that have been particularly hard hit by the double burden of supporting private and public schools. (Applause.)

And let me add here that far from being a threat to the public school system, these tax credits will serve only to raise the standards of the competing school systems. (Applause.) As a New York Times editorial pointed out recently, the mere threat of tax credits "served to jolt public education out of its lethargy. In New York and other places, public schools now show encouraging signs of improvement."

This proposal for tax relief is now before the Congress. And I was just told this morning by Senator Dole that he has agreed to start mark-up on the tuition tax credit bill this coming Monday. (Applause.) Our administration wants this bill passed.

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The Knights of Columbus want this bill passed. (Applause.) And believe the voters, next November, will demonstrate that they want this bill passed. (Applause.)

I, also, strongly believe, as you have been told, that the protection of innocent life is, and has always been, a legitimate, indeed, the first duty of government. Believing that, I favor human life. (Applause.) And I believe in the human life legislation. The Senate now has three proposals on this matter from Senators Hatch, Helms, and Hatfield. The national tragedy of abortion on demand must end. (Applause.) I am urging the Senate to give these proposals the speedy consideration they deserve. A Senate Committee hearing was held recently to determine, if we can, when life actually begins. And there was exhaustive testimony of experts presenting both views. And, finally, the result was declared inconclusive. They could not arrive at an answer. Well, in my view alone, they did arrive at an answer, an answer that justifies the proposed legislation. If it is true we do not know when the unborn becomes a human life, then we have to opt in favor that it is a human life until someone proves it isn't. (Applause.)

As many of you know, our administration has, also, strongly backed an amendment that will permit school children to hold prayer in our schools. (Applause.) We believe that school children deserve the same protection, the same constitutional consensus that permits prayer in the Houses of Congress, chaplains in our armed services, and the motto on our coinage that says, "In God We Trust." (Applause.) I grant you, possibly, we can make a case that prayer is needed more in Congress than in our schools, but -- (Laughter, applause.)

I wonder, though, how many of you, how many citizens know how far

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the courts have gone with regard to this subject. Do they know, for example, that in one case where children in a school cafeteria simply on their own wanted to say grace before lunch, the court ruled they were prohibited from doing that.

Children who sought again on their own initiative and with their parents' approval to begin the school day with a one-minute prayer meditation were forbidden to do so. And some students who wanted to join in prayer or religious study on school property even outside of regular class hours were also forbidden to do so.

I think you will agree with me -- we need a prayer amendment, and we need it badly. (Applause.) We are supposed to have freedom of religion. Nothing in the Constitution says "freedom from religion." (Applause.) The Congress also has before it now an omnibus crime bill whose provisions on bail reform, sentencing procedure, and criminal forfeiture are critical to our attempts to fight the growing problem of crime. We need that bill. It is critical to our efforts to control organized crime and the trade in illegal drugs and the streetcorner criminals who promote that trade. (Applause)

Let me also say, I am very aware of your concern about the enforcement of obscenity statutes. A representative of the K of C met last week in Washington with members of my staff on this matter, and let me assure you, when I get back to the Capital, I will be taking this up with Attorney General Smith. (Applause.)

A few moments ago I used the term "historic change" with regard to our domestic policies. Well, I think this kind of change has been duplicated in the foreign area as well. We have rejected the view that the world is faced with the impossible dilemma of either fighting a nuclear war or caving in to totalitarian rule. Contrary to what followers of Marx and Lenin would have us believe, we are not hopelessly buffeted by the tides and currents of history, for history is not the stuff of impersonal forces or unalterable laws. Free men and women, inspired by their deeply-held beliefs and values, are capable of turning those tides of history and setting them running again in the cause of freedom. (Applause.)

That is why this administration takes second place to none in the quest for peace through arms control and agreements. Now many of the proposals we hear today for a nuclear freeze are obsolete. In our proposal for the elimination of ground-based intermediate range missiles and in a recent one-third reduction proposal for strategic nuclear ballistic warheads, we have gone far beyond the sterile idea of a freeze. A freeze might be fine after we have had a complete removal

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of the most threatening intermediate based missiles and deep reductions in the number of strategic weapons, verifiable reductions.

The House of Representatives has before it now two resolutions on the nuclear freeze matter. One resolution, I regret to say, would, if passed, send a signal to the Soviet Union that we're willing to accept something less than these reductions that I spoke about.

