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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name PRESIDENT, OFFICE OF THE: PRESIDENTIAL BRIEFING PAPERS

Withdrawer

RBW 12/10/2007

File Folder 04/28/1981 (CASEFILE 043398)

FOIA

S07-0077/01

Box Number

16

DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
1	SCHEDULE	OF THE PRESIDENT [PG 1] [PARTIAL]	1	4/27/1981	B7(C)

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

TR

ID # 043398

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

☒ H - INTERNALName of Document: PRESIDENT'S SCHEDULE APR 28 81

Subject Codes:

P R 0 0 7 . 0 1

1) Subject: Meeting with the Republican
Congressional Leadership to discuss
the Economic Recovery Program
and the 1982 budget resolution

FG 031.
PL 005.04
BE 004.
FI 004.

2) Summary Schedule of the President's
address to the joint session of
Congress at the U.S. Capitol

TR 001.
SP 281.15

3. Speaking notes for address

PR 005.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
RMMATT		ORIGINATOR	/ /	C	/ /

Referral Note:

THE WHITE HOUSE

UNPUBLISHED
April 27, 1981
4:00 pm

THE PRESIDENT'S SCHEDULE
Tuesday, April 28, 1981

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese , Deaver)	9:17 KHACHIGIAN, FRIGONE, BONT GORDON, DARMAN	Oval Office
9:35 am (45 min)	9:15 am <u>Meeting with GOP Congressional Leaders</u> (Max Friedersdorf)		Cabinet Room
	Pool Photo Opportunity WH (TAB A) 9:36 - 10:18 Photographer		
10:15 am (15 min)	<u>National Security Briefing</u> (Richard V. Allen)		Oval Office
10:30 am (30 min)	<u>Haircut</u> 10:37		West Basement
11:00 am (1 hour)	<u>Personal Staff Time</u> ✓		Oval Office
12:00 pm (10 min)	12:05 - 12:15 <u>Videotape Message for U. S. Chamber of Commerce Annual Dinner</u> (Craig Fuller) (to be provided tomorrow)		Map Room Residence
12:10 pm	12:15 <u>Proceed to Residence for Lunch</u>		
5:30 pm (30 min)	<u>Staff Time</u> (Baker, Meese , Deaver) — ?		Residence
8:35 pm	<u>The President and Mrs. Reagan Depart White House for the Capitol</u>		
9:00 pm (30 min)	<u>The President Addresses Joint Session of the Congress</u> (Steve Studdert) Live Press Coverage (TAB B)		The Capitol
9:30 pm	<u>Return to White House</u>		

THE WHITE HOUSE

WASHINGTON

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERSHIP

DATE: Tuesday, April 28, 1981
LOCATION: The Cabinet Room
TIME: 9:30 a.m. (45 minutes)
FROM: Max L. Friedersdorf *m.b.*

I. PURPOSE

To receive a report from the House and Senate Republican Congressional Leadership on the progress of the President's Economic Recovery Program, and to urge the Leaders to secure victories in both the House and Senate this week on the fiscal 1982 Budget Resolution.

II. BACKGROUND

Both the House and Senate are scheduled to consider the 1982 Budget Resolution this week. The Senate Budget Committee is scheduled to reconsider the Budget Resolution at 2:00 p.m. today, and on the Senate Floor later in the week. (The measure failed in Committee before the Easter Congressional Recess because of the defection by Senators Armstrong, Grassley and Symms). The Budget Resolution is ready for Floor action in the House and the issue is between the Reagan Bipartisan Budget Resolution (Gramm-Latta substitute), and the Jones Committee Resolution which provides for \$141.2 billion more spending in three years, and \$20 billion less tax relief in 1982. (See Attachment A)

On the tax side, the House Ways and Means Committee has completed hearings on the tax reduction bill and will commence mark up next week. The Senate Finance Committee is scheduled to start hearings on the tax bill in May. (See Attachment B)

III. PARTICIPANTS

(See Attachment C)

IV. PRESS PLAN

White House photo only.

V. SEQUENCE OF EVENTS

The Congressional Leaders will enter the West Lobby and be escorted to the Cabinet Room for the meeting with the President. (Coffee and rolls to be served) (See Attachment D)

Attachment: Talking Points

HOUSE BUDGET COMMITTEE (JONES) VS. REAGAN BIPARTISAN BUDGET
(GRAMM-LATTA)

- Jones Bill spends more -- \$25.4 billion more than the Reagan Bipartisan in fiscal year 1982; \$47.2 billion more in fiscal year 1983; and \$68.6 billion more in fiscal year 1984. This totals \$141.2 billion more in three years.
- Jones bill cuts \$6.7 billion from defense budget authority for FY 82 -- while spending \$21.9 billion more for social programs (compared with Reagan Bipartisan).
- Jones bill provides less tax relief -- \$20 billion less for FY 82. (And it doesn't provide relief for individuals until 1982, whereas Reagan Bipartisan commences July 1981.) By 1984, the Jones cuts for individuals would be only one-third the Reagan Bipartisan's.
- Jones bill resorts to double-counting and illusory administrative savings. Over \$1.8 billion is double counted. And, for example, "savings" of \$1.5 billion from unresolved audits are claimed, but highly unlikely to be achieved.
- The Jones bill is business-as-usual in disguise: more taxing, more spending, continued "stagflation."

