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*Last Updated: 01/30/2025*

(NOONAN)

The President has seen  
AUGUST 1, 1985

32480dSC

DROPBY BRIEFING ON TAX REFORM  
FOR EVANGELICAL PRESS

THANK YOU SO MUCH, AND WELCOME TO THE  
WHITE HOUSE.

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I KNOW ALL OF YOU HAVE ALREADY HEARD  
THE WISDOM OF VICE PRESIDENT BUSH AND DON  
REGAN AND MANLEY JOHNSON. SOMEHOW I DON'T  
THINK THEY HAD IN MIND THAT THEY WERE SAVING  
THE BEST FOR LAST.

---

SERIOUSLY, I WANT TO TAKE A MOMENT  
FIRST TO THANK SO MANY OF YOU FOR KEEPING  
ME IN YOUR PRAYERS WHEN I WAS IN THE  
HOSPITAL. A NUMBER OF YOU SENT VERY KIND  
WORDS OF ENCOURAGEMENT AND I'M TRULY  
GRATEFUL.

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MAY I TAKE A FEW MINUTES OF YOUR TIME  
TODAY TO LAY OUT SOME OF THE THINKING THAT  
WENT INTO OUR TAX REFORM PROPOSALS, SOME OF  
THE PHILOSOPHY BEHIND IT?

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WHEN YOU TALK ABOUT TAXES YOU'RE TALKING ABOUT THE MOVEMENT OF MONEY IN THE UNITED STATES — WHAT GOES TO THE GOVERNMENT AND WHAT STAYS IN THE ECONOMY AND IN THE POCKETS OF THE PEOPLE. AND I WANT YOU TO KNOW WHAT CONCERNS MOTIVATED US AS WE CONSIDERED THE FLOW OF MONEY...

WE ARE CONCERNED ABOUT THOSE WHO WOULD MANIPULATE THE SYSTEM AND INVEST \$100 IN A TAX SHELTER TO GET A \$1,000 WRITEOFF, AND IT'S THE SYSTEM ITSELF THAT WE WANT TO CHANGE. WE DIDN'T WORRY ABOUT SPECIAL INTEREST GROUPS AND SPECIAL INTEREST PLEADING.

WE WERE CONCERNED ABOUT THE INTERESTS OF ALL WORKING AMERICANS, STARTING WITH ONE CENTRAL ENTITY — AN ENTITY THAT IS ITSELF CENTRAL TO THE INTERESTS OF THE ENTIRE NATION. WE WERE CONCERNED ABOUT THE FAMILY. AND SO WE CREATED A TAX REFORM PROPOSAL THAT PUTS THE FAMILY FIRST.

WHY? BECAUSE THERE IS NOTHING MORE  
IMPORTANT TO ALL OF US, NOTHING MORE  
IMPORTANT TO OUR SOCIETY AND OUR NATION AND  
OUR FUTURE THAN THE FAMILY. THE FAMILY  
IS WHERE OUR CHILDREN LEARN A MORAL VIEW/  
IT'S WHERE THE VALUES OF PERSONAL  
RESPONSIBILITY AND LOYALTY AND KINDNESS  
ARE TAUGHT. IT IS NOT SAYING TOO MUCH  
TO SAY AS THE FAMILY GOES, SO GOES THE  
NATION.

AND THERE ARE MANY PEOPLE WHO SHARE  
THIS VIEW, IT ISN'T EXACTLY REVOLUTIONARY.  
AND YET, IN SPITE OF THAT/  
IN SPITE OF OUR  
GENERAL AGREEMENT IN THIS COUNTRY THAT THE  
FAMILY IS IMPORTANT/  
THE PUBLIC POLICY OF  
OUR NATION HAS IN FACT WORKED AGAINST THE  
INTERESTS OF THE FAMILY FOR DECADES NOW.  
YOU KNOW THE FACTS, AND YOU'VE HEARD THEM  
REPEATED TODAY.

BUT I'LL JUST SAY THAT FOR ME THE BIGGEST PROOF OF HOW CARELESS WE'VE BEEN IN OUR SUPPORT OF THE FAMILY IS THE PERSONAL TAX EXEMPTION FOR EACH CHILD AND DEPENDENT. IN 1948, THE AMOUNT OF THAT EXEMPTION WAS \$600.

IF WE'D KEPT UP WITH INFLATION, THE EXEMPTION TODAY WOULD BE \$2,700. WELL, AS YOU KNOW, IT HASN'T NEARLY KEPT UP.

ADMINISTRATION AFTER ADMINISTRATION JUST HASN'T BEEN INTERESTED IN RAISING THE EXEMPTION. THEY'VE BEEN MORE INTERESTED IN FINDING NEW WAYS TO SPEND EACH FAMILY'S EARNINGS. I'M TIRED OF THAT KIND OF BEHAVIOR AND I'M SICK AND TIRED OF GOVERNMENTS THAT PUT THE FAMILY AT THE END OF THE LINE.

WE RAISED THE EXEMPTION TO \$1000 IN 1981 AND INDEXED IT TO INFLATION SO THAT TODAY IT IS WORTH \$1,040.

