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Last Updated: 01/30/2025

The President has seen _____

JUNE 13, 1985
315 FSDSS

DROPBY MEETING OF U.S.A.F. SENIOR STATESMEN
IN HONOR OF GENERAL JAMES H. DOOLITTLE

I WANT TO WELCOME ALL OF YOU SENIOR STATESMEN TO THE WHITE HOUSE AND TO THIS VERY SPECIAL OCCASION IN HONOR OF JIMMY DOOLITTLE. WE WANTED TO PROMOTE GENERAL DOOLITTLE TO FOUR-STAR RANK IN FRONT OF MANY OF HIS FORMER COLLEAGUES. I WAS GOING TO SAY PEERS, BUT JIMMY HAS FEW PEERS WHEN WE CONSIDER ALL OF HIS ACCOMPLISHMENTS.

WITH THIS PROMOTION TODAY, HE NOT ONLY RECEIVES LONG-OVERDUE RECOGNITION FOR HIS MANY CONTRIBUTIONS TO MODERN AIRPOWER, HE BECOMES THE FIRST RESERVE FOUR-STAR GENERAL IN THE AIR FORCE.

FEW AMERICANS HAVE HAD A PROFESSIONAL LIFE SO FILLED WITH ACHIEVEMENTS.

~~TODAY I'LL TOUCH ON JUST A FEW.~~

JIMMY DOOLITTLE LAID THE FOUNDATION FOR AIRPOWER AS WE KNOW IT TODAY, PROVED THE VALUE OF HIS IDEAS AS A COMBAT LEADER, AND HAS BEEN A CAPTAIN OF INDUSTRY AND STRONG SPOKESMAN FOR NATIONAL SECURITY.

HE IS ONE OF OUR MOST COURAGEOUS, ADVENTUROUS, AND BRILLIANT AIR PIONEERS.

HE MADE THE FIRST CROSS-COUNTRY FLIGHT IN SEPTEMBER 1922 -- TAKING LESS THAN 24 HOURS

TO GO FROM FLORIDA TO CALIFORNIA. SEVEN

YEARS LATER, HE FLEW THE FIRST COMPLETELY

INSTRUMENTED FLIGHT. HIS PIONEERING EFFORTS

PROVED THAT AIRPLANES HAD AN IMPORTANT JOB TO DO AND STIMULATED AN AVIATION INDUSTRY THAT WAS STILL IN ITS INFANCY.

AS AMERICA WAS GEARING UP FOR WORLD WAR II, JIMMY WAS LARGELY RESPONSIBLE FOR THE CONVERSION OF OUR AUTOMOBILE PLANTS TO THE MANUFACTURE OF AIRPLANE PARTS, MAKING AMERICA THE ARSENAL OF DEMOCRACY.

THEN ON APRIL 18TH, 1942,
JIMMY DOOLITTLE AND HIS RAIDERS FLEW FROM
THE PITCHING DECK OF THE U.S.S. HORNET TO
CARRY THE PACIFIC WAR TO THE JAPANESE
HOMELAND. IN SIMPLE TERMS, THE "DOOLITTLE
RAIDERS" REVITALIZED AMERICA'S FIGHTING
SPIRIT.

WHEN JIMMY RETURNED TO
WASHINGTON, D.C., HE WAS IMMEDIATELY WHISKED
OFF TO MEET PRESIDENT ROOSEVELT WHO INFORMED
HIM THAT HE WAS TO BE AWARDED THIS NATION'S
HIGHEST AWARD FOR HIS VALOR.

IN SEPTEMBER 1942, JIMMY TOOK COMMAND
OF THE 12TH AIR FORCE IN NORTH AFRICA
FIGHTING ROMMEL'S AFRICA CORPS.

AFTER COMMANDING THE 12TH, HE TOOK OVER THE
15TH AIR FORCE AND CARRIED THE AIR WAR INTO
AXIS ITALY AND GERMANY FROM THE
MEDITERRANEAN THEATER.

IN 1944 HE ASSUMED COMMAND OF THE
8TH AIR FORCE AND LED IT IN THE STRATEGIC
BOMBING OF GERMANY. AFTER THE GERMAN
SURRENDER, HE FINISHED THE WAR IN THE
PACIFIC COMMANDING THE TRANSFERRED
8TH AIR FORCE.

JIMMY RETURNED TO INACTIVE STATUS AFTER
THE WAR -- AND TO THE SHELL OIL COMPANY.

HE HAS BEEN A SENIOR EXECUTIVE OFFICER BOTH
WITH SHELL AND MUTUAL OF OMAHA. DURING THIS
TIME JIMMY HAS BEEN ONE OF THE MOST ACTIVE
OF ALL THE AIR FORCE SENIOR STATESMEN.

HE HAS EDUCATED MANY OF THE AIR FORCE'S
SENIOR LEADERS THROUGH HIS LECTURES AT
AIR FORCE PROFESSIONAL SCHOOLS AND THROUGH
HIS WILLINGNESS TO PARTICIPATE IN A HOST OF
STUDIES AND CONFERENCES.

