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**Folder Title:** 05/22/1986 Annual Meeting of  
American Retail Federation

**Box:** 266

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Carol

(ROBINSON)

MAY 22, 1986

AMERICAN RETAIL FEDERATION

THANK YOU, THANK YOU ALL -- AND WELCOME TO THE OLD EXECUTIVE OFFICE BUILDING. IT'S AN HONOR TO BE ABLE TO SPEAK TO YOU, THE MEMBERS OF THE AMERICAN RETAIL FEDERATION. YOU REPRESENT A VITAL SECTOR OF OUR ECONOMY -- ONE THAT EMPLOYS 18 MILLION AMERICANS -- AND I WANT YOU TO KNOW HOW MUCH I APPRECIATE THE SUPPORT YOU'VE GIVEN TO OUR ADMINISTRATION FROM THE FIRST. IT'S BEEN AWHILE NOW, AND WE'RE GETTING TO BE THE BEST KIND OF FRIENDS, OLD FRIENDS. WE CAN LOOK BACK ON MANY A BATTLE THAT WE'VE BEEN THROUGH TOGETHER -- AND ISN'T IT NICE TO BE ABLE TO SAY THAT MOST OF THE TIME, WE'VE WON?

WHEN WE TOOK OFFICE, OUR NATION SAW ORBITING INTEREST RATES, STRATOSPHERIC INFLATION, AND A MOTHBALLED MILITARY. NOT ANY MORE -- NOT BY A LONG SHOT.

Hayes

(ROBINSON)

MAY 22, 1986

AMERICAN RETAIL FEDERATION

THANK YOU, THANK YOU ALL -- AND WELCOME TO THE OLD EXECUTIVE OFFICE BUILDING. IT'S AN HONOR TO BE ABLE TO SPEAK TO YOU, THE MEMBERS OF THE AMERICAN RETAIL FEDERATION. YOU REPRESENT A VITAL SECTOR OF OUR ECONOMY -- ONE THAT EMPLOYS 18 MILLION AMERICANS -- AND I WANT YOU TO KNOW HOW MUCH I APPRECIATE THE SUPPORT YOU'VE GIVEN TO OUR ADMINISTRATION FROM THE FIRST. IT'S BEEN AWHILE NOW, AND WE'RE GETTING TO BE THE BEST KIND OF FRIENDS, OLD FRIENDS. WE CAN LOOK BACK ON MANY A BATTLE THAT WE'VE BEEN THROUGH TOGETHER -- AND ISN'T IT NICE TO BE ABLE TO SAY THAT MOST OF THE TIME, WE'VE WON?

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INFLATION, AND A MOTHBALLED MILITARY.  
NOT ANY MORE -- NOT BY A LONG SHOT.

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WITH YOUR HELP, WE'VE SLASHED TAX RATES AND CUT BACK NEEDLESS REGULATIONS, LIBERATING THE ENTREPRENEURIAL GENIUS OF THE AMERICAN PEOPLE AND GIVING OUR NATION ONE OF THE STRONGEST PERIODS OF ECONOMIC GROWTH IN POSTWAR HISTORY. THINK OF THE PRODUCTS THE NEW SPIRIT OF ENTERPRISE HAS PUT ON YOUR SHELVES -- PRODUCTS UNDREAMED-OF JUST A FEW YEARS AGO: PERSONAL COMPUTERS, COMPACT DISC PLAYERS, NEW FABRICS, EVEN TEDDY BEARS THAT TELL ENTIRE STORIES. WE'VE BEGUN REBUILDING OUR MILITARY -- REGAINING THE TRUST OF OUR ALLIES AND THE RESPECT OF OUR ADVERSARIES. AND WE'VE MADE STRIDES TOWARDS GETTING DEFICIT SPENDING UNDER CONTROL ONCE AND FOR ALL.

OF COURSE WE'VE FACED OPPOSITION EVERY STEP OF THE WAY -- JUST LOOK AT THE BUDGET THE HOUSE OF REPRESENTATIVES PASSED LAST WEEK. WHAT DOES THIS BUDGET CALL FOR?

