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THE WHITE HOUSE

WASHINGTON

September 20, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Revised Address: President's Export Council

Counsel's Office has reviewed the above-referenced revised address, and finds no objection to it from a legal perspective. On page 2, paragraph 3, line 1, delete "that;" in line 3, "their" should be "there." On page 8, last word, "mute" should be "moot."

cc: David L. Chew

ID # _____

CU

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Revised Address: President's Export Council

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Curtain</u>	ORIGINATOR	<u>85,09,20</u>			<u>1 1</u>
	Referral Note:				
<u>Curt 18</u>	<u>R</u>	<u>85,09,20</u>		<u>S</u>	<u>85,09,21</u>
	Referral Note:				<u>12N</u>
		<u>1 1</u>			<u>1 1</u>
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		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

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Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 9/20/85ACTION/CONCURRENCE/COMMENT DUE BY: Noon Saturday, 9/21/85SUBJECT: Revised
ADDRESS: President's Export Council

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☒	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: The attached version of the trade speech has been sent to the President for his edits. Any staff comments or changes should be given directly to Ben Elliott, with an info copy to my office by noon tomorrow.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

PRESIDENTIAL ADDRESS: PRESIDENT'S EXPORT COUNCIL
MONDAY, SEPTEMBER 23, 1985

Well, thank you all and welcome to the White House. I'm pleased to have this opportunity to be with you to address the pressing question of America's trade challenge for the eighties and beyond.

Let me say at the outset that our trade policy rests firmly on the foundation of free and open markets -- free trade. I, like you, cannot deny the inescapable conclusion that all of history has taught: the freer the flow of world trade, the stronger the tides for human progress and peace among nations.

I certainly don't have to explain the benefits of free and open markets to you. They produce more jobs, a more productive use of our nation's resources, more rapid innovation and a higher standard of living. They strengthen our national security because our economy, the bedrock of our defense, is strengthened.

I am pleased that the United States has played the critical role of insuring and promoting an open trading system since World War II. And I know that if we ever faltered in the defense and promotion of the worldwide free trading system, that system will collapse to the detriment of all.

But our role does not absolve our trading partners from their major responsibility to support us in seeking a more open trading system. No nation, even one as large and as powerful as the United States, can, by itself, insure a free trading system. All that we and others have done to provide for the free flow of goods and services and capital is based on cooperation. And our trading partners must join us in working to improve the system of trade that has contributed so much to economic growth and the security of our allies and of ourselves.

And, may I say right here, to you leaders of industry ~~that~~ that my admiration for business in the United States is stronger than ever. You know sometimes in Washington ^{there} ~~their~~ are some who seem to forget what the economy is all about. They give me reports saying the "economy" does this and the "economy" will do that, but they never talk about business. Somewhere along the way those folks in Washington

have forgotten that the economy is business. It creates new products and new services. It creates jobs. And it creates prosperity for our communities and our nations as a whole.

I know too that American business has never been afraid to compete. I know that when a trading system follows the rules of free trade, when there is equal opportunity to compete, American business is as innovative, efficient and competitive as any in the world. I also know that the American worker is as good and as productive as any in the world.

And that is why to make the international trading system work, all must abide by the rules -- all must work to guarantee open markets. Above all else, free trade is, by definition, fair trade.

If one of our trading partners closes its markets to our exports, it is no longer free trade.

If one of our trading partners subsidizes its manufacturers and farmers so that they can dump goods below world market prices, it is no longer free trade.

If some of our trading partners aid and assist their exporters in such a way that would violate our own laws, then the playing field is no longer level -- and there is no longer free trade.

If some of our trading partners pour money into industries for research and development for commercial advantage, and underwrite costs, then our manufacturers and exporters have to bear an additional burden, and that is not free trade.

I have worked for four years at Versailles and Williamsburg and London and Bonn to get our trading partners to dismantle their trade barriers, eliminate their subsidies and other unfair trade practices, enter into negotiations to open markets even further, and strengthen GATT, the international accord that governs worldwide free trade. I will continue to do these things.

But I also want the American people and our trading partners to know that we will take all the action that is necessary to pursue our rights and interests in international commerce under our laws and the GATT, to see that other nations live up to their obligations and their trade agreements with us.

I want you to know that if trade is not fair for all, then trade is "free" in name only.

I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers loose their jobs because other nations did not play by the rules.

We have put incentives into our own economy to make it grow and create jobs. And, as you know, business has prospered. We have created over 8 million new jobs in the last two and a half years. But I am not unmindful that within this prosperity, some industries face difficulties in a changing world economy. To those that are victims of unfair trade, we are committed to help.

