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Last Updated: 01/30/2025

275886
SP 983

The President has seen _____

(ROHRBACHER)

AUGUST 22, 1985

27588655

FUNDRAISER FOR CALIFORNIA
REPUBLICAN PARTY

LOS ANGELES, CALIFORNIA

THANK YOU. GOVERNOR DEUKMEJIAN,
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.

I AM HAPPY TO SEE MY FRIEND JOHN GAVIN,
OUR AMBASSADOR TO MEXICO. JACK, AS YOU
KNOW, HAS DONE SUPERLATIVE WORK. I THINK
HE'S ONE OF THE BEST AMBASSADORS THIS
COUNTRY HAS EVER HAD. AND WE ARE ENORMOUSLY
PLEASED THAT HE IS GOING TO STAY ON IN HIS
POST AND CONTINUE HIS GREAT WORK.

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. BUT "FATHER" TOLD~~

~~ME "OPTIMISM - LOOKING BRIGHT SIDE" - IRISH~~
CHARACTERISTIC.

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~~ ^{1964 CAMPAIGN "GOV."} 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~~ ^{SOME} 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. ~~WE~~, 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.

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 QUITE A FEW PEOPLE INTERESTED IN THE JOB.

THERE IS NOTHING WRONG WITH THAT AND I'M
SURE PRACTICALLY ANY ONE OF THEM WOULD BE AN
IMPROVEMENT / BUT MAY I MAKE A SUGGESTION?

TWENTY YEARS AGO, OUR PARTY IN CALIFORNIA
GAVE A PRICELESS GIFT TO REPUBLICANS
EVERYWHERE -- (THE 11TH COMMANDMENT) --

"THOU SHALT NOT SPEAK ILL OF ANOTHER
REPUBLICAN." HAVE A SPIRITED PRIMARY /

BUT DON'T CAMPAIGN AGAINST EACH OTHER.

CAMPAIGN AGAINST THE INCUMBENT AND THEN
STAND UNITED BEHIND OUR PARTY'S CHOICE.

SEND US ANOTHER REPUBLICAN SENATOR.

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 ~~SOMETHING OTHER~~
~~THAN OUR PHIL OR "PROG" OFFERD.~~
~~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 EVERY TIME THERE'S A
DECISION TO MAKE, YOU KEEP LEANING TO THE
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. YES, 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 TO 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 SOME SELF-DECLARED EXPERTS THAT OUR S.D.I. CONCEPT IS UNFEASIBLE AND A WASTE OF MONEY. WELL IF THAT'S TRUE, WHY ARE THE SOVIETS SO UPSET ABOUT IT? AS A MATTER OF FACT, WHY ARE THEY INVESTING SO MANY 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.

NOWHERE 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?" 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 ~~WE~~ 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.

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(Gilder/BE/PJB)

3436625C

August 29, 1985

SP 930

5:30 p.m.

PRESIDENTIAL RADIO TALK: FOOTWEAR IMPORTS
SATURDAY, AUGUST 31, 1985

My fellow Americans: Last Wednesday, I notified Congress of my decision not to impose either quotas or tariffs on foreign shoe imports into this country. I'd like to ~~spend a few moments~~ talking with you about that decision, because the case of shoe imports illustrates why so-called "protectionism" is almost always self-destructive, doing more harm than good even to those it is supposed to be helping.

Advocates of protectionism often ignore its huge, hidden costs -- ~~costs~~ that far outweigh any temporary benefits. ~~For instance,~~ The Council of Economic Advisers estimated that the quotas on shoe imports ~~that~~ I turned down would have cost the American consumer nearly \$3 billion. And there are other costs, ~~as well.~~ If we ~~would put up~~ quotas, ~~it~~ would have entitled our trading partners to another \$2 billion in compensation -- or they ~~almost certainly~~ would have retaliated, slapping quotas or tariffs on the products we sell to them. That would mean an immediate ~~and significant~~ loss of American jobs, and a dangerous step down the road to a trade war. ^{ALSO} ~~Also~~, if our trading partners can't sell their products here, they can't afford to buy our exports -- and that means ~~still~~ more lost jobs for Americans.