YOU GUESSED IT: WEAKENING OUR DEFENSES AND RAISING OUR TAXES.

THERE'S SOMETHING ABOUT THIS THAT WOULD BE RIDICULOUS IF IT WEREN'T SO SAD. FOR NEARLY 5-1/2 YEARS NOW, THE AMERICAN PEOPLE HAVE BEEN REPUDIATING THE OLD POLICIES OF HIGH TAXES AT HOME AND WEAKNESS ABROAD, BUT THE OPPOSITION KEEPS COMING BACK WITH THE SAME OLD THING. TO BORROW A COMPARISON FROM RETAILING, THE OPPOSITION IS BEGINNING TO LOOK AS OUT OF IT AS A DEPARTMENT STORE THAT STOCKS WIDE TIES AND BELL-BOTTOM PANTS. THE AMERICAN PEOPLE JUST AREN'T BUYING. NEITHER IS THE SENATE -- AND NEITHER AM I.

IN ADDITION TO THIS BUDGET, THE DEMOCRATIC LEADERSHIP IN THE HOUSE HAS PUT TOGETHER A TRADE BILL -- RATHER AN ANTI-TRADE BILL -- THAT IS OPENLY AND RANKLY POLITICAL.

THIS ANTI-TRADE BILL, THIS PROTECTIONIST LEGISLATION, WOULD HAVE OUR NATION VIOLATE THE MOST BASIC TENETS OF FREE AND FAIR INTERNATIONAL TRADE. INDEED, IT COULD PLUNGE THE WORLD INTO A TRADE WAR, ERODING OUR RELATIONS WITH OUR ALLIES AND FREE-WORLD TRADING PARTNERS. ECONOMIC GROWTH, IN AMERICA AND AROUND THE WORLD, WOULD BE THE CASUALTY.

AND AGAIN, THERE'S A CERTAIN SENSE IN WHICH THIS EFFORT ON THE PART OF THE OPPOSITION IS EMBARRASSINGLY OLD-FASHIONED AND OUT OF DATE. WE'VE KNOWN SINCE THE SMOOT-HAWLEY TARIFFS OF 1930 THAT PROTECTIONIST LEGISLATION DOESN'T WORK -- THAT IT MEANS LESS WORLD TRADE AND LESS PROSPERITY HERE AT HOME. SO OUR ADMINISTRATION HAS WORKED TO OPEN MARKETS, NOT TO CLOSE THEM, AND TO KEEP THOSE MARKETS FAIR.

WHERE TRADING PARTNERS APPEAR TO BE CHEATING AMERICANS, WE'RE TAKING ACTION -- ALREADY, WE HAVE A NUMBER OF INVESTIGATIONS UNDERWAY. BUT THE HOUSE BILL WOULD COST AMERICAN CONSUMERS BILLIONS AND UNDERCUT THE MILLIONS OF AMERICAN JOBS CONNECTED WITH FOREIGN TRADE. BELIEVE ME, I DON'T INTEND TO LET THAT HAPPEN -- AND I'D LIKE TO ASK YOUR HELP IN LETTING THE CONGRESS KNOW THAT THE ANSWER IS MORE WORLD TRADE, NOT LESS. CAN I COUNT ON YOU?

BUT THESE BUDGET AND ANTI-TRADE BILLS ARE REAR-GUARD ACTIONS, MANIFESTATIONS OF THE PAST. THE FUTURE BELONGS TO OTHERS -- TO THOSE LIKE YOU WHO BELIEVE IN USING THESE NEXT 2-1/2 YEARS TO LOCK IN THE GAINS WE'VE ALREADY MADE; IN WORKING TO INSTITUTIONALIZE THIS SECOND AMERICAN REVOLUTION OF HOPE AND OPPORTUNITY.

WE'VE ALREADY SEEN A GIANT STEP IN THIS DIRECTION WITH THE DRAMATIC BREAKTHROUGH OF TAX REFORM IN THE CONGRESS.