Just a few weeks ago I asked the United States Trade Representative to initiate unfair trade practice investigations, the first time a President has done this. And, as you know, we have self-initiated five such cases that will investigate a Korean law that prohibits fair competition of U.S. insurance firms, a Brazilian law restricting U.S. exports of

technology products, Common Market restrictions on canned fruit, and Japanese restrictions on our exports of leather, leather footwear and tobacco.

But I believe more must be done. I am, therefore, today announcing that:

I have instructed Ambassador Yeutter to maintain a constant watch and to take action in those instances of unfair trade that will disadvantage American businesses and workers;

I have directed the Secretary of the Treasury to work with the Congress to establish a \$300 million "war chest" that will support up to a billion dollars in mixed credit loans. These funds will counter our loss of business to trading partners who use what, in effect, are subsidies to deprive U.S. companies of fair access to world markets. And, I have asked that these initiatives be continued until unfair credit subsidies by our trading partners are eliminated through negotiations with them;

I have further instructed Treasury Secretary Jim Baker to inform the participants at the International Monetary Fund and World Bank conferences in Seoul that the United States will take into consideration the trading practices of other nations in our deliberations and decision-making.

I have ordered the Secretary of State to put time limits on negotiations underway to open up markets in specific product areas in Japan;

I have instructed the United States Trade Representative to accelerate negotiations with any and all countries where the counterfeiting and piracy of U.S. goods has occurred to bring these practices to a quick end. And I look forward to working with the Congress to increase efforts to protect patents, copyrights, trademarks and other intellectual property rights;

And, finally, I am today directing that a strike force be established among the relevant agencies in our Government whose task it will be to uncover unfair trading practices used against us and develop and execute strategies and programs to promptly counter and eliminate them.

I am also looking forward to working with the Congress to put into place any necessary legislation that would help us promote free and fair trade and secure jobs for American workers. Among the topics that we should jointly consider are:

- o Authority to support our new trade negotiating initiatives that would, among other things, reduce tariffs and attempt to dismantle all other trade barriers.

- o To protect intellectual property rights including trade in articles that infringe U.S. process patents, extending the terms for agricultural chemicals, and terminating Freedom of Information Act abuse that will help our businesses protect their proprietary property.
- o To improve our anti-dumping and countervailing duty laws so that a predictable pricing test, along the lines proposed by Senator Heinz, covers non-market economies and enables our companies to have protection against unfair dumping from those countries. We should also improve these laws so that business can have full and rapid protection and not be delayed in receiving help against unfair imports.
- o To amend Section 301 of our trade law to put a deadline on dispute settlement and amend our Section 201 to contain a fast track procedure for perishable items. We should no longer tolerate 16 year cases, and settlements so costly and time-consuming that any assistance is mute.

I am also directing the Secretary of Labor to explore ways of assisting workers who lose jobs to find gainful employment in other industries. I look forward to working with Congress in this vital task.

Additionally, I welcome the suggestions of the members of Congress on other potential legislation that have as their object the promotion of free and fair trade. I will work with them to see that good legislation is passed. Conversely, I will strongly oppose measures that I believe will harm economic growth, cause loss of jobs and diminish international trade.

But I do not want to let this discussion pass without reminding all of our ultimate purpose -- the expansion of free and open markets everywhere. There are some, well-meaning in motive, who have proposed bills and programs that are purely protectionist in nature. These proposals would raise the costs of the goods and services that American consumers across the land would have to pay. They would invite retaliation by our trading partners abroad, would in turn lose jobs for those American workers in industries that would be the victim of such retaliation, would rekindle inflation, would strain international relations, and would impair the stability of the international financial, and, trading systems.

The net result of these counter-productive proposals would not be to protect consumers or workers or farmers or businesses. In fact, just the reverse would happen. We would lose markets, we would lose jobs and we would lose our prosperity.

To reduce the impediments to free markets, we will accelerate our efforts to launch a new negotiating round of GATT with our trading partners, and we hope that the GATT will see fit to enact reduced barriers for trade in agricultural products, services, technologies, investments, and to reduce remaining barriers in mature industries. We will seek to establish fair dispute settlement techniques in these areas.

But if these negotiations do not proceed rapidly enough, I am instructing our trade negotiators to explore bilateral and regional agreements with other nations.