AND NOW IN OUR TAX REFORM PROPOSAL, WE'RE RAISING THE EXEMPTION TO \$2,000 — AND AGAIN IT'S INDEXED TO INFLATION.

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I'M PROUD OF THIS, AND THERE'S ONE THING I WANT TO MAKE CLEAR. OUR TAX REFORM PLAN IS NOT STATIC, WE'RE WORKING WITH CONGRESS SO WE CAN PUT TOGETHER A PLAN THAT WE CAN ALL LIVE WITH. BUT I'LL TELL YOU ONE THING: THE \$2,000 EXEMPTION IS THE CENTERPIECE OF OUR PROGRAM. THIS IS A FAMILY FIRST BILL, AND THAT \$2,000 IS VERY IMPORTANT TO US — AND TO YOU.

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NOT ONLY ARE WE GOING TO GET THE EXEMPTION UP — WE'RE GOING TO GET TAX RATES DOWN IN ORDER TO ENCOURAGE ECONOMIC GROWTH. AND IT'S ECONOMIC GROWTH THAT WILL GIVE NEW ECONOMIC POWER TO THE FAMILY. WE'RE TALKING ABOUT JOBS FOR YOUR CHILDREN, A FUTURE FOR YOUR CHILDREN.

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JUST PARENTHETICALLY, BY THE WAY:  
I'M LEARNING ABOUT A WHOLE NEW SPECIES OF  
ANIMAL AS I WORK ON TAX REFORM. IT'S LIKE  
A NEW REPTILE. I CALL IT THE ILIKEITBUTT.  
I TALK TO A POLITICIAN, I ASK HIM HOW HE  
FEELS ABOUT OUR PLAN, HE SAYS, "I LIKE IT  
BUT...I THINK YOU SHOULD INCREASE CAPITAL  
GAINS." I TALK TO ANOTHER FELLOW, HE SAYS  
"I LIKE IT BUT...YOU'VE GOT TO RETAIN  
DEDUCTIBILITY." IT'S CATCHING. I LISTEN  
TO THEM, AND I UNDERSTAND WHY THEY'RE SAYING  
WHAT THEY'RE SAYING / AND THEY ASK IF  
I COULDN'T JUST BEND ON THIS OR THAT AND I  
FIND MYSELF SAYING, "I LIKE IT BUT...IF I  
GIVE IN TO EVERYONE WHO'S PROTECTING THEIR  
LITTLE LOOPHOLE OR THEIR LITTLE SPECIAL  
INTEREST / THE GOOD NEWS IS WE'LL GET A BILL  
THROUGH CONGRESS AND THE BAD NEWS IS IT  
WON'T BE TAX REFORM!"

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THERE ARE MANY ELEMENTS OF OUR PLAN THAT BENEFIT THE FAMILY THAT YOU'RE FAMILIAR WITH, SUCH AS OUR ATTEMPT TO EXTEND FULL IRA BENEFITS TO THOSE WHO WORK IN THE HOME AS WELL AS THOSE WHO WORK OUTSIDE IT. AND THE POINT I WANT TO MAKE IS THAT SO OFTEN IN THE PAST WE'VE MET, AND WE'VE DISCUSSED ISSUES THAT ARE IMPORTANT TO YOU AND IMPORTANT TO THIS ADMINISTRATION, SCHOOL PRAYER AND ABORTION, FOR INSTANCE. BUT I WANT TO URGE ALL OF YOU, ASK ALL OF YOU TO HELP US ALSO IN THE AREA OF TAX REFORM. IT HAS AS MUCH TO DO WITH HOW THIS NATION LIVES ITS LIFE AS ANY OTHER PROPOSAL OR INITIATIVE PUT FORTH IN THE PAST DECADE. IT HAS AS MUCH TO DO WITH HOW THE FAMILY LIVES — AND WHETHER IT WILL FLOURISH — AS ANY INITIATIVE PROPOSED IN THE PAST DECADE. IT'S NOTHING LESS THAN CRUCIAL.



AND SO I FRANKLY ASK FOR YOUR HELP AND  
YOUR INTEREST / AND IF THERE'S ANY MORE YOU  
NEED TO KNOW OR DISCUSS / ANY QUESTIONS YOU  
HAVE / PLEASE CONTACT THE MEMBERS OF THE  
STAFF HERE AND THEY'LL DO WHATEVER THEY CAN.

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I NEED YOUR HELP. ) I'M NOT EMBARRASSED  
TO ASK FOR IT. ) AND I HAVE FAITH YOU'LL COME  
THROUGH. ) YOU ALWAYS HAVE.

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THANKS SO MUCH, AND GOD BLESS YOU ALL.

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(Noonan/BE)  
July 31, 1985  
7:30 p.m.

PRESIDENTIAL REMARKS: DROPBY BRIEFING ON TAX REFORM  
FOR EVANGELICAL PRESS  
THURSDAY, AUGUST 1, 1985

Thank you so much, and welcome to the White House.

I know all of you have already heard the wisdom of Vice  
President Bush and Don Regan and Manley Johnson. ~~As usual they~~ *SOMEHOW I DON'T THINK THEY*  
*HAD IN MIND SAYING THAT THEY WERE SAYING*  
~~saved~~ the best for last.