Protectionism almost always ends up making the protected industry ~~not stronger, but~~ weaker, and less able to compete against foreign imports. Between 1977 and 1981, U.S. footwear manufacturers received protection from foreign imports, but at

the end of that time, they were ~~even~~ more vulnerable to foreign competition than before. ~~In fact,~~ Instead of "protectionism," ~~it~~ ^{WE SHOULD} would be more accurate to call it "destructionism." ~~As we have~~ ^{It} seen, ~~protectionism~~ destroys jobs, weakens our industries, harms exports, costs billions of dollars to consumers, and damages our overall economy. Of course, free trade also means fair trade. ~~This Administration~~ ^{WE} will move vigorously against unfair trading practices, using every legal recourse available to give American manufacturers a fair shake at home and open markets abroad. ¹²

~~Recently,~~ The balance of trade has become a very emotional issue, with ~~some claiming that~~ our trade deficit has cost us millions of jobs. ~~As a result,~~ Congress is awash in bills calling for trade sanctions and retaliation. ^{LOOK AT} But ~~the facts don't~~ bear this out. In 1980 we had a trade surplus and about 99 million Americans had jobs. Today we have a trade deficit, and almost 107 million Americans are working. ~~In other words,~~ Despite a growing trade deficit, we've gained over 7-1/2 million new jobs since 1980. Our free, open, and growing economy has put more Americans to work in 1985 than ever before in our history. ~~In fact,~~ ^{WE} we've created ~~for~~ more jobs in the last 3 years than ~~both~~ Europe and Japan combined. The surest way to destroy those jobs and throw Americans out of work is to start a trade war. And ~~let's not forget that~~ one of the first victims of a protectionist trade war will be America's farmers, ¹³ who have it tough enough already.

^{A NEWS STORY} ~~In the paper~~ the other day ~~it~~ said, "Protectionist fervor on the Hill is stronger than it has been since the 1930s . . ."

Some of us remember the 1930s, ~~that~~ when the most destructive trade bill in history, the Smoot-Hawley Tariff Act, helped plunge this Nation, and the world, into a decade of depression and despair, ~~that helped precipitate a world war. Those who advocate protectionism are ignoring the clear lessons of history.~~

From now on, I'm going to call these ~~trade bills~~ what they are: ~~depression makers~~. If the ghost of Smoot-Hawley rears its ugly head in Congress; if Congress crafts a depression-making bill, I'll fight it. ⁺ Whether it's tax, ~~legislation or~~ trade ~~legislation~~ or farm legislation that comes across my desk, my primary consideration will ~~not be whether it accords with the politics of the moment~~ ^{BE} but whether it is in the long run economic interest of the United States. ~~That will be our guiding star.~~ And any tax hike or spending bill or protectionist legislation that doesn't meet the test of whether it advances America's prosperity will ^{BE OPPOSED.} ~~earn our determined opposition.~~

America is getting stronger, not weaker. Our 23-percent tax rate cuts have given us 2-1/2 years of economic expansion, a dramatic increase in after-tax personal income and the most dramatic drop in poverty in ^{10 YRS.} ~~a decade.~~

^{WE} ~~America must~~ ^{MUST} go forward with growth, not retreat into the failed policies of the past, whether they be protectionism or higher taxes. Let's go forward with America's fair share tax plan, by cutting income tax rates again and building opportunity. On Monday we'll be ^{RECOGNIZING} ~~celebrating~~ America's working men and women. We've created over 7 million jobs in the last 4-1/2 years. On this Labor Day, ~~1985~~, let's challenge ourselves to create

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10 million more in the next 4. To do that we're going to have to be courageous, hopeful, hard working, and proud -- ^{which} ~~I guess that~~ pretty well sums up what it means to be an American. But there is one quality I left out: ~~faith~~, faith in the loving God who ~~has so blessed our country and who~~ will continue to guide us on the optimistic course we have set. Enjoy your Labor Day holiday.

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

Final Version

(Noonan/Reagan)
August 30, 1985
3:30 p.m.

275843

CP 984

PRESIDENTIAL REMARKS: SANTA-CALI-GON DAYS CELEBRATION
INDEPENDENCE, MISSOURI
MONDAY, SEPTEMBER 2, 1985

Governor Ashcroft, Mayor Potts and distinguished guests, thank you very much. It's wonderful to be in Independence. I'm especially pleased to be here for the 13th annual Santa-Cali-Gon Days celebration.

I was born in the Midwest some time back. Not that long ago. There's no truth to the rumor I waved goodbye to the Donner Party. But the trails we remember today were still being used up until around the turn of the century, and when I was born, stories of the pioneers and what they went through were still close to our experience. The spirit that won the West is still, in my opinion, very much with us in this country -- and that's good; we have great challenges ahead of us, and we're going to need it.