Indeed, this resolution would leave in place dangerous inequalities in the nuclear balance and would attempt to return us to the flawed Salt II agreement.

On the other hand, a resolution proposed by Congressmen Broomfield, Carney and Stratton would avoid these dangers and, if it is passed, would act as an incentive to persuade the Soviet Union to agree to mutual reductions. I strongly support the Broomfield, Carney and Stratton Resolution.

As I mentioned, our arms control proposals are now the matter of delicate negotiations with the Soviet Union. But let me say this to you, the fact that the largest Catholic fraternal organization has spoken out strongly through your magazine, Columbia, on the morality of maintaining our strategic deterrence has been a great asset to our efforts for peace. And I thank you. (Applause).

Let me also add that I'm very grateful for the support you've given us on the matter of our attempts to bring stability, peace and freedom to Latin America, especially in El Salvador. Only a few months ago, more than a million peasants and workers faced threats and bullets to vote in a free election there. They offered eloquent testimony to the appeal of democracy, to the rightness of our support of their desire to resist that tiny cadre of revolutionaries who want to plunge the Salvadoran people into the darkness of godless communist rule.

Our foreign policy has changed in one other important way. For many years, American foreign policy has suffered from a defensive posture, a shyness about the values and beliefs that formed the heart of our political consensus and our civilization.

Well, we're on the defensive no longer. The Soviet Union has challenged us to open competition in the realm of ideas and values and we intend to take up that challenge.

That is why when I recently spoke to the British Parliament, I called for a worldwide crusade for freedom and a global campaign for democracy. (Applause).

As part of this forward strategy for freedom, I recently had the pleasure of signing in a public ceremony for the first time in history, the Captive Nations Week Proclamation. I did so as a reminder of the suffering of those who live under totalitarian rule and as an expression of our hope that someday all the people of the world will live in freedom. (Applause).

Now, I must say,

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my remarks on this occasion have not drawn rave reviews from the Soviet press. In fact, Pravda suggested that my remarks were hysterical and the work of an intellectual pygmy. (Laughter.) And a Polish newspaper under the martial law there called it a cesspool of invectives, insults, and insinuation.

Well, now, naturally, as a former actor, I'm somewhat sensitive about press notices like that. (Laughter.) But you're probably wondering what upset our adversaries so. Well, the truth is what upset them the most was a quotation I used from Lech Walesa, the now-imprisoned head of Solidarity in Poland. In an interview published here before his confinement, Lech Walesa spoke of the "wheat that grows on the stones" -- of how brutal repression only seems to strengthen the hope and hunger of those who long for freedom.

He said about Poland's communist rulers, "Our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifice; we are anti-materialistic, and capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all." (Applause.)

In these words, I think we find the justification for the importance of the values of family, community and religion, and some of the changes we've made in Washington during the last 18 months.

When I visited him last June in Rome, His Holiness, Pope John Paul II spoke of his profound hope that the "entire structure of American life will rest ever more securely on the strong foundation of moral and spiritual values. Without the fostering and defense of these values, all human advancement is stunted and the very dignity of the human person," he said, "is endangered."

I would suggest to you today that nowhere in the world is there a more splendid affirmation of this connection between religious values and political freedom than in the ideals, the faith and the heroism of the Polish people and the leaders of Solidarity. (Applause.)

We hope and we pray today for a time when the people of Poland and all of the peoples on earth will join the people of America in celebrating the joys of freedom -- and speak together in pride and dignity, of the wheat that grows on stones. God bless you and thank you very much. (Applause.)

END

3:12 P.M. EDT

✓ DETERMINED TO BE
ADMINISTRATIVE MARKING
E.O. 12958, as amended, Sect. 3.3(c)
BY NARA RW DATE 6/22/11

~~CONFIDENTIAL~~ TO GARY BAUER

FROM GROVER REES

The following sensitive question has not been included in the attached list of questions and answers; but the President should be briefed on the possibility that it will be asked.

Would public schools be permitted to sanction prayers to Christ, or to the Virgin Mary? Why is there no requirement that the prayers be "nondenominational"?

No school or other government agency would be permitted to require anyone to participate in any prayer to which he objects for any reason.