Seriously, I want to take a moment <sup>195</sup> to thank so many of you  
for keeping me in your prayers when I was in the hospital. A  
number of you sent very kind words of encouragement *I'M TRULY GRATEFUL,*  
~~I just want to~~ <sup>MAY I</sup> take a few minutes of your time today to lay  
out some of the thinking that went into our tax reform proposals,  
some of the philosophy behind it? When you talk about taxes  
you're talking about the movement of money in the United  
States -- what goes to the government and what stays in the  
economy and in the pockets of the people. And I want you to know  
what concerns motivated us as we considered the flow of money...

We are concerned about those who would manipulate the system  
and invest \$100 in a tax shelter <sup>TO</sup> and get a \$1,000 writeoff, and  
it's the system itself that we want to change. We didn't worry  
about special interest groups and special interest pleading.

We were concerned about the interests of all working  
Americans, starting with one central entity -- an entity that is  
itself central to the interests of the entire Nation. We were  
concerned about the family. And so we created a tax reform  
proposal that puts the family first.

WHY? BECAUSE  
~~And I'll tell you why.~~ There is nothing more important to all of us, nothing more important to our society and our Nation and our future than the family. The family is where our children learn a moral view, it's where the values of personal responsibility and loyalty and kindness are taught. It is not saying too much to say "As the family goes, so goes the Nation."

And there are many people who share this view, it isn't exactly revolutionary. And yet, in spite of that, in spite of our general agreement in this country that the family is important, the public policy of our Nation has in fact worked against the interests of the family for decades now. You know the facts, and you've heard them repeated today. But I'll just say that for me the biggest proof of how careless we've been in our support of the family is the personal tax exemption for each child and dependent. In 1948, the amount of that exemption was \$600. If we'd kept up with inflation, the exemption today would be \$2,700. Well, as you know, it hasn't nearly kept up. Administration after administration just hasn't been interested in raising the exemption. They've been more interested in finding new ways to spend each family's earnings. I'm tired of that kind of behavior and I'm sick and tired of governments that put the family at the end of the line.

We raised the exemption to \$1000 in 1981 and indexed it to inflation so that today it is worth \$1,040. And now in our tax reform proposal, we're raising the exemption to \$2,000 -- and again it's indexed to inflation.

I'm proud of this, and there's one thing I want to make clear. Our tax reform plan is not static; we're working with Congress so we can put together a plan that we can all live with. But I'll tell you one thing: the \$2,000 exemption is the centerpiece of our program. This is a Family First bill, and that \$2,000 is very important to us -- and to you.

Not only are we going to get the exemption up -- we're going to get tax rates down in order to encourage economic growth. And it's economic growth that will give new economic power to the family. We're talking about jobs for your children, a future for your children.

Just parenthetically, by the way: I'm learning about a whole new species of animal as I work on tax reform. It's like a new reptile. I call it the Ilikeitbutt. I talk to a politician, I ask him how he feels about our plan, he says, "I like it but...I think you should increase capital gains." I talk to another fellow, he says "I like it but...you've got to retain deductibility." It's catching. I listen to them, and I understand why they're saying what they're saying, and they ask if I couldn't just bend on this or that and I find myself saying, "I like it but...if I give in to everyone who's protecting their little loophole or their little special interest, the good news is we'll get a bill through Congress and the bad news is it won't be tax reform!"

There are many elements of our plan that benefit the family that you're familiar with, such as our attempt to extend full IRA benefits to those who work in the home as well as those who work

outside it. And the point I want to make is that so often in the past we've met, and we've discussed issues that are important to you and important to this Administration -- school prayer and abortion, for instance. But I want to urge all of you, ask all of you to help us also in the area of tax reform. It has as much to do with how this Nation lives its life as any other proposal or initiative put forth in the past decade. It has as much to do with how the family lives -- and whether it will flourish -- as any initiative proposed in the past decade. It's nothing less than crucial.

And so I frankly ask for your help and your interest, and if there's any more you need to know or discuss, any questions you have, please contact the members of the staff here and they'll do whatever they can.

I need your help. I'm not embarrassed to ask for it. And I have faith you'll come through. You always have.

Thanks so much, and God bless you all.

(ELLIOTT)

The President has read \_\_\_\_\_

AUGUST 5, 1985

33572650

OPENING STATEMENT  
FOR MINI PRESS CONFERENCE

WELL, I WANTED TO TAKE THIS OPPORTUNITY  
TO LOOK BACK AS WELL AS AHEAD TO OUR  
EXPECTATIONS FOR THE FALL. 1985 IS SHAPING  
UP AS A YEAR OF PROGRESS - THE ECONOMY IN  
GOOD HEALTH, AMERICA AT PEACE AND HELPING  
PUSH FORWARD THE FRONTIERS OF FREEDOM.

WE CAN DRAW CONFIDENCE FROM SEEING  
INTEREST RATES STILL TRENDING DOWN, AN  
INFLATION RATE STILL REMAINING UNDER  
4 PERCENT AND NEARLY 600,000 JOBS CREATED  
THIS YEAR.