A CONSENSUS IS FORMING IN AMERICA AROUND LOW-TAX-RATE, PRO-GROWTH POLICIES. LOOKING BACK ON THE REDISTRIBUTIONIST HIGH-TAX POLICIES OF THE LATE SEVENTIES, IT NOW SEEMS LIKE THE DARK AGES. THE OLD POLITICS OF ENVY ARE OVER.

AS THE TAX REFORM BILL NOW BEFORE THE SENATE MAKES CLEAR, BY CUTTING TAX RATES EVERY AMERICAN CAN COME OUT A WINNER. AND PULLING TOGETHER, RATHER THAN PULLING APART, WE CAN ALL CONTRIBUTE TO FULFILLING AMERICA'S DESTINY OF GREATNESS.

I MUST ADMIT, THERE WERE TIMES IN THIS PROCESS, AS TAX REFORM WENDED ITS WAY THROUGH THE SOMETIMES CONVOLUTED PASSAGEWAYS OF CONGRESS, THAT EVEN I HAD MOMENTARY DOUBTS.



IT'S LIKE THE TIME MARILYN MONROE MET ALBERT EINSTEIN. MARILYN GRABBED HIM BY THE ARM AND SAID, "LET'S GET MARRIED."

EINSTEIN LOOKED AT HER AND REPLIED, "BUT, MY DEAR, WHAT IF OUR CHILDREN HAD MY LOOKS AND YOUR BRAINS?"

AS I SAID, THERE WERE MOMENTS OF CONCERN, BUT THANKS TO THE FAR-SIGHTED, IMAGINATIVE LEADERSHIP OF BOB PACKWOOD AND THE OTHER MEMBERS OF THE SENATE FINANCE COMMITTEE, WE CAN ALL BE PROUD PARENTS. WITH YOUR SUPPORT, WE ARE WRITING HISTORY WITH THIS BILL. AND SO, IS THIS NOT THE MOMENT TO BRING TAX RATES DOWN TO THEIR LOWEST LEVEL IN HALF A CENTURY, TO OPEN THE DOORS TO OPPORTUNITY FOR EVERY AMERICAN, NO MATTER WHAT THEIR BACKGROUND OR COLOR OF THEIR SKIN, AND TO FIRE THE ENTREPRENEURIAL ENGINES THAT WILL CARRY AMERICA INTO THE 21ST CENTURY? YES, THE TIME IS NOW.

INDEED, I BELIEVE WE HAVE THE CHANCE TO COMBINE PRO-GROWTH TAX REFORM WITH SPENDING RESTRAINT AND A BALANCED BUDGET. INFLATION WILL BECOME A MEMORY OF THE DISTANT PAST, RATHER THAN A SLUMBERING BEAST, ALWAYS READY TO BE AWAKENED BY OVERSPENDING.

INTEREST RATES CAN FALL FURTHER, MAKING THAT FIRST HOME NO LONGER A DREAM BUT A REALITY FOR YOUNG COUPLES. DECLINING INTEREST RATES; LOW INFLATION; A HEALTHY, GROWING ECONOMY -- IMAGINE WHAT THIS MEANS TO OUR NATION'S RETAILERS; IMAGINE WHAT IT WILL MEAN IN TIME TO OUR STRUGGLING FARMERS; OR TO HOME OWNERS AND CAR BUYERS; OR TO THE MILLIONS OF AMERICAN ENTREPRENEURS TRYING TO RAISE CAPITAL TO START NEW BUSINESSES.

WE'RE SEEING NO LESS THAN A NEW AMERICA --  
A RISING AMERICA, REACHING UP TO OUR  
GREATEST DREAMS, BOUND BY THE VALUES OF LOVE  
FOR COUNTRY, FAMILY, FAITH, AND FREEDOM THAT  
HAVE HELD US TOGETHER -- IN GOOD TIMES AND  
BAD -- SINCE OUR EARLIEST DAYS.