Here at home we will continue our efforts to reduce excessive government spending and to promote our tax reform proposal that is essential to strengthening our own economy and making U.S. business more competitive in international markets.

Further, we will encourage our trading partners, as agreed upon at the Bonn Summit, to accelerate their own economic growth by removing rigidities and imbalances in their economies. And

we will urge them to provide the appropriate mix of fiscal and monetary policies to have them fully participate in the growth potential that is there for all.

We will seek to strengthen and improve the operation of the international monetary system and, we will encourage the debt burdened less-developed countries of the world to reduce and eliminate impediments to investments and internal restrictions that discourage production.

Let me summarize. We will vigorously pursue our policy of promoting free and open markets in this country and around the world. We will insist that all nations face up to their responsibilities of preserving and enhancing free trade everywhere. But let no one mistake our resolve to oppose any and all unfair trading practices. It is wrong for the American worker and American businessman to continue to bear the burden of others.

We do not want a trade war with other nations; we do want other nations to join us in enlarging and enhancing the world trading system for the benefit of all.

We do not want to stop other nations from selling goods in the United States; we do want to sell more of our goods to other nations.

We do not dream of protecting America from other's success; we seek to include everyone in the success of the American dream.

Thank you.

THE WHITE HOUSE

WASHINGTON

September 20, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Revised Radio Talk: Foreign Policy

Counsel's Office has reviewed the above-referenced radio talk, and finds no objection to it from a legal perspective.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Revised Radio Talk: Foreign Policy

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CU Hall</u>	ORIGINATOR	<u>85,09,20</u>			<u>1 1</u>
<u>Chat 18</u>	Referral Note: <u>R</u>	<u>85,09,20</u>		<u>S</u>	<u>85,09,20</u>
	Referral Note:				<u>2:30 PM</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

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WHITE HOUSE STAFFING MEMORANDUMDATE: 9/20/85 ACTION/CONCURRENCE/COMMENT DUE BY: 2:30 p.m. todaySUBJECT: REVISED RADIO TALK: Foreign Policy

(9/20/85 1:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☐	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☐	☐
CHAVEZ	☐	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☐	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 2:30 p.m. today.

Note: Modifications are primarily in the foreign policy sections.

RESPONSE:

115 SEP 25 11:32

David L. Chew
Staff Secretary
Ext. 2702

(Robinson/BE)
September 20, 1985
1:00 p.m.

RECEIVED 1985
SEP 20 11 12 13
PRESIDENTIAL RADIO TALK: FOREIGN POLICY
SATURDAY, SEPTEMBER 21, 1985

My fellow Americans: during the next 10 days at the White House, matters of central importance to our country's role in the world -- and to the peace and prosperity of all nations -- will be dealt with.

This week I will meet President Mubarak of Egypt; next week, with King Hussein of Jordan. In both meetings, one item will dominate the agenda: peace between Israel and her neighbors. President Mubarak and King Hussein are both deeply involved in our efforts to build such a peace. Our support for them promotes the peace process and helps to keep the entire region stable. A second item will concern the war between Iran and Iraq. America and other nations have worked for years now to bring this war to an end; so far, to no avail. Yet if we cannot end the fighting, we and close friends like Egypt and Jordan can keep it from spreading. In particular, we're determined to preserve the free shipment of oil through the Persian Gulf.

Next Friday, I will meet the new Soviet Foreign Minister, Eduard Shevardnadze (shev-ard-NOD-zay). He and I will discuss human rights; regional conflicts, such as the Soviet invasion of Afghanistan; bilateral issues such as trade between our two countries; and world peace, including our efforts to achieve genuine, verifiable reductions in nuclear arms. As Mr. Shevardnadze (shev-ard-NOD-zay) and I meet, it will be

6 months since Mr. Gorbachev became the new Soviet leader. This will give our meeting special significance.

As you know, throughout its history, the Soviet Union has been bent upon expansion. Indeed, since the 1970's, the Soviet Union has been engaged in a military build-up which far exceeds any rational definition of its defensive needs. These policies have inflicted bitter costs upon the Soviet peoples -- every week, Russian soldiers are dying in Afghanistan, while in their homeland, the people must live in cramped housing and endure shortages of goods as ordinary as vegetables and meat.

Mr. Gorbachev can change this. He can set in train a policy of arms reductions and lasting peace. By shifting resources from armaments to people, he can enable his nation to enjoy far more economic growth. Given the nature of Soviet history and ideology, we must not raise false hopes. But during my meeting with Mr. Shevardnadze (shev-ard-NOD-zay), I will express the goodwill of the United States and search for signs of a Soviet willingness to engage in genuine give-and-take.