The Rostenkowski Plan

- Not real tax relief: Means higher taxes for Americans.
- Cuts personal taxes only \$28 billion in FY 1982, over \$16 billion less than the Reagan plan. Provides no tax relief in 1983 and 1984.
- Unequal treatment: Cuts tax rates more for taxpayers in some income groups than for others. The Reagan plan cuts rates equally for all.
- Makes only modest cuts in tax rates, far less than those needed to eliminate disincentives to work, save and invest.
- Is vague about the specific revisions to be made in taxation of business. Rostenkowski apparently rejects the Regan 10-5-3 accelerated cost recovery plan which has wide and bipartisan support in the Congress. The proposal speaks only of "standards" to be applied to changes in depreciation formulas but does not specify the changes.
- Proposes "forced long-term savings" through improperly designed, and inadequate targeted incentives.

April 20, 1981

PARTICIPANTS

The President
The Vice President
Secretary of Treasury Donald Regan
Chairman of the CEA, Murray Weidenbaum
Chairman of the RNC, Richard Richards
Director of the OMB, David Stockman

SENATE

Howard Baker, Majority Leader
Ted Stevens, Majority Whip
James McClure, Chairman of the Republican Conference
Jake Garn, Secretary of the Republican Conference
John Tower, Chairman of the Republican Policy Committee
Bob Packwood, Chairman of Commerce & Senatorial Campaign Committees
Paul Laxalt
Strom Thurmond, President Pro Tempore of the Senate
Mark Hatfield, Chairman of Appropriations Committee
Pete Domenici, Chairman of Budget Committee
Bob Dole, Chairman of Finance Committee

HOUSE

Bob Michel, Minority Leader of the House
Trent Lott, Majority Whip of the House
Jack Kemp, Chairman of Republican Conference
Dick Cheney, Chairman of Republican Policy Conference
Jack Edwards, Chairman of Republican Conference
Clair Burgener, Vice Chairman of Republican Conference
Guy Vander Jagt, Chairman of National Republican Congressional Committee
Barber Conable, Ranking Republican Member, Ways & Means Committee
Silvio Conte, Ranking Republican Member, Appropriations Committee
Delbert Latta, Ranking Republican Member, Budget Committee
John Rhodes, Dean of House Republicans
Thomas Evans, Vice Chairman, National Republican Congressional Committee
Edward Madigan, Chairman, Republican Research Committee
James Quillen, Ranking Minority Member of House Rules Committee

STAFF

Ed Meese, Mike Deaver, Marty Anderson, Richard Allen, Lyn Nofziger,
Dave Gergen, Ken Khachigian, Dick Darman, Max Friedersdorf, Powell
Moore, Ken Duberstein, Jonna Lynn Cullen, Bob Thompson

REGRETS

Jim Baker

ATTACHMENT D

AGENDA

- | | |
|----------------------------|--|
| 9:30 a.m.
(5 minutes) | The President opens the meeting. |
| 9:35 a.m.
(15 minutes) | The President calls on Senator Baker and the Senate Chairmen for a report on the Budget Resolution and Tax Resolution Bill. |
| 9:50 a.m.
(15 minutes) | The President calls on Congressman Michel and the House Ranking Members for a report on the Budget Resolution and Tax Reduction Bill in the House. |
| 10:05 a.m.
(10 minutes) | The President opens the meeting up for general discussion and questions. |
| 10:15 a.m. | The President adjourns the meeting. |

ATTACHMENT E

TALKING POINTS

- This is the most crucial week thus far concerning the Economic Recovery Program.
- The Budget Resolution for fiscal 1982 is scheduled for consideration in both the House and Senate. I consider it essential that we win both of these battles.
- Unfortunately, some of the problems in both the House and Senate seem to be with our own Republicans. I would hope that our own team could support the program.
- In the House, we have enough Democrats to win the vote on Gramm-Latta if we could count on our Republicans. I consider this a "must" vote, and we must insist on unanimous Republican support.
- As you know, I will be addressing a Joint Session of Congress tonight, and I intend to seek bipartisan support for our program.
- I would like to hear from Howard (Baker) and Bob (Michel) on the situations in the Senate and House, and then open the meeting up for general discussions and questions.
- Why don't you start, Howard? ...and, then Bob.

B

THE WHITE HOUSE

WASHINGTON

SUMMARY SCHEDULE OF THE PRESIDENT

EVENT: ADDRESS TO THE JOINT SESSION OF CONGRESS

Tuesday, April 28, 1981

8:35 p.m. THE PRESIDENT and Mrs. Reagan depart The Residence.