In any democratic system, it is possible that the majority will make choices that are unsatisfactory or even offensive to minorities. The American political tradition, however, is one of respect for diversity and for freedom of opinion and expression. It would be wrong to assume that school boards would wish to offend members of minority religious groups in the prayers they choose to prescribe. Of course, even the broadest affirmation of our Judaeo-Christian heritage will probably be offensive to a few people, even as the Christmas tree on the Ellipse is offensive to some people.

This amendment chooses to leave the decision about content of school prayers at the community level, because the only alternative is to put the federal courts in the business of deciding which prayers are acceptable and which are not. The word "denominational" could be construed by the federal courts to exclude the Lord's Prayer, the Ten Commandments, any reference to an afterlife, or even any reference to a personal God who is anything more than a "life force." Unfortunately, the federal courts have much more often been excessive in their tendency to restrict freedom of worship --- and the best evidence of this is the line of cases that made this amendment necessary in the first place by eliminating the possibility of voluntary prayer --- than have local communities. The American experience suggests that it is extremely unlikely that communities will want to offend those who sincerely disagree with the content of a particular prayer.

But the ultimate safeguard in this amendment is that school boards and other government agencies are absolutely forbidden to require anyone to participate in any prayer he finds offensive.

(The bottom line, in other words, is that schools would not be constitutionally prohibited from prescribing prayers that mentioned Christ, or even the Virgin Mary. But they probably wouldn't, at least if they had very many Jews or other minority religious group members in their communities; in any case, this risk is less dangerous than that the courts would defeat the purpose of the amendment by stretching the word "denominational"; and anybody can refuse to participate.)

THE WHITE HOUSE

Office of the Press Secretary

FOR RELEASE AT THE CONCLUSION
OF THE BRIEFING

March 17, 1983

TO THE CONGRESS OF THE UNITED STATES:

I am herewith transmitting to the Congress three bills to improve equity and quality in American education: "The Student Assistance Improvement Amendments", "The Education Savings Account Act" and "The Equal Educational Opportunity Act".

All Americans, and especially today's parents, are deeply concerned about our system of education -- and rightly so. For generations we have been justly proud of the quality and openness of our education system from kindergarten to post-graduate levels, both public and private. It has served the nation well, but now it is in need of significant changes in key areas.

The programs and budget requests I recommended to the Congress this year address a wide range of education issues. They reflect my strong conviction that education decisions should be made by parents, students, States and local officials. The national government also has an important, but limited, role to play in the education system. Thus, while I have worked to brake the runaway growth in education spending, my budget calls for over \$13 billion for the coming fiscal year. Within this total is over \$4 billion for supplemental educational services for the educationally disadvantaged and for the handicapped. I have also included over \$5.6 billion for post-secondary student aid.

Despite these huge investments and its own basic strengths, our education system has not been immune to the stresses and strains of a changing society. Its problems are complex and varied. They call for a broad range of creative approaches by concerned parents, by educators, by the private sector, and by government.

Two of these critical problems are the reasons for the bills I am proposing today. These problems are:

--Meeting Higher Education Costs. The cost of higher education rose 30% in just three years, from 1978 to 1981, making it more difficult for qualified students from lower and middle-income families to meet the cost of attending many institutions despite very rapidly rising Federal student aid. At the same time, many more affluent families who could contribute more have been paying a smaller share of these costs, relying instead on increasingly generous Federal aid.

--Parental Choice. At the elementary and secondary level, parents too often feel excluded from the education of their own children by education bureaucracies. Parents who turn to private schools are burdened with a double payment -- they must pay private school tuition in addition to taxes for the public schools. As a practical matter the ability to choose and the opportunity to obtain a private education are made difficult if not impossible for many Americans -- particularly those from low- and middle-income families.

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(OVER)

Administration Proposals

The three bills I am transmitting to Congress today take on squarely these two important issues.

Meeting Higher Education Costs

The "Student Assistance Improvement Amendments" I am transmitting will:

- o Redirect the present student aid system from one in which some students can get Federal grants without contributing any of their own money, to a system which begins with self-help, with parents and students shouldering their fair share of the cost of education before Federal grants are made;

- o Increase by almost 60% the funds available for work-study to help students help themselves meet their obligations;

- o Increase by two-thirds the maximum Pell grant students can receive under current law; and

- o Require all applicants for guaranteed student loans to prove need before receiving the generous interest subsidy.