This brings me to the question of international trade. In recent weeks there has been sentiment growing in the Congress for some form of protectionism -- legislation which would make it difficult or impossible for us to exchange whole categories of goods with our trading partners. On Monday I'll address our absolute commitment to trade that is both free and fair. For now, let's simply take a moment to consider the last time the United States enacted major anti-trade legislation. The year was 1929. On Capitol Hill, legislators were working on a bill to

limit trade in farm products. When Congress decided to include a long list of other goods, the stock market slumped.

Everyone who understood the importance of free international trade to our own prosperity became alarmed. Indeed, over 1,000 economists petitioned President Hoover to veto the legislation. Then it became known that President Hoover intended to sign the bill, the Smoot-Hawley Tariff Act, just the same. At this time, the stock market crashed and the Great Depression began. The Depression wiped out the prosperity of the twenties and helped to sow the seeds of the vast and violent destruction of World War II. Deflation was especially severe in Germany, where Hitler took full power in 1934. In Japan, one economist asserts, the Smoot-Hawley tariff, quote, "convinced . . . public opinion that American policy would not tolerate the legitimate expansion of Japanese trade," end quote. So the Japanese turned to conquest instead.

Anti-trade legislation today would once threaten our prosperity. Among some 300 anti-trade proposals before the Congress, the Council of Economic Advisers conservatively estimates that just one of them, H.R. 3035, would cost at least \$35 billion in American exports, or roughly 1 million American jobs. The answer to our trouble with exports isn't economic depression, it's more economic growth, world-wide, and I believe the Congress knows it. But if they don't, if they send me another depression-making bill, then they should know right now that I intend to fight.

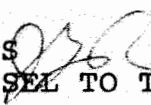
My friends, the dangers to world peace and prosperity are ever-present. But I believe that with your support, during the next 10 days we'll be able to promote peace in the Middle East, make progress in relations with the Soviet Union, and advance the cause of free and fair international trade. Until next week, God bless and thanks for listening.

THE WHITE HOUSE

WASHINGTON

September 20, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Remarks: Symposium at the
University of Tennessee

Counsel's Office has reviewed the above-referenced remarks,
and finds no objection to them from a legal perspective.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Remarks: Symposium at University of Tennessee**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CU Hall</u>		ORIGINATOR	<u>85.09.19</u>			<u>1 1</u>
		Referral Note:				
<u>CU 18</u>			<u>85.09.19</u>		<u>3</u>	<u>85.09.20</u>
		Referral Note:				<u>2 PM</u>
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				

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WHITE HOUSE STAFFING MEMORANDUMDATE: 9/19/85 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. 9/20/85SUBJECT: REMARKS: Symposium at University of Tennessee

(9/19/85 4:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
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FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☒	☐	TUTTLE	☐	☐
HICKEY	☐	☐	<u>ELLIOTT</u>	☐	☒
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 2:00 p.m. Friday, September 20th.

RESPONSE:

1005 SEP 19 PM 5:56

David L. Chew
Staff Secretary
Ext. 2702

Received 55
135 SEP 19 PM 5:17

(Gilder/BE)
September 19, 1985
4:00 p.m.

PRESIDENTIAL REMARKS: SYMPOSIUM AT UNIVERSITY OF TENNESSEE
KNOXVILLE, TENNESSEE
TUESDAY, SEPTEMBER 24, 1985

Thank you all very much. That was fascinating. When I was young, high technology meant a Model "T" that could drive uphill. We've certainly come a long way since then, and to a great extent it's "Partnerships in Progress" like you've got here in Knoxville that have made it possible.

I'm firmly convinced that we're standing at the dawn of a new era, a technological revolution that will transform all our lives for the better. We see it in our homes and offices in the explosive growth of the personal computer market, but that's just the tip of the technological iceberg. Every facet of industry, agriculture, science, and health care is being improved, made more efficient and productive by technology.

On the macro-economic level, our dramatic increases in productivity, and the resulting low rate of inflation, are in great part attributable to the efficiencies that technology brings. Technology also strengthens our national security, and it has given us the hope that within the next generation the human race can escape the nightmare of nuclear war with an anti-nuclear defensive shield -- an advanced technological system that will allow us to shoot down missiles, not target innocent civilians.

But while we celebrate the dawn of this new era, we should remember that misguided tax policies back in the early sixties and seventies almost destroyed America's position as the leader

of the high-tech revolution. Exorbitant tax rates on capital gains, together with a high rate of inflation, almost wiped out the venture capital markets in this country, forcing American entrepreneurs to look abroad for financing.