AND NOW WITH THE ECONOMY'S BATTERIES  
RECHARGED WE'RE SETTING FORTH WITH NEW  
ZEST. THE ROAD AHEAD LOOKS CLEAR TO A  
STRONG JOB MARKET WITH NO NEW TAX INCREASES  
TO SLOW US DOWN, AND NO DARK CLOUDS OF  
INFLATION ON THE HORIZON.

BUT THERE'S MUCH WE CAN AND MUST DO TO  
MAKE THIS A BETTER YEAR.



WE INTEND TO LAUNCH A MAJOR FALL OFFENSIVE / GOING TO THE PEOPLE AND WORKING WITH CONGRESS TO ACHIEVE MAJOR AND MUCH NEEDED REFORMS. WE WILL INTENSIFY OUR EFFORTS FOR BUDGET REFORM / FOR A LINE ITEM-VETO / WHICH 43 STATE GOVERNORS ALREADY HAVE / AND FOR A BALANCED BUDGET AMENDMENT FINALLY MANDATING CONGRESS MAY SPEND NO MORE THAN IT TAKES IN. WE CANNOT REDUCE CHRONIC OVERSPENDING BY CONGRESS WITH A MERE CARROT OF FRIENDLY APPEALS TO GOOD INTENTIONS. WE MUST ALSO BE ABLE TO BEAR DOWN WITH A ROD OF REAL DISCIPLINE.

WE'LL ALSO DEVOTE SPECIAL ATTENTION TO THE AREAS OF FARM AND TRADE, / WHICH HAVE GREAT IMPACT ON THE BUDGET AND THE HEALTH OF OUR ECONOMY.

COME LABOR DAY, WE ARE GOING TO PULL OUT ALL THE STOPS FOR PASSAGE OF TAX REFORM. WE CANNOT ABIDE THE INJUSTICES AND DISINCENTIVES IN THE CURRENT CODE.

WE MUST REPLACE IT WITH A NEW SYSTEM,  
OFFERING LOWER MARGINAL TAX RATES AND  
GREATER FAIRNESS FOR THE AMERICAN PEOPLE.

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FOR THE SAKE OF OUR FUTURE, THERE IS NO  
HIGHER NOR MORE PRESSING PRIORITY.

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ON THE LEGISLATIVE FRONT, WE DIDN'T GET  
ALL THE SAVINGS WE SOUGHT, BUT WE HELD FIRM  
ON PRINCIPLE, AND WE DID SUCCEED, WHICH I  
CONSIDER CRUCIAL, IN ATTACKING BUDGET  
DEFICITS NOT BY REDUCING PEOPLE'S EARNINGS  
BUT BY REDUCING GOVERNMENT SPENDING.

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MANY APPROPRIATIONS BILLS WILL BE  
COMING UP, AND I'M LOOKING FORWARD TO  
EXAMINING EACH ONE WITH MY VETO PEN HOVERING  
OVER EVERY LINE.

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IN FOREIGN AFFAIRS, WE HAVE TURNED THE  
TIDE OF GRADUAL SOVIET EXPANSION SO EVIDENT  
5 YEARS AGO.

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OUR ALLIANCES ARE STRONGER / AND WE <sup>HAVE</sup> REGAINED  
OUR POSITION OF LEADERSHIP / WORKING TO  
RESOLVE THE INTERNATIONAL DEBT BURDEN /  
CARRYING THE FLAG FOR THE SPREAD OF  
DEMOCRACY / AND SEEKING REAL GAINS ON KEY  
GLOBAL ISSUES FROM HUMAN RIGHTS TO  
NON-PROLIFERATION. AT GENEVA, WE ARE IN THE  
BEST POSITION IN MORE THAN A GENERATION TO  
ACHIEVE REAL REDUCTIONS OF NUCLEAR  
WEAPONS / ALL WE NEED IS A SERIOUS APPROACH  
BY THE SOVIETS. I LOOK FORWARD TO MY  
MEETING WITH GENERAL SECRETARY GORBACHEV IN  
GENEVA THIS NOVEMBER.

LOOKING ELSEWHERE, WE'VE BEGUN  
REBUILDING OUR DEFENSES / OUR CONVENTIONAL  
FORCES ARE STRONGER / CONGRESS HAS SUPPORTED  
OUR STRATEGIC MODERNIZATION PROGRAM AND OUR  
DETERRENT IS STRONGER. / BUT WE MUST PRESS ON  
AND COMPLETE THAT PROGRAM.

WE ARE ALSO GOING FORWARD WITH RESEARCH ON OUR NON-NUCLEAR STRATEGIC DEFENSE INITIATIVE/ HOLDING FORTH THE GREAT HOPE THAT WE MAY ONE DAY PROTECT THE PEOPLE OF THIS PLANET FROM THE THREAT OF NUCLEAR ATTACK.

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AND WE ACHIEVED A BREAKTHROUGH WHEN CONGRESS RECOGNIZED THE IMPORTANCE OF CENTRAL AMERICA TO OUR NATIONAL SECURITY BY VOTING TO ASSIST THE FREEDOM FIGHTERS IN NICARAGUA.

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THE CAUSE OF FREEDOM IS THE CAUSE OF PEACE AND I COMMEND ALL THOSE IN CONGRESS WHO VOTED TO SUPPORT THE PRO-FREEDOM MOVEMENTS IN NICARAGUA,/ AFGHANISTAN,/ AND CAMBODIA,/ AND TO REPEAL THE CLARK AMENDMENT THAT BANNED HELP FOR THE FREEDOM FIGHTERS IN ANGOLA.