Now this is the first time I've really been out on the stump since I was in the hospital, and I missed it. I even miss hecklers. (Oh there you are. Hi, how are you?)

I am very happy to be in Truman Country on this Labor Day. I want to talk about tax reform, and I wanted to be here with you working men and women who work hard to support yourselves and your families with your weekly paychecks. You're always there when your neighbors need help, when the community needs help. It's the working men and women of America who pay the taxes, foot the bills, and make the sacrifices that keep this country going.

And I'm here to talk to you about a long-overdue change in our tax laws -- a change aimed at benefitting you.

Now, tax reform has its enemies, especially among the people who have a vested interest in the status quo -- "status quo", that's a Latin name for the mess our tax structure is in. Those vested interests just hate it when we talk about reform, and they loved it when they thought I was laid up and out of action.

Well...I'm back, and rarin' to go, up for the battle -- that has only just begun. In fact, when I think of all the good people who've pleaded with the Federal Government for years to clean up our tax structure, I'm reminded of a recent movie. And in the spirit of "Rambo", let me tell you: we're gonna win this time.

I've been thinking about ways to sum up exactly how disgusted I am by our current tax structure. And I read a little story Harry Truman once told when he rejected a bit of bad policy. He vetoed a bill, and said, "I intended to veto it all along. In fact, I feel like the blacksmith on the Missouri jury." The judge asked if he was prejudiced against the defendant. He said, "Oh no, Judge, I think we ought to give the bum a fair trial first and then string him up."

Well, let me tell you why we ought to take our current tax system out and string it up. It's been tried and found unfair, unworkable, and unproductive. It is a system that yields great amounts of revenues, but even greater amounts of discontent, disorder and disobedience.

Our current tax system is anti-family: it gives a measly little deduction of just over a thousand dollars for each dependent. Our current system is an assault on personal improvement and effort: it taxes you at such rapidly increasing rates when you work overtime that the harder you work, the smaller the share of your income you take home.

Our current tax law is anti-growth: it discourages enterprise, and it discourages productive investment. Our current tax law is unfair: it clobbers people who don't have a team of legal advisors and accountants to look after their interests. It's supposed to be quote, progressive -- meaning the highest earners are supposed to pay a greater percentage of their earnings than, say, the typical middle-class family. But does it work out that way?

Recently the Treasury Department completed a study on the taxes paid by those in the top brackets. It was not a pretty sight. True, nearly half paid the heavy tax, but a sizeable number took advantage of the so-called loopholes and tax shelters.

In the year 1983 there were 260,000 persons who had incomes from all sources of a quarter of a million dollars a year or more. Almost 30,000 of them paid virtually nothing at all.

There were 28,000 people who made a million dollars or more in 1983. More than 900 of them didn't pay a dime in taxes and 3,000 of them paid less than 5 percent of their million dollar plus incomes.

Treasury added it all up. And they found that 17,000 taxpayers whose income was anywhere from a quarter million dollars a year to millions of dollars a year -- paid taxes of less than \$6,272 apiece. Now it so happens \$6,272 is just about the tax paid by a family of four with two workers and an income of \$45,000 a year. Now undoubtedly some of these high income people had legitimate losses from bad investments, legal decisions in lawsuits, etc. But for a great many it was simply the opportunities provided in the present tax law with all its complexities, its shelters to hide in, loopholes to get lost in, the legal scams that are worked by people who don't want to pay their fair share. And the middle class gets stuck paying most of the bills.

We all agree that the current system is bad. But we've never quite reformed it. Why? One reason is a good healthy skepticism on the part of our people. They have heard too many promises by too many politicians about how their lives are going to be made better. They have been hurt too many times by elected officials who promised better and delivered worse.

Maybe another reason we haven't changed the tax structure is that in a democracy like ours, it's hard for us to get worked up and united over something unless it's truly dramatic like a sensational murder. Well our tax is not a sensational murder -- it's more like a daily mugging and we've learned to live with it.

But another and maybe the biggest reason we haven't changed the tax structure is that change has been resisted at every point -- and is being resisted today -- by vested interests,

those who profit from the status quo. Organizations that enjoy special tax advantages -- special interests and various professionals who are doing just fine, thank you, under the present unfair system.