YOU KNOW, AS WE LOOK TO THE SECOND HALF  
OF THIS SECOND TERM, I SOMETIMES THINK OF  
THE QUIP MARK TWAIN IS SUPPOSED TO HAVE MADE  
ABOUT LISTENING TO AN OPERA IN GERMAN:  
YOU HAVE TO WAIT UNTIL THE END TO HEAR THE  
VERB. SO IT IS WITH THIS ADMINISTRATION --  
THERE'S A GREAT DEAL LEFT TO ACCOMPLISH  
BEFORE THE FINAL CURTAIN. AND WHEN WE DO  
REACH THAT CURTAIN, MY FRIENDS,  
I'M CONFIDENT OUR VERB WILL BE,  
"DONE -- WELL DONE."

THANK YOU AGAIN FOR YOUR FRIENDSHIP AND  
SUPPORT -- AND GOD BLESS YOU ALL.

# # #

Commerce - none

Carol

(Robinson/PN)  
May 19, 1986  
6:00 p.m. SS

PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
THURSDAY, MAY 22, 1986

OK -  
Scheduling  
Set-up.  
Event in  
Room 450

Thank you, thank you all -- and welcome to the Old Executive

Office Building. It's an honor to be able to speak to you, the

members of the American Retail Federation. You represent a vital

sector of our economy -- one that employs more than 14 million

Americans -- and I want you to know how much I appreciate the

support you've given to our Administration from the first.

It's been awhile now, and we're getting to be the best kind of

friends, old friends. We can look back on many a battle that

we've been through together -- and isn't it nice to be able to

say that most of the time, we've won?

When we took office ~~just a few years ago~~, our Nation saw orbiting interest rates,

stratospheric inflation, and a mothballed military. Not any

more -- not by a long shot.

With your help, we've slashed tax rates and cut back

needless regulations, liberating the entrepreneurial genius of

the American people and giving our Nation ~~one of the longest~~

sustained periods of economic growth, ~~in postwar history~~. Think

of the products the new spirit of enterprise has put on your

shelves -- products undreamed-of just a few years ago: Personal

computers, compact disc players, new fabrics, even teddy bears

that tell entire stories. We've begun rebuilding our military,

regaining the trust of our allies and the respect of our

adversaries. And we've made strides towards getting deficit

spending under control once and for all.

OMB -  
Kathryn  
Eickhoff  
x5873

It's Elise  
Payton  
Public  
Liaison  
x7140  
very strong  
supporters  
on trade tax

Economic  
Report of  
the President  
Feb, 1986  
p. 332  
prime  
rate in  
- 1981 = 18.87%  
p. 319  
CPI = 10.4

Economic  
Report  
of the Pres.  
p. 4

Teddy  
Ruxpina  
tells stories  
w/ different  
voices  
F.A.O.  
Schwartz  
toy store  
342-2288

Gramm-  
Rudman-  
Hollings

(X)

Active  
members  
of the  
Tax Reform  
Action  
Coalition

(X)

(X)

(X)

F.A.O. Schwartz

OK

passed  
05/15/86

Of course we've faced opposition every step of the way --  
 just look at the budget the House of Representatives passed  
 just last week ~~earlier this month.~~ (It's so bad, only Tip O'Neill's mother could  
 love it.) What does this budget call for? You guessed it:  
 Weakening our defenses and raising our taxes.

There's something about this that would be ridiculous if it  
 weren't so sad. For <sup>nearly 5 1/2</sup> years now, the American people have been  
 repudiating the old policies of high taxes at home and weakness  
 abroad, but the opposition keeps coming back with the same old  
 thing. To borrow a comparison from retailing, the opposition is  
 beginning to look as out of it as a department store that stocks  
 wide ties and bell-bottom pants. The American people just aren't  
 buying. ~~Neither is the Senate~~ -- and neither am I. <sup>leadership has put forth</sup>

In addition to this budget, the House ~~is working on~~ a trade  
 bill -- rather an anti-trade bill that is openly and rankly  
 political. This anti-trade bill, this protectionist legislation,  
 would have our Nation violate the most basic tenets of free and  
 fair international trade. Indeed, it could plunge the world into  
 a trade war, eroding our relations with our allies and free-world  
 trading partners. Economic growth, in America and around the  
 world, would be the casualty.