One such case is the story of Gene Amdahl, the inventor of what many consider the most successful computer ever built. Back in the seventies, he decided to start his own company. But he couldn't find the venture capital that he needed in this country, and he was forced to go to Japan, to a large high-tech competitor. They gave him the money, alright -- in return for his ideas.

High tax rates were literally producing an exodus of American high-tech to foreign countries. And we were creating tax refugees out of our best minds and talents and most successful entrepreneurs. But when tax rates were cut, the dollars committed to venture capital exploded. From barely \$39 million in 1977 to over \$4 billion last year.

One of the first rules of economics is: if you tax something, you get less of it. High tax rates discourage work, risk-taking, initiative, and imagination. They're really a tax on hope, optimism, and our faith in the future, and they penalize most the very people that give the most, the risk-takers, the entrepreneurs who create whole new businesses and industries, often out of no more than a dream and some hard work.

Cutting tax rates has opened the flood gates of American entrepreneurship and innovation. And that's why -- on the theory that you can't have too much of a good thing -- we're proposing

cutting tax rates further with America's Fair Share Tax Plan. We're going to cut the capital gains tax rate again to encourage more venture capital and fuel the fires of technological innovation. Equally important for entrepreneurs and small businesses, we're bringing down the top personal tax rate to 35 percent, half what it was only 5 years ago. By closing wasteful loopholes, we'll also be able to lower tax rates on corporations and small businesses. We think it's time America pulled its money out of tax shelters and started investing it in the future.

Tax cutting has given the American economy new blood, new life. We've created over 8 million jobs in the last 33 months alone. With America's Fair Share Tax Plan I believe we can set an even greater challenge for ourselves -- a decade of economic expansion and 10 million new jobs in the next 4 years. And I'll bet you anything, a whole bunch of those jobs are going to be created right here, in Knoxville's high-tech corridor.

You know, the political pundits in Washington is saying that America's Fair Share Tax Plan won't pass this year. They say that Congress would rather spend its time passing destructionist, job-killing trade legislation. Well, to borrow an old southern expression -- that old dog won't hunt.

To stand in the way of America's Fair Share Plan is to stand in the way of progress. America now leads the world in technological innovation. The best way to make sure that we stay number one is to lower tax rates further and give America's

entrepreneurs and businesses another boost ahead of the world competition.

You can feel the excitement down here in Tennessee -- the excitement of progress. Don't let Washington once again obstruct the road to our future. Let those people up on Capitol Hill know how you feel. We can pass America's Tax Plan this year -- in 1985. With your help, we can open the doors to a prosperous and exciting future for all Americans.

Thank you very much, and God bless you all.

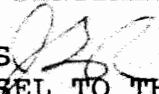
THE WHITE HOUSE

WASHINGTON

September 20, 1985

MEMORANDUM FOR BEN ELLIOTT

DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Address: Rally on Tax Plan, McMinn
County Courthouse, Athens, Tennessee

Counsel's Office has reviewed the above-referenced proposed remarks. On page 4, line 6, "higher" should be "hire." On page 5, line 14, "sybaritic" does not strike me as a word that will go over well with the audience, unless they happen to have brought their pocket thesauruses with them.

Finally, the reference to the 1946 events in Athens on page 6 must be revised so as not to suggest any approval whatsoever of the methods employed by the G.I.s in successfully routing the corrupt political machine. I hardly think the President should state that the G.I.s "neatly dispatched" the corrupt officials, when the G.I.s did so with guns and sub-machine guns stolen from the armory, Molotov cocktails and dynamite, and beatings. The fourth sentence in the paragraph could be changed to read as follows: "And this great town has a history of intolerance for special interests, including the special interests that had a hobby of stealing elections here during World War II."

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Address: Rally on Jay Plan, Mc Minn County
Cherokee Athens, Tennessee

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUNNELL</u>		ORIGINATOR	<u>85,09,19</u>			<u>1 1</u>
<u>Unit 18</u>		Referral Note: <u>R</u>	<u>85,09,19</u>		<u>S</u>	<u>85,09,20</u>
		Referral Note:				<u>11 am</u>
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
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X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEGB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 9/19/85 ACTION/CONCURRENCE/COMMENT DUE BY: 11:00 9/20/85SUBJECT: ADDRESS: Rally on Tax Plan, McMinn County Courthouse
Athens, Tennessee

(9/19/85 3:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
WRIGHT	☒	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS _____	☒	☐	SPRINKEL	☒	☐
FIELDING _____	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☒	☐	TUTTLE	☐	☐
HICKEY	☐	☐	<u>ELLIOTT</u>	☐	☒
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 11:00 a.m. Friday, September 20. Thanks.