8:43 p.m. THE PRESIDENT and Mrs. Reagan arrive U.S. Capitol.

8:45 p.m. THE PRESIDENT arrives Office of the Speaker and holds.

8:52 p.m. Mrs. Reagan arrives the Executive Gallery.

9:00 p.m. THE PRESIDENT makes remarks.

9:15 p.m. THE PRESIDENT concludes remarks.

9:22 p.m. THE PRESIDENT and Mrs. Reagan depart U.S. Capitol.

9:30 p.m. THE PRESIDENT and Mrs. Reagan arrive The White House.

Effective 4/27/81 8:00 a.m.

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1 4/27/1981 B7(C)

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THE WHITE HOUSE

WASHINGTON

SCHEDULE OF THE PRESIDENT

FOR

TUESDAY, APRIL 28, 1981

EVENT: ADDRESS TO THE JOINT SESSION OF CONGRESS

THE PRESIDENT'S PARTICIPATION

Remarks

WEATHER

Mid 60's

20% Chance of Precipitation

DRESS

Men's Dark Business Suit

Women's Afternoon Dress

ADVANCE

O'NEILL, HUGH
MORRIS, DAN

87c [REDACTED]
GEARING, JOHN

LEAD
PRESS
USSS
WHCA

CONTACT

STUDDERT, STEPHEN M.

202/456-7565

Effective 4/27/81 8:00 a.m.

STAFF AND PRESS INSTRUCTIONS

8:35 p.m. Board motorcade at Diplomatic Entrance.

8:35 p.m. THE PRESIDENT and Mrs. Reagan depart the Residence and proceed to board motorcade at Diplomatic Entrance.

8:37 p.m. THE PRESIDENT and Mrs. Reagan depart The White House en route the U.S. Capitol.

MOTORCADE ASSIGNMENTSLeadSpare

Medical Officer
Military Aide

Limo

THE PRESIDENT
Mrs. Reagan

Follow-upControl

M. Deaver
J. Canzeri
D. Fischer

Staff I

J. Baker
E. Meese

Staff II

S. Studdert
Press Officer
Official Photographer

Press Van IPress Van IITail

8:43 p.m. THE PRESIDENT and Mrs. Reagan arrive the U.S. Capitol (South Door) and proceed inside.

NOTE: Motorcade splits; only the limo proceeds to the South Door. All other vehicles proceed under the House Steps.

PRESS INSTRUCTIONS

Press pool escorted inside to Chamber.

OFFICIAL PHOTOGRAPHER ONLY

Effective 4/27/81 8:00 a.m.

Met inside by:

Ben Guthrie, House Sergeant-at-Arms
George White, Architect of the Capitol

THE PRESIDENT, escorted by Messrs. White and Guthrie, proceeds to the elevator and up to the second floor to the Office of the Speaker (H-210).

8:43 p.m. Mrs. Reagan is met by James Rohan (ROWAN), Chief Doorman, who escorts her to separate elevator and up to third floor holding room (H-323), Office of Congressman Silvio Conte.

NOTE:	Mr. Rohan will remain with Mrs. Reagan in H-323.
-------	--

8:45 p.m. THE PRESIDENT arrives H-210.

NOTE:	The Speaker of the House will already be in the Chamber.
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<u>STAFF INSTRUCTIONS</u>

Messrs. Deaver, Baker and Meese proceed to H-204 to join members of the Cabinet. All other staff will proceed to H-209.
--

8:50 a.m. Mrs. Reagan, escorted by Mr. Rohan, departs H-323 en route the Executive Gallery.

The Congressional Escort Committee arrives H-210.

NOTE:	See Tab A for gallery seating. Escort Committee list to be determined.
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8:58 p.m. THE PRESIDENT, escorted by the Escort Committee, departs H-210 en route the House Chamber.

<u>STAFF INSTRUCTIONS</u>

Those staff accompanying The President proceed to The Speaker's Lobby.

9:00 p.m. THE PRESIDENT, escorted by the Escort Committee, arrives entrance of the House Chamber and holds outside.

THE PRESIDENT is announced by the House Doorkeeper, James Molloy.

THE PRESIDENT and the Escort Committee enter the House Chamber via center aisle and proceed to the podium via left side (facing front).

NOTE: THE PRESIDENT acknowledges and hands to the Vice President and the Speaker of the House a copy of the speech text.

THE PRESIDENT makes remarks.

NOTE: Remarks--15 minutes.

LIVE NETWORK TELEVISION & RADIO COVERAGE

9:15 p.m. THE PRESIDENT concludes remarks.

THE PRESIDENT exits podium via podium right and departs the Chamber via the center aisle (same as on entry).

9:15 p.m. Mrs. Reagan is escorted from the Executive Gallery by Mr. Rohan to the House South Door where she will rejoin THE PRESIDENT.