WE HAVE NEVER LET JIMMY REST -- EVEN DURING THIS CONFERENCE HE IS CONTRIBUTING TO THE FUTURE OF THE AIR FORCE, WORKING WITH DICK (CONE), BENNIE SCHREIVER, TOM MARSH, AND SAM PHILLIPS ON AN ORAL HISTORY ON AIR FORCE RESEARCH AND DEVELOPMENT OVER THE LAST 50 YEARS.

IT IS VERY APPROPRIATE THAT A GRATEFUL NATION RECOGNIZE ONE OF AMERICA'S GREAT AIR PIONEERS, COMBAT LEADERS, AND SPOKESMEN FOR NATIONAL SECURITY.

BEFORE I PIN ON THIS LONG-OVERDUE STAR, I'D ALSO LIKE TO THANK SENATOR BARRY GOLDWATER FOR HIS PART IN MAKING THIS CEREMONY POSSIBLE TODAY. } AND I ALSO WANT TO RECOGNIZE ANOTHER GREAT AVIATOR WHO IS UNABLE TO BE WITH US TODAY. } GENERAL IRA (AKER).

HE, TOO, RECENTLY PINNED ON HIS FOURTH STAR.

MRS. (AKER), WOULD YOU PLEASE PASS MY
CONGRATULATIONS ON TO THE GENERAL.

NOW, BARRY, IF YOU AND JIMMY WILL STEP
FORWARD, WE'LL GET JIMMY PROMOTED.

(PIN ON FOURTH STAR)

JIMMY, WHEN GENERAL GEORGE PATTON
RECEIVED HIS FOURTH STAR, HE GAVE YOU A SET
OF FOUR-STAR INSIGNIA BECAUSE HE KNEW YOU
WOULD SOMEDAY GET YOUR FOURTH STAR.

I HAVE THOSE STARS HERE TODAY, AND I WANT TO
RETURN THEM TO YOU WITH YOUR NATION'S GREAT
GRATITUDE FOR ALL THE CONTRIBUTIONS YOU HAVE
MADE TO OUR WAY OF LIFE.

(PRESENTATION OF PATTON STARS)

#

(NOONAN)

The President has seen
JUNE 13, 1985

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TAX REFORM RALLY
BLOOMFIELD, NEW JERSEY

THANK YOU MAYOR (KINN-DER) AND
GOVERNOR (KANE).

YOU KNOW, I THINK NEW JERSEY IS VERY
LUCKY TO HAVE TOM (KANE) AS ITS GOVERNOR.

HE IS ONE OF THE ABLEST STATE EXECUTIVES IN
THE COUNTRY AND HE HAPPENS TO BE ONE OF
MY FAVORITE GOVERNORS. HE CALLS ME NOW AND

THEN. I'LL ASK HIM, TOM, WHAT SHOULD I DO
ABOUT THE BUDGET, AND HE SAYS/ COME TO

NEW JERSEY. I SAY, TOM, WHAT SHOULD I DO
ABOUT TAXES, AND HE SAYS/ COME TO

NEW JERSEY. HE IS A GREAT BOOSTER OF YOUR
STATE AND I'VE BEEN HERE FOUR TIMES IN THE
PAST YEAR ALONE, SO YOU SEE I TAKE HIS
ADVICE SERIOUSLY.

- 2 -

I AM DELIGHTED TO BE HERE WITH TWO OF
OUR FINEST MEMBERS OF CONGRESS /
CONGRESSMEN DEAN GALLO AND MATT RINALDO.

IT'S GREAT TO BE BACK IN NEW JERSEY.

I'VE BEEN IN HAMMONTON / ELIZABETH /
HACKENSACK / HOBOKEN / AND ORADELL / IN THE PAST
12 MONTHS / AND I AM HAPPY NOW TO MEET THE
PEOPLE OF BLOOMFIELD.

I HAVE BEEN TRAVELLING ACROSS THE
COUNTRY THE PAST FEW WEEKS TALKING ABOUT TAX
REFORM / WHY WE NEED IT / WHAT IT IS /
HOW IT WILL EFFECT ALL OF US.

AND I HAVE BROUGHT MY MESSAGE HERE TODAY
BECAUSE WE CANNOT MAKE A CHANGE THIS GREAT
WITHOUT THE HELP OF ALL OF THE PEOPLE OF
AMERICA. WE ESPECIALLY NEED THE HELP OF THE
MOST COMMITTED AND HARDEST WORKING CITIZENS
IN THE COUNTRY ~~f~~ WHICH MEANS WE NEED THE
SUPPORT OF THE PEOPLE OF THE GARDEN STATE.

NOW OCCASIONALLY I GET INTO A SORT OF
DIALOGUE WITH THE AUDIENCE WHEN I'M

SPEAKING. IT'S MY WAY OF GAUGING PUBLIC

OPINION. I CALL IT THE REAGAN POLL.