RESPONSE:

SEP 19 1985 4:02

David L. Chew
Staff Secretary
Ext. 2702

(Noonan/BE)
September 19, 1985
3:30 p.m.

Received 55
105 SEP 19 11 3 39
PRESIDENTIAL ADDRESS: RALLY ON TAX PLAN
MCMINN COUNTY COURTHOUSE
ATHENS, TENNESSEE
TUESDAY, SEPTEMBER 24, 1985

Thank you so much. It's wonderful to be here. I always wanted to speak on democracy and good government in Athens -- you've probably heard I taught Plato all he knew -- and so I thank you for this opportunity.

I want to speak to you today about changing our tax system. I'm going to speak briefly so I don't hold you up too much from your day, but I'm going to ask for your close attention because there's so much ground I want to cover.

To start with, the whole struggle for tax reform in our country is a kind of drama, with good guys and bad guys and even a damsel in distress. But like all dramas, it occurs in a context. Here's ours:

Our economy, the American economy, has never been stronger, never been bigger, never been better. Since the economic recovery began we've created over 8 million new jobs. Well over a million new businesses were incorporated in the last 2 years alone. The American standard of living has increased. Our tax cuts put more money back in the American wallet -- interest rates are down from 21-1/2 percent to 9.5, so we can build houses and make big purchases again -- and, most important, in the past 5 years we chased inflation, caught it, wrestled it to the ground and stopped it from mugging the American consumer. That's a long way of saying inflation was 12 percent when we came in, it's

3.6 percent now, and if it ever tries to get up again I'll knock it down with my sheilaigh.

So we're in good shape. And because of that we can afford to finally turn to one big area of American life that's been a mess, a con, and a rip-off for years now. I'm talking about our current tax system.

Now, I sometimes do an informal poll about what the people think about taxes. Will you cooperate?

If you love our current tax system, will you raise your hand? If you like our current tax system, will you raise your hand? How about this: if you find our current tax system to be utterly disgusting, demoralizing and demented, will you raise your hand -- and cheer?

Well, I'm with you. A system that penalizes people for working overtime -- a system that allows some of the wealthy to shelter their income from taxation -- a system whose theme song could be, "There's nothing surer, the rich get richer and the poor get poorer" -- well, that's a system that just doesn't deserve to survive.

having children anymore. We're going to raise the standard deduction to \$4,000 for a married couple filing jointly. Just these two facts alone mean that under our plan a family of four won't pay one cent in Federal income tax on the first \$12,000 of earnings.

We're also giving non-wage-earning spouses an equal chance to have an IRA, the tax-deductible savings account. After all, you have to be pretty brave to say a homemaker isn't working.

But one of the keys to our tax proposal is that we went in with the clear intent to try and lower the personal income taxes faced by the American people. So we devised a system in which a full 78 percent of the taxpayers of our country would either get a tax cut, or see their taxes for now remain unchanged. Barely 20 percent would face a tax increase -- and that's mostly the folks who've been using shelters and loopholes and such to avoid paying their fair share.

By the way, there's been a little demagoging by some of our opponents on this. They say that under our plan the rich will benefit most. They have it exactly backwards.

Under our proposal those who make \$20,000 a year or less will enjoy the biggest tax cut -- a cut of 18 percent. The second biggest tax cut goes for those who earn from \$20,000 to \$50,000 a year -- they get a cut of 7 percent. And the smallest cut, but a cut nonetheless, goes to those who make \$50,000 a year or more. Their tax decrease is just less than 6 percent.

And I want to be very clear on why we think it's important to keep trying, keep striving to get your tax bills lower. I

want you to think about the cash you've got on you right now, in your wallet or your purse. That's your money in there, you earned it. The less of it the Government takes from you, the more freedom you have.

You can take that money and spend it -- and give a boost to retail sales and encourage Miller's and Proffitt's to higher more workers. You can take it and save it -- and add to the capital available for all kinds of investment. Or you can take it and ultimately invest it in a business or a new firm or a new idea of your own. But whatever you do -- spend, save or invest -- you'll be making a wonderful contribution to the quality of life of your fellow citizens. You'll be creating jobs.