There's a whole slew of people and lobbying groups who share a kind of Self Righteous Self Interest. They're well-represented in Washington, and they're not dumb. They never say, "We're against tax reform because we're in fat city." Their favorite word is "but." They say, "I like it, but...we can't lose State and local tax deductions." They say, "I like it, but...I don't like the capital gains part." Well all I can say to the "I-like-it-butts" is: our tax reform bill isn't for the special interests, it's for the general interest.

And I'm here to declare to the special interests something they already know, and something they hope you won't find out: Our fair share tax program is a good deal for the American people and a big step toward economic power for people who've been denied power for generations.

We have just received a report from Congress, from the House of Representatives, which is controlled as you know by the Democratic Party. The House Select Committee on Children, Youth and Families has called our tax reform plan the most "pro-family" of all the tax proposals before Congress. They say it is fair to low-income working families, fair to large families, single-parent families and average-income families. That sounds like a pretty fair appraisal and it comes from the Democrat majority -- not my own party.

Under our plan middle-class earners will be helped by an increase in the personal exemption from the present \$1,040 a year to a more reasonable \$2,000. Take a family of four, that means \$8,000 is untaxed because of exemptions, and another \$4,000 is untaxed because of the standard deduction, which we are raising to \$4,000. So in all, that family of four will find the first \$12,000 it takes in won't be taxed at all.

We're going to keep the itemized deductions that speak directly to how Americans live their lives -- the mortgage interest deduction on the house you live in, and a deduction on charitable contributions and medical expenses. But silly or unproductive tax shelters will be eliminated in our tax reform.

Another reason for tax reform. Even as we clean up the current system, we will be lowering rates for the vast majority of Americans. Lower rates will mean more money stays with you, in your hands. More money for savings, more money for investment and economic growth. For each added dollar you earn up to \$29,000 of taxable income you get to keep 85 cents. Above \$29,000 and up to \$70,000 you keep 75 cents out of each dollar and above \$70,000 you keep 65 cents of every additional dollar.

The highest percentage of tax cut goes to those who earn \$20,000 a year or less. They get a cut of 18 percent. The next biggest cut goes to those who earn \$20,000 to \$50,000. They get a tax cut of 7 percent. The lowest tax cut goes to those who make \$50,000 or more -- they get a cut of just less than 6 percent.

We think this is quite an improvement over the present complicated 14 tax brackets. Still it retains, as you can see, some of the progressive feature(s) of the present system.

But all this means an America bursting with economic opportunity, an America rolling out new jobs the way we used to roll Model T's off the assembly line. And all of that means a better chance for our kids, and a first chance for those who've been denied economic power for much too long.

If our fair share tax plan didn't bear within it the promise of more justice, more equity for every American, I would never support it. A few moments back I mentioned American's skepticism about politicians. When I did I have a hunch you said to yourself -- "look who's talking."

It's true I've been in public office for more than a dozen years now with roughly 3 years and 4 months to go -- the Lord willing.

Since the Constitution limits a President to only two terms there are no more elections for me, and, therefore, no need for political considerations in any decision I'm called on to make. Like you I'll be living with everything we do in these next few years here in Washington. That's why I want tax reform for all of us.

Will you write your Congresswoman or Congressman? Will you write your Senators? Please tell them one thing. Tell them to Go For It. If you do, I promise you: We're going to win this time.

Thank you, God bless you. And may I just add quickly here. As I said, I've been thinking a lot about Harry Truman. I remember when he took a step toward targeting tax reductions to help the poor and those in lower income groups. I'm proud to be talking about this good deal in the home of the father of the Fair Deal. I just figure we're taking another step toward financial independence in Independence. I think Harry would be pleased.

Thank you all.

(Noonan/PJB)
August 28, 1985
4:00 p.m.

PRESIDENTIAL REMARKS: SANTA-CALI-GON DAYS CELEBRATION
INDEPENDENCE, MISSOURI
MONDAY, SEPTEMBER 2, 1985

Thank you very much. It's wonderful to be in Independence. I'm especially pleased to be here for the 13th annual Santa-Cali-Gon Days celebration.

I was born in the Midwest some time back. Not that long ago. There's no truth to the rumor I waved goodbye to the Donner Party. But the trails we remember today were still being used up until around the turn of the century, and when I was born ~~the~~ ^{STORIES} ~~tales~~ of the pioneers and what they went through were still close to our experience. The spirit that won the West is still, in my opinion, very much with us in this country -- and that's ^{Good} ~~lucky~~, ~~because~~ we have great challenges ahead of us, and we're going to need it.