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SO AS I SAID,/ WE'VE BEGUN WELL,/ BUT WE HAVE MUCH MORE TO DO. } AND NOW I'D BE GLAD TO TAKE YOUR QUESTIONS.

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(Elliott)  
August 4, 1985  
9:00 a.m.

President has seen \_\_\_\_\_

PRESIDENTIAL REMARKS: OPENING STATEMENT FOR MINI PRESS  
CONFERENCE  
MONDAY, AUGUST 5, 1985

Well, with summer break upon us, I wanted to take this opportunity to look back on the year so far, and ahead to our expectations for the fall. 1985 is shaping up well -- a solid year of progress for growth without <sup>INCREASED</sup> inflation, strengthening our security, protecting peace, and pushing forward the frontiers of freedom.

I believe we can draw confidence from seeing interest rates still trending down, from an inflation rate, 32 months into this expansion, still remaining at a level not seen in over a decade, and from the nearly 600,000 jobs created since the start of the year.

And now the economy has recharged its batteries and we're setting forth with new zest and strength. The road ahead looks clear to a strong job market opening up new opportunities -- with no new tax increases to slow us down, and no dark clouds of inflation on the horizon.

On the legislative front, our results so far will fuel our progress, but neither as fast nor as far as we need to go. We did not get the decisive action we had sought to eliminate some 17 inefficient, costly programs. But we did hold firm on principle. And we did succeed, which I consider key to the long-term changes we're trying to make, in attacking budget deficits -- not by reducing people's earnings, but by reducing Government spending.

We are here to make Government work for people, not the other way around. And when we force Government to meet this responsibility, when we put power back in people's hands, we are accomplishing our mission. And for that I am grateful.

In foreign affairs, we have turned the tide of gradual Soviet expansion so evident 5 years ago. Our alliances are stronger than ever. We have regained our position of leadership, whether in the resolution of such issues as the international debt burden or in carrying the flag for the spread of democracy, individual human rights, and non-proliferation. And at Geneva, we are in the best position to achieve real reductions of nuclear weapons for more than a generation -- all we need is a serious ~~Soviet~~ approach **BY THE SOVIETS.**

Looking elsewhere, we've begun rebuilding our defenses; our troops are of the highest quality and well-trained, and our conventional forces are stronger. Congress has supported our strategic modernization program and our deterrent is stronger. We must press on and continue toward deployment of our MX missile.

We are also going forward with research on our non-nuclear Strategic Defense Initiative, holding forth the great hope that we may one day protect the people of this planet from the threat of nuclear attack.

And we achieved a breakthrough when Congress recognized the importance of Central America to our national security by voting to assist the freedom fighters in Nicaragua. From now on, brave souls risking their lives to win back the promises of their

revolution are not fighting alone. They can count on the support of the United States Government.

As I said in my State of the Union address, we must assist the struggle for freedom on every continent from Afghanistan to Nicaragua, for the cause of freedom is the cause of peace. I commend all those in Congress who voted to support the pro-freedom movements in Nicaragua, Afghanistan, Cambodia, and to repeal the Clark Amendment, banning help for the freedom fighters in Angola.

Day by day, we are placing our Nation on a new course for progress, confident in our leadership for freedom, prosperity, and peace.

We cannot afford to let-up in our efforts to keep the peace through strength. And we must work harder to control spending and strengthen incentives for growth. Many appropriations bills will be coming up, and I'm looking forward to examining each one with my veto pen hovering over every line.

We'll also be launching an all-out offensive to reform our tax code. We cannot abide the injustices and disincentives in the current code. We must replace it with a new system encouraging greater growth and offering fairness and equity to all. This we are determined.

And now I'd be glad to take your questions.



AUGUST 6, 1985

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MEETING WITH KNIGHTS OF COLUMBUS  
EXECUTIVE COMMITTEE

FI 010-02

I WOULD LIKE TO LAY OUT SOME OF THE  
THINKING THAT WENT INTO OUR TAX REFORM  
PROPOSALS. WE CREATED A TAX REFORM PROPOSAL  
TO PROMOTE FAIRNESS, GROWTH, AND SIMPLICITY  
AND PUT THE FAMILY FIRST.

THE PRESENT TAX SYSTEM IS UNFAIR TO  
AMERICANS, AND WE WANT TO CHANGE IT.

DID YOU KNOW THAT ALMOST 30,000 PERSONS WHO  
EARNED \$250,000 OR MORE LAST YEAR PAID  
VIRTUALLY NO TAXES? WE WANT TO CHANGE THAT  
TO MAKE SURE THAT EVERYONE PAYS HIS FAIR  
SHARE AND NO ONE PAYS MORE THAN HIS SHARE.

OUR PLAN PROVIDES FOR LOWER RATES,  
AN INCREASE IN THE PERSONAL EXEMPTION AND  
BETTER SECURITY FOR HOMEMAKERS.