With these changes, Federal student aid dollars will help more low-income persons meet the burden of education costs and will help restore confidence in the fairness of our system of education.

In addition, I am asking the Congress to enact my Education Savings Account proposal. This bill speaks to another aspect of the education cost problem I have described: the difficulty parents have in saving for college costs.

Everyone has trouble saving for the future, especially when today's demands on our resources are so great. Nevertheless, the importance of saving for higher education has never been so critical. We need a strong, diverse higher education system to which all Americans have access. Moreover, many of the nation's better job opportunities will be limited to those who have a higher education. So I have today proposed an additional special incentive for parents to begin, as early as possible, to set aside money for their children's college education.

Under my proposal many parents will be able to put aside up to \$1,000 per year in special accounts whose interest income will be tax free. The full benefit will be available to all those with incomes below \$40,000 per year; reduced benefits are included for families with incomes up to \$60,000.

Over time, this tax incentive will greatly enhance parents' ability to contribute to the cost of the higher education they want for their children. It cannot, of course, substitute for the student's own work and savings, nor for Federal aid. It will, however, help to restore a better balance in the system and make meeting the family's share of education costs a less burdensome task in future years.

Parental Choice

At the elementary and secondary level, we face different problems. The public education system, as it has evolved over the decades, is the backbone of American education and one of

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the great strengths of our democracy. However, many parents want to use alternative approaches to meet the educational needs of their children. This option should be theirs in our free society. But there can be meaningful choice only if our system also makes access to alternatives a reality.

Several weeks ago I sent to Congress a bill to make tuition tax credits available to all parents, within eligible income limits, who choose to send their children to nondiscriminatory private schools. Today, I am proposing a bill, the "Equal Educational Opportunity Act," to permit States and localities to offer another kind of choice to parents whose children are selected for participation in our \$3 billion compensatory education program, Chapter 1 of the Education Consolidation and Improvement Act.

Chapter 1 helps meet the costs of supplemental educational services, like remedial reading, for millions of educationally disadvantaged children each year. In some cases, we believe that the parents of those children would prefer a greater range of educational choice in their selection of a school. Under this bill, in States or school districts which choose to provide the option, parents would be able to participate in a voucher program to exercise that choice at whatever school they felt provided the greatest educational opportunity for their children.

I firmly believe that in districts where the voucher option is implemented, education will be strengthened for all. The potential for competition for enrollments and resources will raise the quality of both public and private education. Parents will gain a greater measure of control. Children will receive a better education.

Conclusion

These three bills address central issues in American education. They will bring greater order and balance to Federal, family and student efforts to meet the rising cost of higher education. They will help bring parental choice and the benefits of competition to elementary and secondary education. They, and all my proposals in the education area, make clear the limited role of the Federal government and wherever possible restore more choice and control to the family. Their ultimate goal is more diverse, higher quality education for all Americans. I ask your support for rapid consideration and passage of these proposals.

RONALD REAGAN

THE WHITE HOUSE,

March 17, 1983.

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THE WHITE HOUSE

Office of the Press Secretary

*file
Tuition
Tax Credits*

For Immediate Release

September 14, 1982

REMARKS OF THE PRESIDENT
IN A MEETING WITH RELIGIOUS EDITORS

The Roosevelt Room

12:50 P.M. EDT

MR. MEESE: Mr. President, we've just been having a discussion that's kind of a follow-on to your speech in Kansas on American values, and we've discussed some of the legislative issues that are related to those values. So you might want to say a few words yourself on the subject.

THE PRESIDENT: Well, all right. Yes, I will. I think my timing is terrible, though. As an after-lunch and after-dinner speaker, I can tell you that one of the great hazards that always drives me up the wall -- I happen to be a dessert man myself. (Laughter.) And usually I hear the toastmaster introducing me just as they're putting the dessert in front of me, I have to get up and walk away from it. (Laughter.) I feel as if I've done that too -- But go ahead and, please, go ahead and eat while we're talking.

I'm delighted that you're all here and I know that you've been briefed and had a briefing on the subject of our legislation for tuition tax credits. And I expect to make another strike and try for a breakthrough in that today and hope to get it out of the Senate committee and onto the floor because I'll be meeting very shortly with Senators Dole and Moynihan and Roth and Packwood on this particular subject.