STAFF AND PRESS INSTRUCTIONS

Staff proceed from Speaker's Lobby to arrival site. Press pool is escorted from Chamber to departure area.

9:20 p.m. THE PRESIDENT and Mrs. Reagan exit the House (South Door) and proceed to motorcade for boarding.

9:22 p.m. THE PRESIDENT and Mrs. Reagan depart the U.S. Capitol en route The White House.

MOTORCADE ASSIGNMENTS

Same as on arrival with the addition of Staff III vehicle.

9:30 p.m. THE PRESIDENT and Mrs. Reagan arrive The White House, Diplomatic Entrance, and proceed inside Residence.

EXECUTIVE GALLERY - UNITED STATES HOUSE OF REPRESENTATIVES

FINAL SEATING

COURT D-14	COURT D-12	COURT D-10	COURT D-8	COURT D-6	D-4	Adm. Murphy FOLDING D-2			Larry Speakes FOLDING D-1
COURT C-14	COURT C-12	COURT C-10	COURT C-8	Max Fried- ersdorf C-6	Helene von Damm C-4	Ed Harper C-2	Fred Fiel ding STEP C-2 per	Ken Khachig ian STEP C-1	Dave Gergen C-1
Eliz. Dole B-14	Pen James B-12	Dick Allen B-10	Mrs. Deaver B-8	Mrs. Meese B-6	Mrs. J. Baker B-4	USSS B-2	Rich Will amson STEP B-2	Marty Anderson STEP B-1	Murray Weiden baum B-1
ziger									
Mrs. Domen ici A-14	Mrs. Latta A-12	Mrs. Stevens A-10	Mrs. Lott A-8	Mrs. Michel A-6	Mrs. H. Baker A-4	Mrs. R. Reagan A-2	Max Frie ders dorf STEP A-2	Lyn Nofz iger STEP A-1	Mrs. Jim Brady

ersdorf son

HOUSE FLOOR

N

TAB A

in place by 8:40 pm

ADDRESS TO A JOINT SESSION OF THE CONGRESS

MR. SPEAKER, MR. PRESIDENT, DISTINGUISHED MEMBERS OF THE CONGRESS,
HONORED GUESTS, AND FELLOW CITIZENS.

I HAVE COME TO SPEAK TO YOU TONIGHT ABOUT OUR ECONOMIC RECOVERY
PROGRAM AND WHY I BELIEVE IT IS ESSENTIAL THAT THE CONGRESS APPROVE
THIS PACKAGE WHICH I BELIEVE WILL LIFT THE CRUSHING BURDEN OF
INFLATION OFF OF OUR CITIZENS AND RESTORE THE VITALITY TO OUR
INDUSTRIAL MACHINE.

2

FIRST, HOWEVER, AND DUE TO EVENTS OF THE PAST FEW WEEKS, WILL
YOU PERMIT ME TO DIGRESS FOR A MOMENT FROM THE ALL-IMPORTANT SUBJECT
OF WHY WE MUST BRING GOVERNMENT SPENDING UNDER CONTROL AND REDUCE
TAX RATES. I WOULD LIKE TO SAY A FEW WORDS DIRECTLY TO ALL OF YOU
AND TO THOSE WHO ARE WATCHING AND LISTENING TONIGHT.

THIS IS THE ONLY WAY I KNOW TO EXPRESS TO YOU ON BEHALF OF
NANCY AND MYSELF OUR APPRECIATION FOR YOUR MESSAGES, YOUR FLOWERS,
AND, MOST OF ALL, YOUR PRAYERS -- NOT ONLY FOR ME BUT FOR THOSE
OTHERS WHO FELL BESIDE ME.

THE WARMTH OF YOUR WORDS, THE EXPRESSION OF FRIENDSHIP AND, YES, LOVE, MEANT MORE TO US THAN YOU CAN EVER KNOW. YOU HAVE GIVEN US A MEMORY WE'LL TREASURE FOREVER. AND YOU'VE PROVIDED THE ANSWER TO THOSE FEW VOICES THAT WERE RAISED SAYING THAT WHAT HAPPENED WAS EVIDENCE THAT OURS IS A SICK SOCIETY.

THE SOCIETY WE HEARD FROM IS MADE UP OF MILLIONS OF COMPASSIONATE AMERICANS AND THEIR CHILDREN, FROM COLLEGE AGE TO KINDERGARTEN.

Letter

SICK SOCIETIES DON'T PRODUCE MEN LIKE THE TWO WHO RECENTLY RETURNED FROM OUTER SPACE. SICK SOCIETIES DON'T PRODUCE YOUNG MEN LIKE SECRET SERVICE AGENT TIM MCCARTHY WHO PLACED HIS BODY BETWEEN MINE AND THE MAN WITH THE GUN SIMPLY BECAUSE HE FELT THAT'S WHAT HIS DUTY CALLED FOR HIM TO DO.