WE ARE CUTTING THE NUMBER OF TAX BRACKETS  
FROM 14 TO 3. THIS NEW 3-BRACKET SYSTEM  
WILL HAVE TAX RATES OF 15, 25,  
AND 35 PERCENT.

A MAJORITY OF AMERICANS WOULD PAY LOWER TAXES UNDER OUR PLAN. FOR EXAMPLE,

TAXPAYERS IN THE \$20,000 TO \$50,000 INCOME RANGE WOULD RECEIVE A 7.2 PERCENT OVERALL

REDUCTION. TAXPAYERS MAKING UNDER \$20,000

WOULD RECEIVE AN 18.3 PERCENT REDUCTION,

AND THOSE MAKING UNDER \$10,000 WOULD GET A 35.5 PERCENT AVERAGE REDUCTION.

WHILE OUR PROPOSAL IS DESIGNED TO PROMOTE FAIRNESS AND EQUITY, IT WILL ALSO ENCOURAGE GROWTH IN THE ECONOMY.

AND I DON'T NEED TO TELL YOU OF THE RELATIONSHIP BETWEEN A DYNAMIC AND GROWING ECONOMY AND THE VITALITY OF OUR NATION'S FAMILIES.

IT'S NOT SAYING TOO MUCH TO SAY AS THE FAMILY GOES, SO GOES THE NATION.

AND YET, (IN SPITE OF THAT,) THE PUBLIC POLICY OF OUR NATION HAS, IN FACT, WORKED AGAINST THE INTERESTS OF THE FAMILY FOR DECADES NOW.

ONE OF THE CLEAREST EXAMPLES OF THIS IS THE LOSS IN THE VALUE OF THE PERSONAL AND DEPENDENCY EXEMPTION. IN 1948, THE AMOUNT OF THAT EXEMPTION WAS \$600. AND THERE IT REMAINED FOR MORE THAN THREE DECADES BEFORE WE RAISED THE EXEMPTION TO \$1,000 IN 1981 AND INDEXED IT FOR INFLATION SO THAT TODAY IT'S \$1,080. A CENTERPIECE IN OUR TAX REFORM PROPOSAL WILL BE RAISING THE EXEMPTION TO \$2,000 AND, AGAIN, INDEXING IT TO INFLATION.

WE ARE ALSO PUTTING EQUAL TREATMENT FOR THE HOMEMAKER INTO THE TAX CODE.

OUR PLAN WOULD ALLOW HOMEMAKERS TO PROVIDE FOR SECURITY IN THEIR LATER YEARS BY ALLOWING A FULL DEDUCTION OF UP TO \$2,000 FOR AN INDIVIDUAL RETIREMENT ACCOUNT.

A COUPLE WITH ONE SPOUSE IN THE LABOR FORCE AND ONE IN THE HOME WOULD BE ELIGIBLE FOR A TOTAL DEDUCTION OF \$4,000 UNDER OUR PLAN.



- 4 -

I APPRECIATE THE WORK YOU'VE DONE TO  
STRENGTHEN THE FAMILY, / TO DEFEND THE RIGHT  
TO LIFE, / TO STOP PORNOGRAPHY AND TO PRESERVE  
PARENTAL RIGHTS IN EDUCATION.

I APPRECIATE YOUR PAST EXPRESSIONS OF  
SUPPORT FOR OUR TAX REFORM PROPOSALS.

NEXT MONTH, WHEN CONGRESS COMES BACK WE WILL  
FACE A STRONG AND MOBILIZED TROOP OF SPECIAL  
INTERESTS, / BUT I AM CONFIDENT WE CAN KEEP TO  
OUR TIME TABLE OF ENACTING A TAX REFORM BILL  
BY YEAR'S END. BUT I NEED YOUR HELP.

I'M NOT EMBARRASSED TO ASK FOR IT.

AND I HAVE FAITH YOU'LL COME THROUGH BECAUSE  
YOU ALWAYS HAVE.

# # #

(Rohrabacher/BE)

August 9, 1985

12:00 noon

27574255

SP930-24

PRESIDENTIAL RADIO TALK: V-J DAY  
SATURDAY, AUGUST 10, 1985

My fellow Americans, in a few days, we will be commemorating V-J Day, the 40th anniversary of the end of the war in the Pacific, which brought to a close the most destructive and widespread conflagration in the history of mankind.

Over 3 million American airmen, soldiers, sailors and Marines served in the Pacific and Asian theaters between 1941 and 1945. They endured some of the most savage combat of the war, from the frozen Aleutian Islands in the north, to the jungles of Guadalcanal and the volcanic sands of Iwo Jima. Our fighting forces came back from the defeat at Pearl Harbor and slugged their way across the Pacific, island by island.

General Douglas MacArthur wrote of the American fighting man in the Pacific, "He plods and groans, sweats and toils, he growls and curses, and at the end he dies, unknown, uncomplaining, with faith in his heart, and on his lips a prayer for victory." ✓

The victory was won, and our freedom and way of life were preserved because of the courage and honor of those who put their lives on the line four decades ago. The Americans who went through this ordeal of storm and sacrifice, just as their counterparts who battled our enemies in Europe, deserve a special place in the hearts of all those who love liberty.