FREQUENTLY I DO IT SOMEWHERE NEAR THE END.

BUT TODAY I'M GOING TO DO IT AT THE
BEGINNING.

HERE GOES ~~f~~ IF YOU REALLY, TRULY LOVE
OUR CURRENT FEDERAL TAX SYSTEM ~~f~~
THE ONE WE HAVE NOW ~~f~~ HOW ABOUT A BIG
CHEER.

NOW, I DIDN'T ASK FOR LAUGHTER,
I ASKED FOR A CHEER.

HOW ABOUT THIS / IF YOU EVEN LIKE OUR
CURRENT FEDERAL ^{INC.} TAX SYSTEM, HOW ABOUT A BIG
CHEER.

{ IF ONE PERSON CHEERS: "I THOUGHT I
LEFT THE I.R.S. BACK IN WASHINGTON." }

{ IF A GROUP CHEERS: "THAT MUST BE THE
UNDERGROUND ECONOMY." }

ALRIGHT. NOW, THE RATHER RESOUNDING
SILENCE WE ALL JUST WITNESSED IS AS GOOD A
PLACE TO START AS ANY / BECAUSE IT
DEMONSTRATES A FACT WITH WHICH WE ARE ALL
FAMILIAR / OUR CURRENT FEDERAL TAX SYSTEM IS
NEITHER ADMIRER NOR RESPECTED / IT ENCOURAGES
CHEATING / IT IS INHERENTLY UNJUST /
IT HAS CREATED A VAST AND UNPRODUCTIVE
UNDERGROUND ECONOMY / IT IS TOTTERING ON AN
UN SOUND FOUNDATION AND IT'S TIME WE SIMPLY
TORE IT DOWN AND BUILT A BETTER ONE.

WE ALL KNOW OUR CURRENT TAX SYSTEM IS
READY FOR THE ASH HEAP OF HISTORY.

AND HAVING DECIDED THAT / NOW COMES THE
DIFFICULT BUSINESS OF CREATING A NEW TAX
SYSTEM THAT IS FAIR AND EASY TO COMPREHEND.

A NEW TAX SYSTEM THAT WILL ALLOW PEOPLE TO
GET AHEAD / THAT WON'T KEEP HOLDING THEM
DOWN / A NEW TAX SYSTEM THAT WILL FINALLY PUT
THE FAMILY AT CENTER STAGE AND THE SPECIAL
INTERESTS WAY HIGH UP IN THE BACK OF THE
BALCONY WHERE THEY BELONG.

I BELIEVE WE HAVE CREATED SUCH A SYSTEM
IN THE PROPOSAL WE PUT FORTH 2 WEEKS AGO.

YOU ARE FAMILIAR WITH THE PARTICULARS.

YOU'VE BEEN READING ABOUT THEM IN THE
MAGAZINES AND THE NEWSPAPERS AND LISTENING
TO DEBATES, AND I HOPE YOU'VE HAD SOME TIME
TO SIT DOWN AT THE KITCHEN TABLE AND FIGURE
OUT WHAT YOU WOULD PAY UNDER OUR
PROPOSALS / BECAUSE IF YOU HAVE, /
THEN YOU KNOW THAT OUR PROPOSALS WILL VERY
LIKELY SPELL TAX RELIEF FOR YOU AND YOUR
FAMILY.

I DID SOME RESEARCH THE OTHER DAY,
AND I FOUND THAT, ACCORDING TO THE MOST
RECENT STATISTICS, / THE TYPICAL INCOME FOR A
FAMILY OF FOUR IN THE STATE OF NEW JERSEY IS
\$36,450.

NOW, WHAT WOULD OUR TAX PLAN DO FOR
THAT FAMILY, HOW WOULD IT EFFECT IT?

TO START WITH, UNDER OUR PLAN THE PERSONAL
EXEMPTION FOR EACH TAXPAYER AND DEPENDENT IN
THE FAMILY IS ALMOST DOUBLED TO \$2,000 /
SO THE FAMILY WILL IMMEDIATELY DEDUCT \$8,000
FROM ITS TAXABLE INCOME. / THEN IT WILL

SUBTRACT THE STANDARD DEDUCTION /
FOR A JOINT RETURN IT'S \$4,000.

NOW YOU HAVE \$12,000 THAT'S NOT TAXABLE.

LET'S SAY YOU SAVE FOR THE FUTURE BY
INVESTING IN AN INDIVIDUAL RETIREMENT
ACCOUNT FOR \$2,000. / NOW YOU'RE UP TO
\$14,000 ON WHICH YOU WON'T PAY A PENNY OF
FEDERAL TAX.