Now this is the first time I've really been out on the stump since I was in the hospital, and I missed it. ^{I even miss} ~~I miss my~~ hecklers. (Oh there you are. Hi, how are you?)

I am very happy to be in Truman Country on this ~~Labor~~ Labor Day. I want to talk about tax reform, and I wanted to be here with ^{You} ~~the~~ working men and women of ^{W I T O} ~~America~~. You work hard ~~for a~~ ^{To} ~~living~~, you support yourselves and your families with your weekly paychecks, and You're always there when your neighbors need help, when the community needs help, when the library needs a fundraiser. It's the working men and women of America who pay the taxes, ~~who~~ ⁹ ~~who~~ foot the bills, ~~who~~ make the sacrifices that keep this country going. And I'm here to talk to you about a

Now, tax reform has its enemies, especially among the people who have a vested interest in the status quo. ^{STATUS QUO - THATS A LATIN NAME FOR} ~~They just hate it~~ ~~GURST THEM~~ ^{THESS OUR TAX STRUCTURE IS IN - THOSE VESTED INTERESTS JUST HATE IT} when we talk about reform, and they loved it when ~~I was testing~~ ^{THEY THOUGHT I WAS LAID UP & OUT OF ACTION.}

Now I've been thinking about ways to sum up exactly how disgusted I am by our current tax structure. And I read a little story Harry Truman once told when he rejected a bit of bad policy. ~~One day~~ ~~he~~ vetoed a bill, and ~~he~~ said, "I intended to veto it all along. In fact, I feel like the blacksmith on the Missouri jury. The judge asked if he was prejudiced against the defendant. 'Oh no, Judge,' he said, 'I think we ought to give ~~THE BUM~~ him a fair trial. ~~Then I think we ought to take the overboard and string him up.~~ ~~THAT'S A FAIR TRIAL, THEN WE STRING HIM UP.~~ ~~and string him up.~~'" A FAIR TRIAL FIRST & THEN ~~WE~~ STRING HIM UP."

Well, let me tell you why we ought to take our current tax system out and string it up. IT'S BEEN TRIED + FOUND ~~it's~~ unfair, unworkable, and unproductive. It is a system that yields great amounts of revenues, but even greater amounts of discontent, disorder and disobedience.

Our current tax system is anti-family: it gives a measly little deduction of just over a thousand dollars for each dependent. Our current system is an assault on personal improvement and effort: it taxes you at such rapidly increasing rates when you work overtime that the harder you work, the smaller the share of your income you take home.

Our current tax law is anti-growth: it discourages enterprise, and it discourages productive investment. Our current tax law is unfair: it clobbers people who don't have ~~three tax lawyers~~ ^{A TEAM OF LEGAL ADVISORS & ACCOUNTANTS} to look after their interests. It's supposed to be quote progressive -- meaning the ~~very rich~~ ^{HIGHEST EARNERS} are supposed to pay a greater percentage ^{OF THEIR EARNINGS} than, say, the typical middle class family. Does it work out that way? -- ~~do the rich carry the brunt of the burden, and the typical family is spared?~~

Recently the Treasury Department completed a study on the taxes paid by ~~the rich~~ ^{THOSE IN THE TOP BRACKETS}. They got the facts and gave us the picture. It was not a pretty sight. ~~TRUE THE MAJORITY PAID THE HEAVY TAX, BUT A SIZEABLE NUMBER TOOK ADVANTAGE OF THE SO CALLED LOOP HOLES & TAX SHELTERS.~~

In the year 1983 there were 260,000 persons who had incomes from all sources of a quarter of a million dollars a year or more. ~~Less than half paid 20 percent or more of this income in taxes. The rest? A lot of them paid a pittance.~~ Almost 30,000 of them paid virtually nothing at all. ~~Let me ask you: do you think that's fair?~~

There were 28,000 people who made a million dollars or more in 1983. More than 900 of them didn't pay a dime in taxes. ~~Do you think that's fair?~~ ^{AND} There were 3,000 of them who paid less than 5 percent ~~OF THEIR MILLION DOLLAR OR MORE INCOME~~ ^{PLUS INCOMES.} ~~Do you think that's fair?~~