Vice President Bush might be a little embarrassed if he knew I was going to say this, but he is one of those Americans I'm talking about. As a young ~~man~~ <sup>FIGHTER PILOT</sup> in the Pacific, his plane was shot

down on a military mission. He came perilously close to losing his life.

If you know any veterans of the Second World War, you might take the time on August 14th to thank them. There are so many heroes among us, and I'm sure they'd like to know how much we appreciate them.


The veterans of the Pacific War should take special pride that today the Pacific Rim is blessed with stability and bustling with enterprise and commerce. The hard fought battles of the Pacific laid the foundation<sup>2</sup> for what is becoming one of the most vibrant regions of the world. The devastation and rubble of the war have given way to great centers of human progress, futuristic metropolises with vast industrial complexes, modernistic transportation systems, and impressive institutions of culture and learning.

Nowhere is this more evident than in Japan, now a close and reliable friend and one of our most important allies. In these last 40 years the Japanese have transformed bombed out ruins into a great industrial nation. With few natural resources of their own, they now produce over 10 percent of all the world's goods and services. They've accomplished this economic miracle with hard work, free enterprise and low tax rates.

The Japanese are today, in so many ways, our partners in peace and enterprise. Our economic ties are a great boon to both our peoples. Our good will and cooperation will be maintained by a mutually<sup>3</sup> beneficial trading relationship, based on free trade and open markets on both sides of the Pacific.

The great strides forward being made on the Pacific Rim bode well for the United States. We are, after all, a Pacific Rim country. Already our trade with Pacific and East Asian countries is greater than with any other region of the world. We can look forward to the future with anticipation of a better tomorrow. The people of our country will be in the forefront of the economic renaissance of the Pacific.

Liberty not only spawns progress, but is the genesis of true peace as well. As free peoples, it is unthinkable that the Japanese and Americans will ever again go to war. Where there are differences, as there are in the relations of any two great nations, they can be settled in the spirit of good will.

Those brave Americans who fought in the Pacific four decades ago were fighting for a better world. They believed in America and often gave the last full measure of devotion. 

One such man was Marine Lieutenant David Tucker Brown from Alexandria, Virginia. While in the Pacific, he wrote home, "I am more than ever convinced that this is Thomas Jefferson's war, the war of the common man against tyranny and pride. It is really a war for democracy and not for power or materialism." Lieutenant Brown was later killed in action on Okinawa, one of so many brave and courageous young Americans who made the supreme sacrifice.

I think if those brave men were with us today they would be proud of what has been accomplished. At war's end, with victory in hand, we looked forward, not back. We lived up to our ideals, the ideals of heroes like Lieutenant David Tucker Brown; and we

worked with our former enemies to build a new and better world, a world of freedom and opportunity. That's the America we're all so proud of.

Until next week, thanks for listening and God bless you.

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EP 483

THE WHITE HOUSE  
WASHINGTON

8/16/85

MR. PRESIDENT:

Attached is a draft of your remarks  
for the political fundraiser in Los  
Angeles next week. We understand  
that Ambassador Gavin may be at the  
head table. If that is so, we will  
add a warm reference to him and the  
job he has done as your Ambassador.

David  
David L. Chew

By all means.  
RR

(Rohrabacher/BE)

August 16, 1985

10:00a.m.

PRESIDENTIAL REMARKS: FUNDRAISER FOR CALIFORNIA  
REPUBLICAN PARTY  
LOS ANGELES, CALIFORNIA  
THURSDAY, AUGUST 22, 1985

Thank you. Governor Deukmejian, Senator Wilson, Members of Congress, Chairman Antonovich, ladies and gentlemen. Special thanks to Margaret Brock for all she's done to make this the successful dinner that it is. California is always in the forefront of new trends. Perhaps this idea of a before dinner speech will catch on. It is certainly a pleasure for me to be back with old friends and in California. This is the first time I've been with many of you since spending a little time in Bethesda. Nancy and I want you to know how much your prayers and well wishes meant to us. We sat together and read many of the get well cards you sent and knowing you were with us in spirit was the best medicine of all.

Some of those cards were memorable. One person wrote, "Dear Mr. President, I was very concerned to hear that the doctors took two feet out of your inner workings. How did those two feet get in there?"

This was my second serious visit to the hospital since getting to Washington. I'm amazed that people are surprised that someone with Irish blood doesn't let such things get him down.

There is a story -- now you know I'd have a story for you --

[SHRINE OF LOURDES STORY]

Seriously though, I'm feeling fine and when we get back to Washington, it's full steam ahead. If we are going to succeed

I'll need your help. Can I count on you? I was hoping you'd say that.

We've been through many political battles together. I'd like to ask all of you who were active in my first campaign for governor to stand up right there at your tables. Would you join me in giving all of these veteran Republicans a big hand?

Mike Antonovich and Pat Nolan were just kids back in those days, walking precincts for Youth for Reagan. They called that gang, "The Brown is out to lunch bunch." Now those same young people are assuming leadership positions in State government and a few even hold positions of responsibility in our Administration in Washington.

Perhaps the most heartening development in recent years is that today's crop of young people is turning to our party as never before. My, wasn't it nice to see all those young faces, filled with energy and idealism at our rallies all across America? Young voters will continue supporting us as long as we offer the way to a better future; as long as we are the can-do party with an agenda for an opportunity filled tomorrow, the party with a positive strategy for freedom and growth.