SICK SOCIETIES DON'T PRODUCE DEDICATED POLICE OFFICERS LIKE TOM DELAHANTY OR ABLE AND DEVOTED PUBLIC SERVANTS LIKE JIM BRADY. SICK SOCIETIES DON'T MAKE PEOPLE LIKE US SO PROUD TO BE AMERICANS AND SO VERY PROUD OF ALL ^{FELLOW} OF OUR CITIZENS.

NOW, LET'S TALK ABOUT GETTING SPENDING AND INFLATION UNDER CONTROL AND CUTTING YOUR TAX RATES.

MR. SPEAKER AND SENATOR BAKER, I WANT TO THANK YOU FOR YOUR COOPERATION IN HELPING TO ARRANGE THIS JOINT SESSION OF THE CONGRESS. I WON'T BE SPEAKING TO YOU VERY LONG TONIGHT, BUT I ASKED FOR THIS MEETING BECAUSE THE URGENCY OF OUR JOINT MISSION HAS NOT CHANGED.

THANKS TO SOME VERY FINE PEOPLE, MY HEALTH IS MUCH IMPROVED. I'D LIKE TO BE ABLE TO SAY THAT WITH REGARD TO THE HEALTH OF OUR ECONOMY, ~~BUT THE FUNDAMENTAL NATURE OF OUR ECONOMIC MESS HAS~~ NOT CHANGED.

IT HAS BEEN HALF A YEAR SINCE THE ELECTION THAT CHARGED ALL OF US IN THIS GOVERNMENT WITH THE TASK OF RESTORING OUR ECONOMY. WHERE HAVE WE COME IN THESE 6 MONTHS?

INFLATION, AS MEASURED BY THE CONSUMER PRICE INDEX, HAS CONTINUED AT A DOUBLE-DIGIT RATE.

MORTGAGE INTEREST RATES HAVE AVERAGED ALMOST 15 PERCENT FOR THESE 6 MONTHS, PREVENTING FAMILIES ACROSS AMERICA FROM BUYING HOMES.

THERE ARE STILL ALMOST 8 MILLION PEOPLE UNEMPLOYED.

THE AVERAGE WORKER'S HOURLY EARNINGS, AFTER ADJUSTING FOR INFLATION, ARE LOWER TODAY THAN THEY WERE 6 MONTHS AGO AND THERE HAVE BEEN OVER 6,000 BUSINESS FAILURES.

SIX MONTHS IS LONG ENOUGH. THE AMERICAN PEOPLE NOW WANT US TO ACT, AND NOT IN HALF MEASURES. THEY DEMAND -- AND THEY HAVE EARNED -- A FULL AND COMPREHENSIVE EFFORT TO CLEAN UP OUR ECONOMIC MESS.

BECAUSE OF THE EXTENT OF OUR ECONOMY'S SICKNESS, WE KNOW THAT THE CURE WILL NOT COME QUICKLY, AND THAT EVEN WITH OUR PACKAGE, PROGRESS WILL COME IN INCHES AND FEET, NOT MILES. BUT TO FAIL TO ACT WILL DELAY EVEN LONGER -- AND MORE PAINFULLY -- THE CURE WHICH MUST COME.

THAT CURE BEGINS WITH THE FEDERAL BUDGET. AND THE BUDGETARY ACTIONS TAKEN BY THE CONGRESS OVER THE NEXT FEW DAYS WILL DETERMINE HOW WE RESPOND TO THE MESSAGE OF LAST NOVEMBER 4.

THAT MESSAGE WAS VERY SIMPLE. OUR GOVERNMENT IS TOO BIG AND IT SPENDS TOO MUCH.

FOR THE LAST FEW MONTHS, YOU AND I HAVE ENJOYED A RELATIONSHIP BASED ON EXTRAORDINARY COOPERATION. BECAUSE OF THIS COOPERATION WE HAVE COME A LONG DISTANCE IN LESS THAN 3 MONTHS. I WANT TO THANK THE LEADERSHIP OF THE CONGRESS FOR HELPING IN SETTING A FAIR TIMETABLE FOR CONSIDERATION OF MY RECOMMENDATIONS. AND COMMITTEE CHAIRMEN ON BOTH SIDES OF THE AISLE HAVE CALLED PROMPT AND THOROUGH HEARINGS.

WE HAVE ALSO COMMUNICATED IN A SPIRIT OF CANDOR, OPENNESS AND MUTUAL RESPECT. TONIGHT, AS OUR DECISION DAY NEARS, AND AS THE HOUSE OF REPRESENTATIVES WEIGHS ITS ALTERNATIVES, I WISH TO ADDRESS YOU IN THAT SAME SPIRIT. THE SENATE BUDGET COMMITTEE, UNDER THE LEADERSHIP OF CHAIRMAN PETE DOMENICI, HAS JUST TODAY VOTED OUT A ~~BILL~~ ^{BUD. RESOLUTION SUPPORTED BY D. + R. ALIKE} THAT IS IN ALL MAJOR RESPECTS CONSISTENT WITH THE PROGRAM WE HAVE PROPOSED. NOW WE LOOK FORWARD TO FAVORABLE ACTION ON THE SENATE FLOOR. BUT, AN EQUALLY CRUCIAL TEST INVOLVES THE HOUSE OF REPRESENTATIVES.