I know there's been a lot of debate and discussion about the issue. I doubt if there's much opposition among you, I hope not, to this idea. I don't know whether Ed or Karna told you about a survey that we've just come across -- a research done in 54 parochial schools -- that found with regard to -- I say this as an answer to those people that, again, have just automatically tagged this proposal as "something for the rich". All they think of when they think of private -- that's why I try to avoid the word "private" school. I try to refer to it as independent school because all they think about is someone sending a child to a high-class expensive finishing school or prep school. And that isn't true. That isn't what we're really talking about. There are so few of those compared to the general parochial schools, independent schools, throughout the country. But in this survey of 54 schools, they found 56 percent in these parochial schools of the student body were black; 31 percent of those were Protestant. Now, I know there are Protestant schools represented here as well as the Catholic schools. But what they also learned was -- and the parents, incidentally, of most of these children, the overwhelming majority, are not anywhere up on the economic scale. As a matter of fact, the average tuition of those schools worked out to \$300. That was a true hardship at the economic level of the parents who, wanting something better for their children as parents have from time immemorial, and wanting the best education they could provide for them were willing to sacrifice and pay a tuition to a private school because they no longer had confidence in the public schools in their areas -- that they could get the training that they would need to advance.

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And they found that it was not religion that had prompted the overwhelming majority to choose a religious school whether Protestant or Catholic. It was the desire and the belief that they would get a better education there than they could get in a present day public schools.

Now, I'm a product of the public schools myself in a small town in Illinois. But I believe all of us are aware that there have been changes. I happen to believe that as long as there is independent education in this country, all the way from the lowest grade on up through college and university, then we have academic freedom. I would hate to see the day when all education in our country was tax supported and, therefore, under political guidance and rule. And I think also, the best chance to improve the quality of education which on-the-record has very definitely established that in public schools, under whatever pressures or crowding or whatever, has slumped in comparison to the schools that we're talking about. The best chance we have of raising that level is through competition.

So, we're going to do everything we can. I believe heart and soul and campaigned on this issue. The fairness of it -- the fact that families are paying their full share of the taxes to support the public school system and are still willing to sacrifice on top of that and pay fully the cost for sending their child -- there's no way that this can be construed as some are trying to do, as an assault on the public schools -- or that in any way it is taking anything away from the support of the public schools. And if anyone wants to do a little arithmetic, let them sit down and figure out if these independent schools disappeared tomorrow and the public schools had to pick up the burden of all of the students presently being educated in these other schools, what would happen to

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the taxes of everyone, where would the public facilities come from -- school facilities? So, I've gone on longer than I wanted. If someone here had just -- I know I've only got a second or two before I've got to cross the hall. But if there was a question or two that hasn't been answered in the briefing that you'd like to throw at me just because I'm here, fire away.

Q Mr. President, about the issue of a compromise that you're going to be working out this afternoon with some people on the Finance Committee -- doesn't the issue hinge on segregation? And what kinds of provisions would be acceptable to you for you to strengthen the bill to satisfy some of its critics?

THE PRESIDENT: I have to believe that -- since this will be a tax credit and by the government -- I have to believe that, obviously, such schools would have to meet the standards of intergration and be open to all. And I -- apparently -- I have not seen any evidence that that is not already taking place. The figures that I just gave a moment ago ensure that that is taking place in the schools that we are talking about.

Q Well, Mr. President, do you not think this could be attacked as somewhat of a band-aid approach to education? Shouldn't your administration be trying to upgrade the quality of public education?

THE PRESIDENT: Of course, public education is not a function of the federal government. There is financial aid in recent years to some of these schools. And, as a matter of fact, being able to remember when that began, it was the usual thing of the federal government claiming that there was distress after the federal government had usurped most of the tax sources in the country. And, having created the problem, then, for local rule, the federal government said, oh, we must help you. And, in the beginning, educators opposed that, because they thought that it would interfere with academic freedom. And the federal government insisted, oh, no. It just wanted to help them out financially.