ON THE REMAINING \$22,450, YOU'LL PAY A TAX RATE OF 15 PERCENT. WHICH MEANS YOU PAY AN EFFECTIVE TAX RATE ON THE WHOLE \$36,450 OF LESS THAN 10 PERCENT. YOU REALIZE I HAVEN'T TRIED TO ESTIMATE OTHER DEDUCTIONS SUCH AS INTEREST ON YOUR HOME MORTGAGE OR CHARITABLE DEDUCTIONS, *ETC.*

THAT FAMILY *←* THAT NEW JERSEY FAMILY *→* WILL DO A LOT BETTER UNDER OUR SYSTEM THAN THE CURRENT ONE. HOW MUCH BETTER? UNDER THE CURRENT SYSTEM, THEY'D PAY \$4,635 A YEAR IN FEDERAL INCOME TAXES. UNDER OUR PROPOSAL THEY'D PAY OVER \$650 LESS.

AND FOR THE FIRST TIME IN YEARS IN OUR COUNTRY / THE MAN AND WOMAN AT THE HEAD OF THE FAMILY WILL BE ABLE TO WORK OVERTIME OR TAKE A SECOND JOB WITHOUT SEEING THOSE NEW WAGES EATEN UP BY HIGH MARGINAL TAX RATES.

THE POOR WILL BENEFIT FROM OUR TAX PROPOSALS BECAUSE MOST OF THEM WON'T PAY ANY FEDERAL INCOME TAX AT ALL. MIDDLE INCOME EARNERS WILL BENEFIT FROM LOWER TAX RATES AND THE INCREASES IN THE PERSONAL EXEMPTION, THE STANDARD DEDUCTION AND IN I.R.A.'S.

IN FACT, 58 PERCENT OF ALL AMERICAN FAMILIES WILL PAY LOWER TAXES UNDER OUR PLAN.

ANOTHER 21 PERCENT WILL PAY THE SAME AS THEY PAY NOW, NO MORE. AND ALL OF US WILL BENEFIT FROM THE ECONOMIC GROWTH THAT WILL FOLLOW THE LOWERING OF TAXES.

WHAT I'M TALKING ABOUT IS A GOOD DEAL FOR THE AMERICAN PEOPLE. THAT'S WHY TAX REFORM HAS GARNERED SUCH SUPPORT ACROSS THE COUNTRY THAT'S WHY MY FRIENDS IN THE OTHER PARTY SUPPORT IT.

ONE OF THEM, (YOUR SENIOR SENATOR,) IS A PIONEER OF THE TAX REFORM MOVEMENT.

WE ADMIRE BILL BRADLEY / WE'RE GLAD HE'S ON THE TEAM / AND HIS LEADERSHIP IS INDISPENSABLE TO VICTORY.

BUT TAX REFORM IS NOT WITHOUT ITS FOES.

THERE ARE THOSE WHO WON'T OPPOSE IT OUTRIGHT / BUT WHO'LL TRY TO NICKLE AND DIME IT TO DEATH. OTHERS WILL USE ANY FALSE ARGUMENT THEY CAN / ANY SCARE TACTIC TO CLOUD THE TRUTH AND RAISE CONFUSION.

THERE ARE THOSE WHO SAY OUR TAX PLAN WILL BENEFIT SOME STATES AND HURT OTHERS.

THEY SAY THAT WHEN WE ELIMINATE THE DEDUCTION FOR STATE AND LOCAL TAXES / WE'LL HURT THE PEOPLE WHO PAY THOSE TAXES IN THE HIGH-TAX STATES. AGAIN -- IT'S SIMPLY NOT TRUE.

FIRST OFF, TWO-THIRDS OF THE PEOPLE WHO LIVE IN SUCH STATES DON'T ITEMIZE AND DON'T DEDUCT THEIR STATE AND LOCAL TAXES TO BEGIN WITH, SO THE CURRENT STATE TAX DEDUCTION IS OF ABSOLUTELY NO USE TO TWO-THIRDS OF THE HOUSEHOLDS IN THE HIGH-TAX STATES.

AND LET ME ADD HERE THAT I DON'T CONSIDER NEW JERSEY TO BE A HIGH-TAX STATE. FOR INSTANCE, NEW YORKERS HAVE TO PAY TOP INCOME TAX RATES THAT ARE MORE THAN FOUR TIMES AS HIGH AS NEW JERSEY'S.

AND YOUR GOVERNOR, TOM (KANE), BY THE WAY, IS TRYING TO CUT YOUR STATE INCOME TAXES EVEN FURTHER.

MY SECOND POINT, MOST OF THE LUCKY ONE-THIRD WHO DO ITEMIZE WILL, (UNDER OUR PLAN) GET A FEDERAL TAX CUT TO HELP LOWER THEIR TAX BILL. AS AN EXAMPLE, HERE'S A NEW JERSEY FAMILY OF FOUR THAT'S MAKING ALMOST \$42,000 A YEAR. THEY LIVE IN BLOOMFIELD, THEY'RE VERY HAPPY HERE.

THEY LOVE MAYOR (KINN-DER), AS WHO DOES NOT.