THE HOUSE WILL SOON BE CHOOSING BETWEEN TWO DIFFERENT MEASURES TO DEAL WITH THE ECONOMY. ONE IS THE MEASURE OFFERED BY THE HOUSE BUDGET COMMITTEE. THE OTHER IS A BIPARTISAN MEASURE -- A SUBSTITUTE INTRODUCED BY CONGRESSMEN PHIL GRAMM OF TEXAS AND DEL LATTA OF OHIO.

ON BEHALF OF THE ADMINISTRATION, LET ME SAY WE EMBRACE AND FULLY SUPPORT THAT BIPARTISAN SUBSTITUTE. IT WILL ACHIEVE ALL THE ESSENTIAL AIMS OF CONTROLLING GOVERNMENT SPENDING AND REDUCING THE TAX BURDEN, BUILDING A NATIONAL DEFENSE SECOND TO NONE, AND STIMULATING ECONOMIC GROWTH AND CREATING MILLIONS OF NEW JOBS.

AT THE SAME TIME, HOWEVER, I MUST STATE OUR OPPOSITION TO THE MEASURE OFFERED BY THE HOUSE BUDGET COMMITTEE.

IT MAY APPEAR THAT WE HAVE TWO ALTERNATIVES. IN REALITY, HOWEVER, THERE ARE NO MORE ALTERNATIVES LEFT. THE COMMITTEE MEASURE QUITE SIMPLY FALLS FAR TOO SHORT OF THE ESSENTIAL ACTIONS THAT WE MUST TAKE. FOR EXAMPLE, IN THE NEXT 3 YEARS:

- THE COMMITTEE MEASURE PROJECTS SPENDING \$141 BILLION MORE THAN DOES THE BIPARTISAN SUBSTITUTE.

-- IT REGRETTABLY CUTS OVER \$14 BILLION IN ESSENTIAL DEFENSE FUNDING -- FUNDING REQUIRED TO RESTORE AMERICA'S NATIONAL SECURITY.

-- IT ADHERES TO THE FAILED POLICY OF TRYING TO BALANCE THE BUDGET ON THE TAXPAYER'S BACK. IT WOULD INCREASE TAX PAYMENTS BY OVER A THIRD -- ADDING UP TO A STAGGERING QUARTER TRILLION DOLLARS. FEDERAL TAXES WOULD INCREASE 12 PERCENT EACH YEAR. TAXPAYERS WOULD BE PAYING A LARGER SHARE OF THEIR INCOME TO GOVERNMENT IN 1984 THAN AT PRESENT.

-- IN SHORT, THE COMMITTEE MEASURE REFLECTS AN ECHO OF THE PAST RATHER THAN A BENCHMARK FOR THE FUTURE. HIGH TAXES AND EXCESS SPENDING GROWTH CREATED OUR PRESENT ECONOMIC MESS; MORE OF THE SAME WILL NOT CURE THE HARDSHIP, ANXIETY, AND DISCOURAGEMENT IT HAS IMPOSED ON THE AMERICAN PEOPLE.

LET US CUT THROUGH THE FOG FOR A MOMENT. THE ANSWER TO A GOVERNMENT THAT'S TOO BIG IS TO STOP FEEDING ITS GROWTH. GOVERNMENT SPENDING HAS BEEN GROWING FASTER THAN THE ECONOMY ITSELF. THE MASSIVE NATIONAL DEBT WHICH WE ACCUMULATED IS THE RESULT OF THE GOVERNMENT'S RICH SPENDING DIET. WELL, IT'S TIME TO CHANGE THE DIET AND TO CHANGE IT IN THE RIGHT WAY.

I KNOW THE TAX PORTION OF OUR PACKAGE IS OF CONCERN TO SOME OF YOU. LET ME MAKE A FEW POINTS I FEEL HAVE BEEN OVERLOOKED. FIRST OF ALL, IT SHOULD BE LOOKED AT AS AN INTEGRAL PART OF THE ENTIRE PACKAGE, NOT SOMETHING SEPARATE AND APART FROM THE BUDGET REDUCTIONS, THE REGULATORY RELIEF AND THE MONETARY RESTRAINTS.

PROBABLY THE MOST COMMON MISCONCEPTION IS THAT WE ARE PROPOSING TO REDUCE GOVERNMENT REVENUES TO LESS THAN WHAT GOVERNMENT HAS BEEN RECEIVING. THIS IS NOT TRUE. ACTUALLY, THE DISCUSSION HAS TO DO WITH HOW MUCH OF A TAX INCREASE SHOULD BE IMPOSED ON THE TAXPAYER IN 1982. A GIGANTIC TAX INCREASE HAS BEEN BUILT INTO THE SYSTEM. WE ARE PROPOSING NOTHING MORE THAN A REDUCTION OF THAT INCREASE.