I remember, on one occasion, Francis Kepple was the Director of Education at the time at the federal level -- and he said they had absolutely no intention of interfering in any way. And some of the educators who were debating this issue had proposed a tax credit idea of contributions to schools, whether public or independent,

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of a certain amount, and so let the government -- they would know better -- set the amount, and wouldn't this be direct aid then financially -- a tax credit for a contribution to a school, whether public or private, keeping open the competitive idea. And why wouldn't such a thing work? And after days and days of debate Mr. Kepple gave away more than he had intended. He suddenly grew impatient and he blurted out, "Well, under such a system we couldn't achieve our social objectives."

This was from a man that had said there would not be any government social objectives, there would just be financial aid. No, I think that the federal government has done what it can to insure that in the running of the public schools, they must live up to our Constitution, which they did not always do as we know, and some years ago there had to be some rather drastic action to bring that about.

That is the function of the federal government, to insure that anyone's constitutional rights are being observed and to go wherever the government has to go to see that that does take place. But I -- know, I don't think that -- If you look at some of the figures in the public school system in recent years, you will find that the federal government has more than matched its financial aid with interference in the running of schools, and I believe that this is what has led to the deterioration of quality -- that the federal government has imposed out of all proportion -- I think the federal government puts up about 8 percent of the cost of public education, but it interferes far more than 8 percent in the things that it imposes and demands of the public schools.

MR. GERGEN: Sir, you have a 1:00 pm appointment.

THE PRESIDENT: All right. Well, there was one hand down here that -- Father.

Q Mr. President, what is your assessment of the possibility in the country for a human life amendment, an anti-abortion amendment of any kind?

THE PRESIDENT: The one that is presently being blocked by a filibuster I know has been in a sense cluttered up with a lot of extra and extraneous other resolutions which have weakened support for it and probably is one of the reasons that we are apparently not able to get cloture to shut off the filibuster.

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If that continues, then the only outcome can be for the Leader of the Senate to table that particular amendment, which then opens the floor for several others that are waiting on that same subject.

My own feeling is I'm going to fight as long and hard as I can, and what I said in Philadelphia recently about that -- I've been a little critical sometimes to myself, not openly, about some of the human life groups, because, first of all, they have not rallied behind a single measure. They've been divided behind these several -- in support of these various -- several members, and that's what's kept us from bringing this to the floor and getting a determination.

But the other thing is I have wished that they could center on a much more simple approach. And I tried this out in speaking to the Knights of Columbus in Philadelphia. We've had extensive hearings in the Senate to determine when does life begin, and great expert testimony given by people of conflicting views on that. But the upshot was no real firm decision as to when life begins. And I think that in itself was a decision. If you cannot determine when life begins, then doesn't simple morality dictate that you opt for the fact that it is alive until and unless someone can prove it dead?

If we came upon a body in the street that was unconscious and we weren't sure whether it was unconscious or dead, we wouldn't say, "Let's bury it." We'd wait until someone assured us that it wasn't alive.

And I think the same thing goes of the unborn child. I happen to believe the unborn child is a living human being. I think the fact that children have been prematurely born even down to the three-month stage and have lived to -- the record shows, to grow up and be normal human beings, that ought to be enough for all of us. And I just don't think there's anything that -- other than self-protection, the protection of the mother's life, that justifies taking of a human life. We condone it in self-defense. We can condone it in no other way. And I'm going to -- I intend to fight it out in that line if it takes all -- (laughter) -- all four years.

MR. GERGEN: Thank you, Mr. President.

END

1:04 P.M. EDT

Tuition credits as policy

Rep. Kent Hance's contention that tuition tax credits are bad policy (*The Washington Times*, "From the Hill," April 12) is more of the same tired argument against tuition tax credits. Is the Democrat from Texas taking a stand against diversity or pluralism in American education?

Hance says, "once again it is the duty of the Congress to reject this radical idea..." Does he forget that both Houses of Congress passed tuition tax credit legislation in 1978? Actually, the proposal before Congress is substantially the same as the measure favorably reported by the Senate Finance Committee with bipartisan support last Sept. 23.

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Essentially, federal government involvement consists of civil rights enforcement. In fact, it is precisely because of Hance's facile assumption that government would need to increase interferences or attach strings that we have so many of today.