NOW, THIS FAMILY ITEMIZES ON ITS FEDERAL

INCOME TAX. AND THEY TAKE THE ESTIMATED

AVERAGE AMOUNT OF ITEMIZED DEDUCTIONS FOR A

JOINT RETURN FROM NEW JERSEY.

UNDER THE CURRENT TAX SYSTEM,

THAT FAMILY WOULD PAY A FEDERAL INCOME TAX

OF \$4,948. UNDER OUR PLAN, (THE NEW PLAN,)

IT WOULD PAY \$600 LESS.

THAT'S \$600 A YEAR IN SAVINGS FOR A

FAMILY THAT ITEMIZES. AND I HAVEN'T EVEN

BEGUN TO CALCULATE WHAT THEY'LL SAVE ON

ACCOUNTANTS!

FINALLY, OUR THIRD POINT: BECAUSE OUR

TAX PLAN WILL ENCOURAGE ECONOMIC GROWTH,

IT WILL BROADEN THE TAX BASE IN EVERY CITY,

TOWN, AND STATE IN THE COUNTRY.

BLOOMFIELD HAS A VIBRANT LOCAL ECONOMY /
BUT WHEN THE PEOPLE OF THIS TOWN ARE ALLOWED
TO KEEP MORE OF THEIR HARD-EARNED MONEY, /
AND ARE ALLOWED TO SPEND IT, / SAVE IT, /
AND INVEST IT, / WELL, THEN THE BUSINESS
COMMUNITY OF BLOOMFIELD WILL REALLY BLOOM.

BUT THERE'S A GREATER POINT, / AND LET ME
PUT IT CLEARLY, / WHEN YOU'VE GOT A TAX PLAN
THAT IS PRO-GROWTH, / PRO-FAMILY, /
AND PRO-FAIRNESS, / THEN YOU'VE GOT A TAX PLAN
THAT'S PRO-NEW MEXICO, / PRO-NEW YORK, /
AND PRO-NEW JERSEY. IT'S A TAX PLAN THAT'S
PRO-AMERICA / IT'S AMERICA'S TAX PLAN.

WE'RE NOT FAVORING ONE STATE OVER ANOTHER /
WE'RE FAVORING EVERY TAXPAYER IN AMERICA BY
CREATING GREATER FAIRNESS, / GREATER JUSTICE, /
AND LOWER TAX RATES.

OUR TAX PLAN WILL CLOSE THE LOOPHOLES
THAT ARE MANIPULATED BY SOME TO AVOID PAYING
TAXES. THE TRUTH IS, EVERYONE SHOULD PAY
THEIR FAIR SHARE.

NO ONE, NO MATTER HOW POWERFUL OR
PRIVILEGED / SHOULD BE ABLE TO USE TAX
SHELTERS TO KEEP FROM PAYING TAXES WHEN THE
MIDDLE CLASS / WITH NO PLACE TO HIDE AND NO
PROTECTION FROM CLEVER ACCOUNTANTS /
BEAR MORE THAN THEIR SHARE OF THE LOAD.

OUR PLAN WILL NOT INCREASE THE DEFICIT
NOR WILL IT BE USED TO RAISE REVENUE.

YOU KNOW, SOME PEOPLE ARE TALKING ABOUT
TURNING TAX REFORM INTO A TAX INCREASE.

WELL, LET ME TELL YOU: / I HAVE A VETO PEN
READY FOR ANYONE WHO TRIES THAT.

OUR TAX PROGRAM IS DESIGNED TO ENSURE
THE GROWTH OF THE AMERICAN ECONOMY IN OUR
TIME AND IN OUR CHILDREN'S TIME. IT'S AIMED
AT CREATING INVESTMENT AND JOBS AND PERSONAL
WEALTH. WE'RE NOT JUST TALKING ABOUT A
BETTER DEAL FOR NOW / -- WE ARE TALKING ABOUT
THE FUTURE. AND WE'RE NOT JUST PREDICTING
ECONOMIC GROWTH / = WE'RE PROMISING IT.

SO MUCH IS AHEAD OF US.

MORE IMPORTANT, SO MUCH IS AHEAD FOR OUR CHILDREN. YOU KNOW, IT'S THE OLDEST CLICHE, BUT ONLY BECAUSE IT'S TRUE THE FUEL THAT HAS KEPT AMERICA GOING THAT MADE EVERY TIRED BREADWINNER GET UP EVERY MORNING AND GO TO WORK THE THING THAT HAS MADE EVERY ONE OF OUR FAMILIES HOLD TOGETHER AND PULL AT THE SAME OAR THE FUEL THAT KEPT ALL THAT GOING WAS THE HOPE THAT THE KIDS WOULD HAVE IT BETTER. IT WAS THE HOPE THAT OUR CHILDREN WOULD HAVE MORE THAN WE DID THAT THEY'D HAVE RICHER LIVES IN TERMS OF EXPERIENCE OPPORTUNITY AND WEALTH.