~~[All the other party offers is whine. And I don't mean the beverage you drink.]~~

Today the Republican Party is the party of the open door. Here in California, as in other States, we are reaching out to Asians, Hispanics and blacks. And it is making a difference. I know, for example, that a big factor in Bob Dornan's tight race



for Congress was his receiving almost 50 percent of the Hispanic vote.

Inroads are being made in the Asian community. The other party looks at these people and others as ethnic groups. We look at them as Americans. More and more Democrats are realizing that they have more in common with our goals than those targeted by the leadership of their own party.

Today we are the major political force for change in America. That's evident by the terrific job that Governor Deukmejian is doing here in California. I hope all of you will do your best to re-elect him next year and to send him a legislature that he can work with. And while you're at it, why not send another Republican from California to the United States

Senate? I hear there are a <sup>QUITE</sup> few people interested in the job.

~~THERE IS NOTHING WRONG WITH THAT & I'M SURE PRACTICALLY ANYONE OF THEM WOULD BE AN IMPROVEMENT, I'D ASK THEM TO STAND UP, BUT I DON'T KNOW IF THERE WOULD BE~~

~~BUT MAY I MAKE A SUGGESTION? TWENTY YEARS AGO OUR PARTY IN CALIF. GAVE A PRICELESS GIFT TO ANYONE LEFT SITTING REPUBLICANS EVERYWHERE - THE 11TH COMMANDMENT - THOU SHALT NOT SPEAK ILL OF ANOTHER REPUB. HAVE A SPIRITED PRIMARY BUT DON'T CAMPAIGN AGAINST EACH OTHER. CAMPAIGN AGAINST THE INCUMBENT & THEN STAND UNITED BEHIND OUR PARTY'S CHOICE, SEND US ANOTHER REPUB. SENATOR. SERIOUSLY,~~ By being here tonight, you're contributing to a

registration drive that will give Governor Deukmejian the leverage he needs up in Sacramento to help us build a new coalition for freedom and opportunity. The other side would like to believe our victory last November was due to personality. I just hope they keep believing that. There's a change happening in America. Realignment is real. What the American people see is that the other party just keeps going in circles. Of course, that's what happens if everytime there's a decision to make, you <sup>LEANING TO THE</sup> keep ~~turning~~ left.

In contrast, we're going forward, with confidence and with gusto. And we're not about to stop till we get the job done.

I know that some of the same people who thought we'd be co-opted by the permanent Government when we got to Washington a little over 4-1/2 years ago, now think that our second term is going to be little more than a holding action. Well, let me clear that up.<sup>Yes</sup> We're proud of what we've accomplished so far, but we've got an agenda and to borrow a phrase from the campaign, you ain't seen nothing yet.

This fall, we are going to campaign for the most extensive tax overhaul this country has had since the 1920's. It will bring down the rates and close the loopholes. It will be fair. Once in place, it will energize our economy, spurring investment and enterprise. People will have an incentive to channel their resources into job creating business and commercial investment rather than nonproductive shelters and tax dodges. We are going to take our case directly to the people. It's a choice between the special interest and the general interest. This is a big one, and with your help, we're going to win it for America.

Looking to the future, we are moving forward with research on a project that offers us a way out of the nuclear dilemma that has confounded mankind for four decades. The Strategic Defense Initiative research program offers us the hope of protecting ourselves and our allies from a nuclear ballistic missile attack. This will permit us to shift our focus <sup>TO</sup> ~~on~~ saving lives rather than avenging them. We seek an anti-nuclear shield -- using

technology to make us safer. Our success will be measured by the number of people we can save, not destroy.

We keep hearing from <sup>SOME SELF DECLARED</sup> ~~the~~ experts that our S.D.I. concept is unfeasible and a waste of money. ~~I've got one question to ask~~  
<sup>WELL</sup> ~~them.~~ If that's true, why are the Soviets so upset about it? As a matter of fact, why are they investing so many ~~precious~~ rubles of their own in the same technologies?

One of the reasons the American people have turned to us is that we do not waiver from our commitment to do what is necessary to keep our country safe and to secure the blessings of liberty for our children and our children's children.

No where is this clearer than in Central America. We've turned around a desperate situation in these last 4-1/2 years. One of the proudest accomplishments of this Administration has happened slowly and quietly, with little recognition. When we first got to Washington, the question on everyone's lips was, "Will El Salvador fall to the Communists?" ~~No more.~~ Today the question is, "Will Democracy win in Nicaragua?" And tomorrow the question will be -- how soon?

We have held firm. We will continue to do what needs to be done to protect our country's security and help the people of Central America build free, prosperous and democratic countries.

Today we have so many reasons to be grateful. Nancy and I have said a few prayers of thanks in these last few weeks. But all of us can be thankful that we are citizens of this blessed land. I want to thank all of you for what you are doing to keep it the good and decent land God intended her to be. I'm sorry I

can't spend the rest of the evening here, but I appreciate this

chance to be with you. Just seeing you here like this makes me sure  
we will preserve this last best hope of man on earth,  
Thank you and God bless you.