You may have heard this morning that our Council of Economic Advisors did a study of the expected economic impact of our tax plan. They said the economic growth it will inspire will create the equivalent of almost 4 million new full-time jobs. They found that the personal economic gain for each household will be about \$600 a year.

And they came up with something else that was pretty interesting. There are some people who go around saying the American people are undertaxed and we can't give them a break now because it will lower the amount of revenues coming into the Government. Well, the truth is our tax plan will bring a heck of a lot more money into the Government. One reason is that every time we cut tax rates in one area -- say on capital gains -- we bring in more capital gains tax revenues because the cut in rates stimulates economic activity.

But there's another element that figures in here. Our plan closes unproductive loopholes and eliminates the welter of shelters -- and that will cut down on tax evasion. In fact, it will cut down on tax evasion to the tune of \$38 billion a year. That's \$38 billion we can use to cut down on the deficit our liberal friends in Congress keep creating.

So I have one message for my liberal friends: if you really want to pay for Tip O'Neill's deficit you'll just have to back Reagan's reforms!

A few minutes ago I said tax reform is a drama with heroes and villains and a damsel in distress. The heroes are the citizens across this country who are asking for tax justice. The villains are the special interests -- the "I Got Mine" gang, the folks who've taken sybaritic shelter on Loophole Lane! And the damsel in distress? A lass named Endless Economic Growth, who's tied to the tracks and struggling to break free.

What do you say: will you help us set her free?

Thanks, I needed that.

And I want to mention something that's kind of funny, and I hope you can help me with it. I've been going all over the country talking about tax reform -- and wherever I go the people tell me they hate the current system and they back our plan and what can they do to help. And the T.V. cameras that follow me around over there, they show the people cheering for reform. And then they cut to some local political figure or savant or whatever and he says, "There's no support for tax reform here." And I go to another town, and the crowd cheers for reform, and

the cameras cut to some economist and he says, "There's no discernable backing for tax reform here."

And I go home and read my mail, and it's full of letters pleading for tax reform. And then I see some big Washington political figure on the Sunday talk shows and he says, "Tax reform? What's tax reform?"

And finally I figured it out. I realized nobody's with us but...the people.

So it's up to us, together. Maybe we can make Washington listen. Do you want a fairer tax system?

Washington's kind of far away, I'm not sure they can hear you. Do you really want a fairer tax system?

And my friends the reporters, we want to make sure they get the message. Do you back a fairer tax system?

I think I have fallen in love with Tennessee.

I'm not surprised. Andrew Jackson started here and he was a President who cared about the average American. He knew they weren't so average. And the G.I.'s of this great town came back from World War II, and neatly dispatched a certain group of special interests, another little "I Got Mine" gang that had a hobby of stealing elections. I guess you just can't stop Athens and McMinn County from backing justice and fairness. And your support means a lot to me.

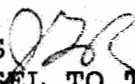
So thanks for coming and listening. God bless you all, and God bless Tennessee.

THE WHITE HOUSE

WASHINGTON

September 20, 1985

MEMORANDUM FOR BEN ELLIOTT
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SPEECHWRITING

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Remarks: Opening Remarks for Symposium
at the University of Tennessee

Counsel's Office has reviewed the above-referenced remarks,
and finds no objection to them from a legal perspective.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ **O - OUTGOING**☐ **H - INTERNAL**☐ **I - INCOMING**Date Correspondence Received (YY/MM/DD) 1 / 1 /Name of Correspondent: D. Chew☐ **MI Mail Report**

User Codes: (A) _____ (B) _____ (C) _____

Subject: Remarks: Opening Remarks for Symposium at University of Tennessee**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CU Hall</u>	ORIGINATOR	<u>85.09.19</u>			<u>1 / 1</u>
<u>CUat 18</u>	Referral Note:	<u>85.09.19</u>		<u>S</u>	<u>85.09.20</u>
	Referral Note:				<u>3pm</u>
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				

ACTION CODES:

A - Appropriate Action
 C - Comment/Recommendation
 D - Draft Response
 F - Furnish Fact Sheet
 to be used as Enclosure

I - Info Copy Only/No Action Necessary
 R - Direct Reply w/Copy
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DISPOSITION CODES:

A - Answered
 B - Non-Special Referral
 C - Completed
 S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 9/19/85 ACTION/CONCURRENCE/COMMENT DUE BY: 3:00 p.m. 9/20/85SUBJECT: REMARKS: Opening Remarks for Symposium at University of Tennessee

(9/19/85 4:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☒	☐
WRIGHT	☐	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☒	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☒	☐	SPRINKEL	☐	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☒	☐	TUTTLE	☐	☐
HICKEY	☐	☐	ELLIOTT	☐	☒
HICKS	☐	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 3:00 p.m. Friday, September 20th. Thanks.