WE'RE A NATION THAT GOT UP EVERY MORNING FOR THE CHILDREN. AND WE STILL DO. AND WHEN I TALK ABOUT ECONOMIC GROWTH I DON'T MEAN MORE WEALTH FOR NOW WE'RE DOING ALRIGHT I MEAN CREATING A WHOLE WORLD OF REAL AND TANGIBLE OPPORTUNITIES AND POSSIBILITIES FOR OUR CHILDREN.

THERE WAS A TIME NOT TOO LONG AGO WHEN AMERICA WAS BEING TOLD THAT WE'RE LIVING IN AN AGE OF LIMITS / AND WE'VE GONE ABOUT AS FAR AS WE CAN GO / AND FROM HERE ON IN IT'S ALL DOWNHILL / AND WE'LL JUST HAVE TO GET USED TO BEING SECOND RATE. / AND AMERICA, BEING AN OPEN-MINDED AND REALISTIC COUNTRY / LISTENED AND PONDERED AND CONSIDERED. / .. AND THEN AMERICA MADE A DECISION / IT TOLD THE PESSIMISTS TO TAKE A HIKE.

I'M NOT OPTIMISTIC ABOUT THE FUTURE OF AMERICA BECAUSE I HAVE A SUNNY DISPOSITION / I'M NOT OPTIMISTIC BECAUSE I DON'T KNOW THE REALITIES / - I'M OPTIMISTIC BECAUSE I ^{DO} KNOW THEM / I'M OPTIMISTIC BECAUSE I HAVE WITNESSED THE AMERICAN EXPERIENCE FOR MORE THAN SEVEN DECADES NOW AND I KNOW THAT THE AMERICAN PEOPLE CAN DO ANYTHING.

IN THE PAST 5 YEARS, / THE AMERICAN
PEOPLE /- NOT THE POLITICIANS / NOT THE
ELITES / NOT THE HEAVY-BROWED INTELLECTUALS /
BUT THE AMERICAN PEOPLE /- SINGLE-HANDEDLY
TURNED OUR COUNTRY AROUND. / AND ALL WE IN
WASHINGTON DID WAS TRY TO GET THE GOVERNMENT
OUT OF YOUR WAY.

REFORMING OUR TAX STRUCTURE IS THE NEXT
STEP IN YOUR REVOLUTION, / IN THE SECOND
AMERICAN REVOLUTION. / AND I NEED YOUR HELP.
THE SHARKS ARE CIRCLING OUR TAX PLAN AND
TRYING TO TAKE A BITE. / WE HAPPEN TO HAVE A
FOOL-PROOF SHARK REPELLENT IN THE WILL OF
THE AMERICAN PEOPLE /- BUT YOUR VOICE MUST
BE HEARD.

CAN YOU HELP US? / WILL YOU HELP US? /
WILL YOU WRITE YOUR REPRESENTATIVES AND
SENATORS AND TELL THEM HOW YOU FEEL? /
THAT'S GREAT, BECAUSE WITHOUT YOU NOTHING
CAN BE ACCOMPLISHED, BUT WITH YOU EVERYTHING
IS POSSIBLE.

AND IF YOU GET PESSIMISTIC OR THINK
YOUR CONTRIBUTION WON'T MAKE A DIFFERENCE,/
JUST THINK OF THOSE YOUNG SOLDIERS OF TWO
CENTURIES AGO WHO, (DURING ANOTHER
REVOLUTION) TRAINED ON THE GREEN,/
HELD TOGETHER AND MARCHED NEW JERSEY /-
AND AMERICA /- INTO FREEDOM.

IT'S BEEN WONDERFUL TO BE HERE.

I HATE TO GO, BUT I'LL BE TALKING TO
GOVERNOR (KANE) AGAIN, WHICH MEANS I'LL BE
BACK. / SEE YOU THEN, AND GOOD LUCK, AND GOD
BLESS YOU.

AND BY THE WAY -- I LOVE NEW JERSEY.

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The President has seen _____

(Noonan/BE)

June 12, 1985

12:00 Noon

PRESIDENTIAL ADDRESS: TAX REFORM RALLY
BLOOMFIELD, NEW JERSEY
THURSDAY, JUNE 13, 1985

Thank you Mayor Kinder [KINN-der] and Governor Kean [kane].

You know, I think New Jersey is very lucky to have Tom Kean as its Governor. He is one of the ablest state executives in the country -- and he happens to be one of my favorite Governors. He calls me now and then. I'll ask him, Tom, what should I do about the budget, and he says: come to New Jersey. I say, Tom, what should I do about taxes, and he says: come to New Jersey. He is a great booster of your State, and I've been here three times in the past year alone, so you see I take his advice seriously.

But this morning it almost got me in trouble. The bad news is that I stopped off in Atlantic City, and I visited a casino, and bet the house, and lost it. The good news is that it was the House of Representatives.