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have contact with foreign-
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indictment charges Dubber-
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etting here or elsewhere."

criminals to tough prison
and thus violated the canons
cial ethics.
ommission Chairman Bette L.
told the law firm in a letter
week that because of "stat-
provisions imposing confi-
dentiality on our proceedings we
able to advise you as to what
the commission took."
Catoe also enclosed copies of
of annual financial disclosure
signed by Kennedy in 1982
1983, the latest of which —
April 21 — shows that Ken-
has severed his ties with the
er assistance group.
okesman for Kennedy said
uld have no comment on the
sure. Neither Catoe nor a
entative of OARS could be
ed for comment.

ject for transmission to Libya
His meeting with Wilson's repre-
sentatives were held in a number of
locations to avoid detection, among
them the Hilton Hotel here and the
Key Bridge Marriott in Arlington,
The indictment said.

Former President Jimmy Carter,
in his memoirs, said Egypt and
Libya were at the brink of war dur-
ing the period mentioned in the
indictment.
The indictment accuses him of
defrauding the government

earned this year led to a 17-year
sentence.
Wilson and Schlacter, who has
been cooperating with the govern-
ment as a witness, were named as
unindicted co-conspirators in the
Dubberstein case

Congress again hears pleas to enact tuition tax credits

By George Archibald
WASHINGTON TIMES STAFF

Administration officials and a coalition of private school groups went to Capitol Hill en masse again yesterday to argue for President Reagan's tuition tax credit legislation.

Their reception from the Senate Finance Committee was only lukewarm as hearings opened on an identical tax credit proposal to one approved by the panel last year. That measure died when Congress adjourned.

Sen. Robert Packwood, R-Ore., a major supporter of tax credits, said passage of the legislation depends upon a "wholehearted 100 percent lobbying effort by the administration."

The proposal faces an almost certain filibuster by Sen. Ernest Hollings, D-S.C., an announced presidential candidate, and other opponents. It is vigorously opposed by the National Education Association and other public school lobbies.

Coalition representatives who testified at the hearings privately voiced concern that the White House is not yet committed to a strategy to get the legislation through both an unenthusiastic Senate and hostile House.

They said the proposal's only hope for passage would be as a rider to "must-pass" legislation, such as the bill needed to raise the national debt limit before next fall, without which the government cannot operate.

But they could not ask their groups "to use meager resources and do their maximum to rekindle the grassroots on this issue" unless the White House was firmly committed to such a strategy, the leaders said.

Senate Majority Leader Howard Baker, R-Tenn., and Finance Committee Chairman Robert J. Dole, R-Kan., who introduced Reagan's leg-

islation this year, are said to oppose the rider approach.

White House Chief of Staff James Baker has delayed a decision on the tax credits strategy, even though Reagan told top administration and Senate GOP officials to give the legislation "the highest priority," said coalition members who met with

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Baker about a month ago.

"Either they decide to attach it (to essential legislation) or get accused of grandstanding on the issue," said Sister Renee Oliver of Citizens for Educational Freedom. "They can't argue that they got it through the Senate but House Democrats defeated it. No one is going to buy that."

Reagan yesterday sent Dole a letter restating his strong support for the legislation, which was read to the panel by Education Secretary Terrel H. Bell, the administration's chief witness.

"I am deeply committed to this measure to strengthen parental control over education and extend choice to those who would otherwise bear a heavy burden of dual payments for education," the president declared.

"I have remarked elsewhere that without a race there can be no champion; without competition to excel in our educational system we will not have excellence," Reagan said.

"Making alternatives affordable to those parents who want them, by allowing them to keep some of what they now earn to spend on their children's education, will provide competition as public and private schools seek to improve the quality of education they offer to attract and retain students."

Sen. John Chafee, R-R.I., questioned whether tax credits would cause a flight from public to private schools or otherwise hurt public education.

Bell, citing Minnesota's three-year experience with tuition tax credits, said, "I see no evidence that it will."

On the other hand, Bell said, most low and moderate income families have no economic choice other than public elementary and secondary schools for their children.

"I would emphasize that parents ought to have that choice.... What we ought to be concerned about isn't whose schools the children attend but learning opportunities that are there.... And learning requires, especially on the elementary and secondary level, strong parental ties to the school."