RESPONSE:

1985 SEP 19 PM 6:40

David L. Chew
Staff Secretary
Ext. 2702

(Gilder/BE)
September 18, 1985
4:00 p.m.

RECEIVED
SEP 19 PM 5:17

PRESIDENTIAL REMARKS: OPENING REMARKS FOR SYMPOSIUM AT
UNIVERSITY OF TENNESSEE
KNOXVILLE, TENNESSEE
TUESDAY, SEPTEMBER 24, 1985

Thank you Dr. Reese. Thank you all.

Congressman Duncan; (others); all of you: it's wonderful to be here in the Volunteer State at the university of "Volunteers."

Governor Alexander couldn't make it here today. I'll miss him, because he's been one of the staunchest, most eloquent supporters of America's Fair Share Tax Plan. But he sent me a very nice letter. He said he's going to be in the Soviet Union debating the State and local tax deduction with Mikhail Gorbachev.

Seriously, he's on a trip to the East looking for opportunities to expand Tennessee's links to the Asian market. He pointed out to me that Tennessee has 10 percent of all the Japanese capital investment in the United States, and that the future of this State, as well as every other State in our Nation, is dependant on an open, free, and fair trading system. That's why he's abroad right now, aggressively promoting Tennessee's interests -- he's trying to increase world trade, not block it out. At a time when too many politicians are flirting with the dangerous, destructive policies of protectionism, Governor Alexander is taking the positive approach to prosperity through free trade.

When I was down here last year, Governor Alexander and Senator Baker briefed me on the proposals for a "high-tech

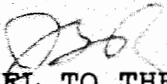
corridor" in Knoxville. They talked about soon competing with Silicon Valley -- and when I see the impressive strides Tennessee has made in just the last few years, I know they weren't just whistling Dixie. I've really come here today to listen to you. I can't wait to hear about your plans and the progress you've made. Afterward, I may speak just a bit about how America's Fair Share Tax Plan will promote high-tech investment, and the prosperity it brings, here in Knoxville.

THE WHITE HOUSE

WASHINGTON

September 26, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Revised Signing Statement to Accompany
S. 1514 -- Approval for Funds for Interstate
Highway and Interstate Substitute Projects

Counsel's Office has reviewed the above-referenced revised signing statement, and finds no objection to it from a legal perspective. I assume that "approved" in line 8 will be changed to "approving."

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Revised signing statement to accompany
51514 - Approval for funds for Interstate
Highway and Interstate Substitute Projects

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUNWILL</u>		ORIGINATOR	<u>85,09,26</u>			<u>1 1</u>
		Referral Note:				
<u>Unit 18</u>		<u>R</u>	<u>85,09,26</u>		<u>S</u>	<u>85,09,27</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				

ACTION CODES:

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FOR OUTGOING CORRESPONDENCE:

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Code = "A"
Completion Date = Date of Outgoing

Comments: _____

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Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/26/85 ACTION/CONCURRENCE/COMMENT DUE BY: 9/27/85

SUBJECT: REVISED SIGNING STATEMENT TO ACCOMPANY S. 1514 -

Approval for Funds for Interstate Highway and Interstate
Substitute Projects

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
WRIGHT	☐	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☒	☐	SPRINKEL	☐	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	CLERK	☐	☒
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS:

Please provide any comments/edits on the attached revised signing statement for S. 1514 by September 27th. Thank you.

RESPONSE:

1035 SEP 27 11 12 43

David L. Chew
Staff Secretary
Ext. 2702

REVISED SIGNING STATEMENT
(Prepared by OMB)PROPOSED SIGNING STATEMENT

Today I am signing S. 1514 which will approve the Interstate Cost Estimate (ICE) and the Interstate Substitute Cost Estimate (ISCE). Signing this bill will permit the timely release of about \$4.8 billion in Federal-aid highway funds. My Administration has consistently urged the passage of a "clean" ICE and ISCE approval bill to permit the release of about \$4.8 billion in highway user fees. In the past two years, delays in approved the ICE and ISCE have tended to disrupt highway construction plans. We must continue to keep the highway program free of costly special interest projects which hamper our ability to fund the national Federal-interest highway system.

It is with great pleasure that I sign S. 1514.