THE PEOPLE HAVE A RIGHT TO KNOW THAT EVEN WITH OUR PLAN THEY WILL BE PAYING MORE IN TAXES, BUT NOT AS MUCH MORE.

~~ASKED CONSTIT. BALCD. BUD. TX CUT WTH. COMM. SENS. CHARACTER. BALCD. BUD. SUGGEST NO WRONG INTENT - QUES. INAPPROP. SIT. WLD. LK. SIG.~~

KNOW IN SM. INFORM. POLLING SM. YR. CONSTIT. BN. ASKED. WCH. RATHER H.V. BALCD. BUD. TX CUT & WTH. COMM. SENS. CHARACTERIZES P. ANS. BN. BALCD. BUD. BUT MAY SUGGEST - WTH. NO INFERNCE THR. WRONG INTENT - PRI. THS. ASKED QUES - QUES. WS. INAPPROP. SIT. OUR CHOICE NOT BTWN. BALCD BUD. TX. CUT PROPERLY ASKED QUES. IS, "DO WNT. GRT. BIG RAISE TXS. THS. COMING YR. OR WORST - VRY LITTLE INCRS. WTH. PROSPT - TX. REDUCTN & BALCD BUD. DOWN RD. A WAYS?" WTH. COMM. SENS. P. SURE ALL KNOW WHT. ANS. QUES. BE GIGANTIC TX. INCRS. BN. BLT. INTO SXST. WE PROPOSE NOTHING MORE THS. PRSE. THN. REDUCTN - THT. INCRS. P. H.V. RT. KNOW EVN WTH. PLN. THY. WL. PAYNG MORE TXS. BUT NOT AS

15
"KNOW ... SM. INFORMAL POLLING ... YR. CONST..."

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THE OPTION OFFERED BY THE HOUSE BUDGET COMMITTEE WILL LEAVE
SPENDING TOO HIGH AND TAX RATES TOO HIGH. AT THE SAME TIME IT CUTS
THE DEFENSE BUDGET TOO MUCH. AND, BY ATTEMPTING TO REDUCE THE
DEFICIT THROUGH HIGHER TAXES, IT WILL NOT CREATE THE KIND OF STRONG
ECONOMIC GROWTH AND THE NEW JOBS WE MUST HAVE. LET US NOT OVERLOOK
THE FACT THAT THE SMALL, INDEPENDENT BUSINESS MAN OR WOMAN CREATES
MORE THAN 80 PERCENT OF ALL THE NEW JOBS AND EMPLOYS MORE THAN
HALF OUR WORK FORCE. OUR ACROSS-THE-BOARD CUT IN TAX RATES FOR
A 3-YEAR PERIOD WILL GIVE THEM MUCH OF THE INCENTIVE AND PROMISE OF
STABILITY THEY NEED TO GO FORWARD WITH EXPANSION PLANS CALLING FOR
ADDITIONAL EMPLOYEES.

TONIGHT I RENEW MY CALL FOR US TO WORK AS A TEAM -- TO JOIN IN COOPERATION SO THAT WE FIND ANSWERS WHICH WILL BEGIN TO SOLVE ALL OUR ECONOMIC PROBLEMS AND NOT JUST SOME.

THE ECONOMIC RECOVERY PACKAGE THAT I HAVE OUTLINED TO YOU OVER THE PAST FEW WEEKS IS, I DEEPLY BELIEVE, THE ONLY ANSWER WE HAVE LEFT. REDUCING THE GROWTH OF SPENDING, CUTTING MARGINAL TAX RATES, PROVIDING RELIEF FROM OVERREGULATION AND FOLLOWING A NON-INFLATIONARY AND PREDICTABLE MONETARY POLICY ARE INTERWOVEN MEASURES WHICH WILL ENSURE THAT WE HAVE ADDRESSED EACH OF THE SEVERE DISLOCATIONS WHICH THREATEN OUR ECONOMIC FUTURE.

THESE POLICIES WILL MAKE OUR ECONOMY STRONGER, AND THE STRONGER ECONOMY WILL BALANCE THE BUDGET -- WHICH WE ARE COMMITTED TO DO BY 1984.

WHEN I TOOK THE OATH OF OFFICE, I PLEDGED LOYALTY TO ONLY ONE SPECIAL INTEREST GROUP -- "WE THE PEOPLE." THOSE PEOPLE -- NEIGHBORS AND FRIENDS; SHOPKEEPERS AND LABORERS; FARMERS AND CRAFTSMEN -- DO NOT HAVE INFINITE PATIENCE. SOME 80 YEARS AGO, TEDDY ROOSEVELT WROTE THESE INSTRUCTIVE WORDS IN HIS FIRST MESSAGE TO THE CONGRESS: "THE AMERICAN PEOPLE," HE SAID, "ARE SLOW TO WRATH, BUT WHEN THEIR WRATH IS ONCE KINDLED, IT BURNS LIKE A CONSUMING FLAME."