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DISTRESS AUCTION

On Sunday May 1 at 2 PM, we will Auction off the contents of the defunct business Sadat Oriental Rugs. All the carpets we will auction are strictly hand-made. All rugs are guaranteed in writing, accompanied by a certificate of appraisal issued by A & A Inc., to be authentic hand-made carpets. We will be auctioning Kerman, Bokara, Tabriz, Nain silk and part silk, Isfahan, Herat and

TTC

THE WHITE HOUSE

WASHINGTON

May 6, 1983

MEMORANDUM FOR KENNETH M. DUBERSTEIN

FROM: FAITH RYAN WHITTLESEY

SUBJECT: TUITION TAX CREDIT LEGISLATION

Morton Blackwell and I met last week (April 29) with Sister Renee Oliver and Bob Billings, Jr. to urge them to direct their efforts to Members of the House Ways and Means Committee.

I thought you should see the enclosed letter.

cc Morton Blackwell



"ETERNAL VIGILANCE IS THE PRICE OF LIBERTY"

May 2, 1983

Mrs. Faith Whittlesey
The White House
Washington, DC 20500

Dear Mrs. Whittlesey:

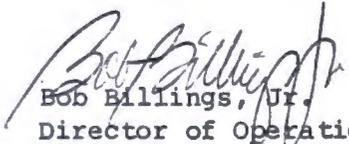
RE: Tuition Tax Credit Legislation

As a result of our meeting on Friday, April 29, we have set in motion a campaign to encourage support for the President's Educational Opportunity and Equity Act of 1983. Our efforts will be primarily directed toward members of the House Ways and Means Committee.

Joining us in this endeavor is former Indiana governor, Ed Whitcomb, and Accelerated Christian Education, Inc. ACE is one of our largest private school associations, with 5,000 member schools and over 500,000 students.

Thank you for your support and commitment to the passage of this legislation.

Sincerely,


Bob Billings, Jr.
Director of Operations

cc:Mr. Morton Blackwell
Mr. William Billings

Tuition credits as policy

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Gary Jones is under secretary of

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*Morton
To Paul
Weyrich*
*Is Hance
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DISCOUNTING

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THE WHITE HOUSE
WASHINGTON

May 23, 1983

*Tuition
Tax Credit*

MEMORANDUM TO: Faith Ryan Whittlesey
FROM Morton C. Blackwell *MB*
SUBJECT: Effort on Rostenkowski

Pursuant to our conversation with Sister Renee Oliver and Bob Baldwin on Rostenkowski and other House Democrats, the following actions have been taken:

1. Sister Renee went to Chicago and gave a speech May 11, to 500 parents at Gordon Tech High School in Rostenkowski's district. She urged them to write, phone and wire him to support tuition tax credits. She also passed out sample letters and an instruction sheet on the subject prepared and being distributed there by the Knights of Columbus.
2. Mr. Al Mazewski, President of the Polish National Alliance in Chicago, agreed to put, in his next newsletter, a set of instructions on how to write to Rostenkowski on this subject.
3. Mr. Zeferino Ochoa, head of Chicago's Committee on Latin America, agreed to start a letter-writing campaign through his group directed to Rostenkowski.
4. Sister Renee spoke while in Chicago with Roman Catholic Auxilliary Bishop Hayes, who is in charge of Hispanics there. She gave him a sample letter to Catholics and a sample letter they could write to Rostenkowski. The Bishop agreed to have the letters translated into Spanish and sent out through his channels.

On another matter, Sister Renee reports that her meeting with three U.S. Chamber officials was not conclusive. She met with Richard Rahn and representatives of the Chamber's Education and Tax Committees. The Education Committee head said tuition tax credit was still too controversial and that he believed they should not get involved now.

MCB:jet

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 7, 1983

TO: Ken Duberstein
THRU: Pam Turner *pt*
FROM: Bob Kabel *BK*
SUBJECT: Possibility of Senator Grassley Offering a
Tuition Tax Credit Amendment to the Withholding
Legislation

*Copy to M. B. Stuberwell
6/9*

Department of Education staff advised me in the meeting held last Monday, June 6, 1983 in Secretary Bell's conference room that Senator Grassley, if asked by the White House, would offer the Administration's tuition tax credit legislation as an amendment to the withholding repeal bill. I have checked this rumor with Senator Grassley's AA, tax LA and education LA. None of these three has any knowledge of any conversation regarding any such amendment by Grassley. In fact, the tax LA advised me that Grassley would prefer that this legislation not be debated by the full Senate until after the Supreme Court has ruled in the Minnesota tuition tax deduction case.