Treasury added it all up. And they found that 17,000 taxpayers whose income was anywhere from a quarter million dollars a year to millions and millions of dollars a year --

~~17,000 of these people~~ paid taxes of less than \$6,272 apiece. ~~Now it so happens~~ ^{HAPPENS} ~~that you know that~~ ^{IS} \$6,272 happens to be the tax paid by a ~~typical family of four~~ ^{WITH AN INCOME OF} that takes in \$45,000 a year. ~~Now~~ ^{UNDoubtedly} ~~undoubtedly~~ ^{SOME OF} ~~these people~~ ^{THESE PEOPLE} ~~had legitimate losses from bad investments, legal decisions in lawsuits, etc.~~ ^{Now, all of this ought to be shocking. But it is not. We} ~~But for a great many it was simply the opportunities provided in the present tax law;~~ ^{all know the score. There are shelters to hide in, loopholes to} ~~with all its complexities, its~~ ^{get lost in, we all know about the} ~~legal scams that are worked~~ ^{by people who don't want to pay their fair share. And we know} ~~it's~~ ^{the} ~~the middle class that~~ ^{gets stuck paying most of the bills.}

We all agree that the current system is bad. But we've never quite reformed it. Why? One reason is good. ~~There is,~~ ^{built into the American temperament,} a good healthy skepticism ~~on the~~ ^{PART OF OUR PEOPLE. THEY HAVE HEARD TOO MANY PROMISES BY TOO MANY POLITICIANS} ~~People hear politicians promise to make their lives better, and~~ ^{ABOUT HOW THEIR LIVES ARE GOING TO BE MADE BETTER.} ~~they nod and listen politely and think: How they gonna hurt me~~ ^{now? And this isn't unreasonable.} ~~The American people have been~~ ^{hurt} ~~by generations of~~ ^{TOO MANY TIMES BY} ~~elect~~ ^{ed} ~~officials who promised better and~~ ^{delivered worse.}

~~MAYBE~~ Another reason we haven't changed the tax structure is that in a ~~spreading~~ ^{GET WORKED UP} democracy like ours it's hard for us to ~~united over~~ ^{SOMETHING UNLESS IT'S TRULY DRAMATIC LIKE A SENSATIONAL MURDER. WELL OUT TAX} ~~anything but the most dramatic circumstances. And our current~~ ^{IS NOT A SENSATIONAL MURDER - ITS} ~~tax structure isn't dramatic, like a murder -- it's more like a~~ ^{daily mugging} ~~and~~ ^{We've learned to live with it.}

~~CANOTHER + MAYBE THE BIGGEST~~ But ~~the biggest~~ ^{reason} we haven't changed the tax structure is that change has been resisted at every point -- and is being resisted today -- by ~~the~~ ^{THOSE} ~~people~~ ^{who} profit

from the status quo. Organizations that enjoy special tax advantages -- special interests, various professionals who are doing just fine, thank you, under ^{THE PRESENT UNFAIR} ~~a system that's sinking the middle class~~. There's a whole slew of people and lobbying groups who share a kind of Self Righteous Self Interest. They're ~~all~~ well-represented in Washington, and they're not dumb. They never say, "We're against tax reform because we're in fat city". ^{THEIR FAVORITE WORD IS "BUT."} They say, "I like it, but...we can't lose State and local deductibility." ~~or~~, "I like it, but...I don't like the capital gains part." ^{WELL} ~~and~~ all I can say to the "I like it butts" is: our tax reform bill isn't for the special interests, it's for the general interest.

And I'm here to declare to the special interests ^{SOMETHING} ~~what~~ they already know, and ^{SOMETHING} ~~what~~ they hope you won't find out: Our fair share tax program is a good deal for the American people and a big step toward economic power for people who've been denied power for generations.

We have just received a report from Congress, from the ^{OF REPRESENTATIVES} House, which is controlled as you know by the Democratic Party. The House Select Committee on Children, Youth and Families has called our tax reform plan the most "pro-family" ^{ALL TAX} ~~of the~~ proposals before Congress. They ^{SAY} ~~said~~ it is fair to low-income working families, fair to large families, single-parent families, and average-income families. That sounds like a pretty fair appraisal ^{AND IT COMES FROM THE DEM. MAJORITY - NOT MY OWN PARTY.} ~~to me~~.