I'm just kidding, I'm very fond of Congress, as you know. It has some wonderful people in it, and two of the best are from New Jersey -- Congressmen Dean Gallo and Matt Rinaldo.

It's great to be back in New Jersey. I've been in Hammonton and Elizabeth and Hoboken in the past 12 months, and I am happy now to meet the people of Bloomfield.

I have been travelling across the country the past few weeks talking about tax reform -- why we need it, what it is, how it will effect all of us. And I have brought my message here today because we cannot make a change this great without the help of all of the people of America. We especially need the help of the

most committed and hardest working citizens in the country -- which means we need the support of the people of the Garden State.

Now occasionally I get into a sort of dialogue with the audience when I'm speaking. It's my way of gauging public opinion. I call it the Reagan poll. Frequently I do it somewhere near the end. But today I'm going to do it at the beginning.

Here goes: If you really, truly love our current Federal tax system -- the one we have now -- how about a big cheer.

Now, I didn't ask for laughter, I asked for a cheer.

How about this: If you even like our current Federal tax system, how about a big cheer. [If one person cheers: "I thought I left the I.R.S. back in Washington." If a group cheers: "That must be the underground economy."]

Alright. Now, the rather resounding silence we all just witnessed is as good a place to start as any, because it demonstrates a fact with which we are all familiar: our current Federal tax system is neither admired nor respected; it encourages cheating; it is inherently unjust; it has created a vast and unproductive underground economy; it is tottering on an unsound foundation and it's time we simply tore it down and built a better one.

We all know our current tax system is ready for the ash heap of history. And having decided that, now comes the difficult business of creating a new tax system that is fair and easy to comprehend. A new tax system that will allow people to get

ahead, that won't keep holding them down, a new tax system that will finally put the family at center stage and the special interests way high up in the back of the balcony where they belong.

I believe we have created such a system in the proposal we put forth 2 weeks ago.

You are familiar with the particulars. You've been reading about them in the magazines and the newspapers and listening to debates. And I hope you've had some time to sit down at the kitchen table and figure out what you would pay under our proposals -- because if you have, then you know that our proposals will very likely spell tax relief for you and your family.

I did some research the other day, and I found that the average income for a family of four in the State of New Jersey is \$36,450.

Now, what would our tax plan do for that family, how would it effect it? To start with, under our plan the personal exemption for each taxpayer and dependent in the family is almost doubled to \$2,000 -- so the family will immediately deduct \$8,000 from its taxable income. Then it will subtract the standard deduction -- for a joint return it's \$4,000. Now you have \$12,000 that's not taxable. Let's say you save for the future by investing in an Individual Retirement Account for \$2,000. Now you're up to \$14,000 on which you won't pay a penny of Federal tax.

On the remaining \$22,450, you'll pay a tax rate of 15 percent. Which means you pay an effective tax rate on the whole \$36,450 of less than 10 percent. *You realize I haven't tried to estimate other deductions such as interest on your home mortgage or*

~~That~~ That family -- that New Jersey family -- will do a lot better under our system than the current one. How much better? Under the current system, they'd pay \$3,970 a year in Federal income taxes. Under our proposal they'd pay almost \$600 less.

And for the first time in years in our country the man and woman at the head of the family will be able to work overtime or take a second job without seeing those new wages eaten up by high marginal tax rates.

The poor will benefit from our tax proposals because most of them won't pay any Federal income tax at all. Middle income earners will benefit from the increases in the personal exemption, the standard deduction, and in I.R.A.'s. In fact, 58 percent of all American families will pay lower taxes under our plan. Another 21 percent will pay the same as they pay now, no more. And all of us will benefit from the economic growth that will follow the lowering of taxes.

What I'm talking about is a good deal for the American people. That's why tax reform has garnered such support across the country, that's why my friends in the other party support it. Why, they support it so much that some of them even feel they invented it. And that's alright. John Kennedy used to say that success has a thousand fathers while failure is an orphan. And I don't mind seeing my friends, the Democrats, rush in to claim paternity!

Chairman's summary

Seriously, so many Democrats joined our movement early on -- your own Senator Bill Bradley has been a leader for tax reform, and we admire Dollar Bill and we're glad he's on the team.

But tax reform is not without its foes. There are those who won't oppose it outright, but who'll try to nickle and dime it to death. Others will use any false argument they can, any scare tactic to cloud the truth and raise confusion.

They say: well, yes, it's true that tax reform would cut taxes for most everybody, but the rich will really get a free ride. Well, that's simply not true. If you make \$200,000 a year with a family of four and you take the same deductions that the average New Jersey family took, [plus substantial mortgage interest deductions], you'll wind up paying Uncle Sam about ^{53,100} \$46,000 in taxes. I would not call that an insignificant amount of money. ~~would you?~~

The truth is, everyone should pay their fair share. No one, no matter how powerful or privileged, should be able to use tax shelters to keep from paying taxes when the middle class, with no place to hide and no protection from clever accountants, bear more than their share of the load.