PERHAPS THAT KIND OF WRATH WILL BE DESERVED IF OUR ANSWER TO THESE SERIOUS PROBLEMS IS TO REPEAT THE MISTAKES OF THE PAST. THE OLD AND COMFORTABLE WAY IS TO SHAVE A LITTLE HERE AND ADD A LITTLE THERE. WELL, THAT'S NOT ACCEPTABLE ANY MORE. I THINK THIS GREAT AND HISTORIC CONGRESS KNOWS THAT THAT WAY IS NO LONGER ACCEPTABLE.

THE ONE SURE WAY TO CONTINUE THE INFLATIONARY SPIRAL IS TO FALL BACK INTO THE PREDICTABLE PATTERNS OF OLD ECONOMIC PRACTICES.

ISN'T IT TIME THAT WE TRIED SOMETHING NEW?

WHEN YOU ALLOWED ME TO SPEAK TO YOU HERE IN THESE CHAMBERS BEFORE, I TOLD YOU I WANTED THIS PROGRAM FOR ECONOMIC RECOVERY TO BE OURS -- YOURS AND MINE. I THINK THE BIPARTISAN SUBSTITUTE BILL HAS ACHIEVED THAT PURPOSE. IT MOVES US TOWARD RESTORED ECONOMIC VITALITY.

JUST TWO WEEKS AGO, ^{LYNN} I JOINED MILLIONS OF ^{OUR} ~~THE~~ FELLOW AMERICANS IN MARVELING AT THE MAGIC HISTORICAL MOMENT THAT JOHN YOUNG AND BOB CRIPPEN CREATED IN THEIR SPACE SHUTTLE COLUMBIA.

THE LAST MANNED EFFORT WAS ALMOST 6 YEARS AGO, AND I REMEMBERED HOW, OVER THE YEARS, WE HAD ALL COME TO EXPECT TECHNOLOGICAL PRECISION OF OUR MEN AND MACHINES. EACH AMAZING ACHIEVEMENT BECAME COMMONPLACE, UNTIL THE NEXT NEW CHALLENGE WAS RAISED.

WITH THE SPACE SHUTTLE, WE TESTED OUR INGENUITY ONCE AGAIN -- MOVING BEYOND THE ACCOMPLISHMENTS OF THE PAST INTO THE PROMISE AND UNCERTAINTY OF THE FUTURE. THUS, WE NOT ONLY PLANNED TO SEND UP A 122-FOOT AIRCRAFT, 170 MILES INTO SPACE, BUT ALSO INTENDED TO MAKE IT MANEUVERABLE AND RETURN IT TO EARTH -- LANDING 98 TONS OF EXOTIC METALS DELICATELY ON A REMOTE DRY LAKE BED.

THE SPACE SHUTTLE DID MORE THAN PROVE OUR TECHNOLOGICAL ABILITIES, IT RAISED OUR EXPECTATIONS ONCE MORE; IT STARTED US DREAMING AGAIN. "THE REPUBLIC IS A DREAM," WROTE CARL SANDBURG. "NOTHING HAPPENS UNLESS FIRST A DREAM."

THAT'S WHAT MAKES US AMERICANS DIFFERENT. WE HAVE ALWAYS REACHED FOR A NEW SPIRIT AND AIMED AT A HIGHER GOAL. WE'VE BEEN COURAGEOUS AND DETERMINED, UNAFRAID AND BOLD. WHO AMONG US WANTS TO BE FIRST TO SAY WE NO LONGER HAVE THOSE QUALITIES? THAT WE MUST LIMP ALONG DOING THE SAME THINGS THAT HAVE BROUGHT US OUR PRESENT MISERY.

I BELIEVE THE PEOPLE YOU AND I REPRESENT ARE READY TO CHART
A NEW COURSE. THEY LOOK TO US TO MEET THE GREAT CHALLENGE --
TO REACH BEYOND THE COMMONPLACE AND NOT FALL SHORT FOR LACK OF
CREATIVITY OR COURAGE. SOMEONE HAS SAID: "HE WHO WOULD HAVE
NOTHING TO DO WITH THORNS MUST NEVER ATTEMPT TO GATHER FLOWERS."

WE HAVE MUCH GREATNESS BEFORE US. WE CAN RESTORE OUR
ECONOMIC STRENGTH AND BUILD OPPORTUNITIES LIKE NONE WE'VE EVER
HAD BEFORE.

AS CARL SANDBURG SAID, ALL WE NEED TO BEGIN WITH IS A
DREAM THAT WE CAN DO BETTER THAN BEFORE.

ALL WE NEED TO HAVE IS FAITH, AND THAT DREAM WILL COME TRUE.

ALL WE NEED TO DO IS ACT, AND THE TIME FOR ACTION IS NOW.

THANK YOU AND GOOD NIGHT.

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