Under our plan ~~the~~ ^{EARNERS} middle class will be helped by ~~the~~ ^{THE PRESENT \$1040} increase in the personal exemption from ~~just over a thousand~~ ~~40~~

The Honorable Ronald Wilson Reagan

President of the United States

Insert 1 - P. 6

For ^{EACH} ~~every~~ added dollar you save
up to \$29,000 YOU ~~GET~~ TO KEEP 85¢.
ABOVE 29,000 & UP TO 70,000 YOU KEEP
75¢ OUT OF EACH DOLLAR & ABOVE 70,000
YOU KEEP 65¢ OF EVERY ADDITIONAL DOLLAR.

THE HIGHEST PERCENTAGE OF TAX CUT IS IN
THE LOWER 15% TAX BRACKET *, THE NEXT
HIGHEST IN THE 25% BRACKET *, AND THE
LOWEST IN THE TOP 35% BRACKET *.

WE THINK THAT'S IS QUITE AN IMPROVEMENT
OVER THE PRESENT COMPLICATED 14 TAX
BRACKETS. STILL IT RETAINS, AS YOU CAN
SEE, SOME OF THE PROGRESSIVE FEATURE OF
THE PRESENT SYSTEM.

* - Put in percentage figures.
Treasury has them.

The Honorable Ronald Wilson Reagan
President of the United States

Insert 2 - P. 6

A few moments back I mentioned
Americans skepticism about ~~the~~
~~political~~ politicians. ~~in general~~.
When I did I have a hunch
you said to yourself - "look who's
talking."

It's true I've been in public
office for more than a dozen
years now, ~~as President of the~~
~~United States~~ ~~for~~
→ WITH roughly 3 yrs. & 4 months to go - the
Lord willing. ~~The Constitution~~
~~says I have next four years~~

Since the Constitution limits
a President to only two terms there
are no more elections for me and
therefore no need ~~for~~ ~~that~~ political
considerations in any decision I'm called
on to make. Like you I'll be
living with ~~you~~ every thing we
do in these next few years here
in Wash. That's why I want tax
reform for all of us.

~~dollars~~ a year to a more reasonable \$2,000. ~~If you~~ Take a family of four, that means \$8,000 is untaxed because of exemptions, and another \$4,000 is untaxed because of the standard deduction, which we are raising to \$4,000. So in all, that family of four will find the first \$12,000 it takes in won't be taxed at all.

We're going to keep the itemized deductions that speak directly to how Americans live their lives -- the mortgage interest deduction on the house you live in, and a deduction on charitable contributions and medical expenses. But ~~the~~ silly and unproductive tax shelters ^{WILL BE ELIMINATED IN OUR TAX REFORM.} ~~from windmill farms to chinchilla ranches -- they're out, they're history, they're gone.~~

~~There's~~ Another reason for tax reform. Even as we clean up the current system we will be lowering rates for the vast majority of Americans. Lower rates will mean more money stays with you, in your hands. More money for savings, more money for investment and economic growth. ^{INSERT - 1} ~~That means an expanding G.N.P.,~~ But all this means ~~is~~ an America bursting with economic opportunity, an America rolling out new jobs the way we used to roll Model T's off the assembly line. And ~~what does~~ ^{OF} all that ~~mean?~~ ~~it~~ means a better chance for ~~our~~ ^{our} kids, and a first chance for those who've been denied economic power for much too long.

~~I spoke before of the healthy skepticism of the American people, and I respect it, but I tell you today:~~ If our fair share tax plan didn't bear within it the promise of more justice, more equity for every American I would never support it. ~~You can view me as a politician and that's fine with me and all I'll add is that I've reached the height of American politics and there~~

Insert 2 - P.6

are no more campaigns for me, no more offices to be won. A second term President is about the only animal in the political jungle who can afford to do nothing but look out for the interests of the American people. And that's what I'm doing. And I need your support.

~~Will you help me?~~ Will you write your Congresswoman or Congressman? Will you write your Senators? Please tell them one thing. Tell them to Go For It. If you do, I promise you: We're **GOING TO** ~~gonna~~ win this time.

Thank you, God bless you. And may I just add quickly here. As I said, I've been thinking a lot about Harry Truman. I remember when he took a step toward targeting tax reductions to help the poor and those in lower income groups. I'm proud to **TALKING** ~~talk~~ about ~~this~~ good deal in the home of the father of the Fair Deal. I just figure we're taking another step toward financial independence in Independence. I think ^{HARRY WOULD} ~~be~~ be pleased.

Thank you all.