There are those who say our tax plan will benefit some States and hurt others. They say that when we eliminate the deduction for State and local taxes, we'll hurt the people who pay those taxes in the high-tax States. Again -- it's simply not true.

First off, two-thirds of the people who live in such States don't itemize and don't deduct their State and local taxes to

How about
leaving the ~~2~~ 200,000
a year tax payer
at exactly the same
deductions as the
average family? The
tax as I figured it
would be \$53,100.

You might want to
check that - I didn't
use a computer.

begin with. So the current State tax deduction is of absolutely no use to two-thirds of the households in the high-tax States.

And let me add here that I don't consider New Jersey to be a high-tax State. The sales and property taxes here are about the same as those of New York -- but New Yorkers have to pay top income tax rates that are more than four times as high as New Jersey's. And your Governor, Tom Kean, by the way, is planning to cut your State income taxes even further.

My second point: most of the lucky one-third who do itemize will, under our plan, get a Federal tax cut to help lower their tax bill. As an example: here's a New Jersey family of four that's making almost \$42,000 a year. They live in Bloomfield. They're very happy here. They love Mayor Kinder, as who does not. Now, this family itemizes on its Federal income tax. And they take the estimated average amount of itemized deductions for a joint return from New Jersey.

Under the current tax system, that family would pay a Federal income tax of \$4,948. Under our plan, the new plan, ^{AGAIN} it would pay \$600 less.

That's \$600 a year in savings for a family that itemizes. And I haven't even begun to calculate what they'll save on accountants!

Finally, our third point: because our tax plan will encourage economic growth, it will broaden the tax base in every city, town, and State in the country. Bloomfield has a vibrant local economy -- but when the people of this town are allowed to keep more of their hard-earned money, and are allowed to spend

it, save it, and invest it, well, then the business community of Bloomfield will really bloom.

But there's a greater point, and let me put it clearly: when you've got a tax plan that is pro-growth, pro-family, and pro-fairness, then you've got a tax plan that's pro-New Mexico, pro-New York, and pro-New Jersey. It's a tax plan that's pro-America -- it's America's Tax Plan. We're not favoring one State over another -- we're favoring every taxpayer in America by creating greater fairness, greater justice, and lower tax rates.

Our plan will not increase the deficit nor will it be used to raise revenue. You know, some people are talking about turning tax reform into a tax increase. Well, let me tell you: ~~I have a veto pen ready for anyone who tries that over my dead body. And I'm not planning on leaving anytime soon.~~

~~The kid's still kickin'.~~ (Nervy I'm superstitious)

Our tax program is designed to ensure the growth of the American economy in our time and in our children's time. It's aimed at creating investment and jobs and personal wealth. We're not just talking about a better deal for now -- we are talking about the future. And we're not just predicting economic growth -- we're promising it.

So much is ahead of us. More important, so much is ahead for our children. You know, it's the oldest cliché, but only because it's true: the fuel that has kept America going, that made every tired breadwinner get up every morning and go to work, the thing that has made every one of our families hold together and pull at the same oar, the fuel that kept all that going was the hope that the kids would have it better. It was the hope

that our children would have more than we did, that they'd have richer lives in terms of experience, opportunity, and wealth. We're a Nation that got up every morning for the children. And we still do. And when I talk about economic growth I don't mean more wealth for now -- we're doing alright -- I mean creating a whole world of real and tangible opportunities and possibilities for our children.

There was a time not too long ago when America was being told that we're living in an age of limits, and we've gone about as far as we can go, and from here on in it's all downhill, and we'll just have to get used to being second rate... And America, being an open-minded and realistic country, listened and pondered and considered... And then America made a decision: it told the pessimists to take a hike.

I'm not optimistic about the future of America because I have a sunny ~~temperament~~^{disposition}; I'm not optimistic because I don't know the realities -- I'm optimistic because I know them, I'm optimistic because I have witnessed the American experience for more than seven decades now and I know that the American people can do anything.

In the past 5 years, the American people -- not the politicians, not the elites, not the heavy-browed intellectuals, but the American people -- single-handedly turned our country around. And all we in Washington did was try to get the Government out of your way.

Reforming our tax structure is the next step in your revolution, in the Second American Revolution. And I need your

help. The sharks are circling our tax plan and trying to take a bite. We happen to have a fool-proof shark repellent in the will of the American people -- but your voice must be heard.

Can you help us? Will you help us? Will you write your Representatives and Senators and tell them how you feel? That's great, because without you nothing can be accomplished, but with you everything is possible.

And if you get pessimistic or think your contribution won't make a difference, just think of those young soldiers of two centuries ago who, during another Revolution, trained on The Parade Green, held together and marched New Jersey -- and America -- into freedom.

It's been wonderful to be here. I hate to go, but I'll be talking to Governor Kean again, which means I'll be back. See you then, and good luck, and God bless you.

And by the way -- I love New Jersey.