And again, there's a certain sense in which this effort on  
 the part of the opposition is embarrassingly old-fashioned and  
 out-of-date. We've known since the Smoot-Hawley Tariffs of 1930  
 that protectionist legislation doesn't work -- that it means less  
 world trade and less prosperity here at home. So our  
 Administration has worked to open markets, not to close them, and

Just last week

(X)

(X)

(X)

OK  
U.S.T.R.  
Gary  
Holmes  
x3230

9/15/85 - 5 million dependent on trade  
Strike Force - 3  
US TR - 201

Gary Holmes  
+ 37  
OK - Gary Holmes U.S.T.R.

to keep those markets fair. Where trading partners appear to be cheating Americans, we're taking action -- right now ~~our trade strike force~~ has a number of investigations underway. But our overriding aim is more world trade, not less. The House bill would cost American consumers billions and undercut the tens of thousands of American jobs connected with foreign trade. Believe me, I don't intend to let that happen.

how many?

billions

millions

John Tuck x2230

But these budget and anti-trade bills are rear-guard actions, manifestations of the past. The future belongs to others -- to those like you who believe in using next 2-1/2 years to lock in the gains we've already made; in working to institutionalize this second American revolution of hope and opportunity.

88 11  
86 05  
2 6 more

We've already seen a dramatic step in this direction with the dramatic breakthrough of tax reform in the Congress.

A consensus is forming in America around low-tax, pro-growth policies. Looking back on the redistributionist high-tax policies of the late seventies, it now seems like the dark ages. The old politics of envy are over.

(X)

As the tax reform bill now before the Senate makes clear, by cutting taxes ~~every American will benefit~~, every American can come out a winner. And pulling together, rather than pulling apart, we can all contribute to fulfilling America's destiny of greatness.

Treas. Dept.  
Steve Entin  
566-2768

I must admit, there were times in this process, as tax reform wended its way through the ~~sometimes convoluted~~ passageways of Congress, that even I had momentary doubts. It's

X

\* Isadora Duncan  
George Bernard Shaw

George Bernard Shaw  
Pete Modlin

like the time Marilyn Monroe met Albert Einstein. Marilyn grabbed him by the arm and said, "Let's get married."

Einstein looked at her and replied, "But, my dear, what if our children had my looks and your brains?"

As I said, there were moments of concern, but thanks to the far-sighted, imaginative leadership of Bob Packwood and the other members of the Senate Finance Committee, we can all be proud parents. With your support, we are writing history with this bill. And so, is this not the moment to bring tax rates down to their lowest level in half a century, to open the doors to opportunity for every American, no matter what their background, or color of their skin, and to fire the entrepreneurial engines that will carry America into the 21st century -- yes, the time is now.

statement by Richard G. Darman before Senate Finance Committee 05/07/80 (enclosed)

Indeed, I believe we have the chance to combine pro-growth tax reform with spending restraint and a balanced budget. Inflation will become a memory of the distant past, rather than a slumbering beast, always ready to be awakened by overspending.

Interest rates can fall further, making that first home no longer a dream but a reality for young couples. And maybe with low, declining inflation and a healthy, growing economy, we can

move ahead with a forward-looking monetary reform that could bring <sup>longer-term</sup> interest rates down to ~~their historic rate of about~~ <sup>as averaged in the sixties,</sup> 3 percent in real terms. Imagine what that would mean to our

Treasury economic policy Steve Entin 5266-2768

Nation's retailers; imagine what that would mean to our struggling farmers; or to home owners and car buyers; or to the millions of American entrepreneurs trying to raise capital to

Proposed have 25% effect child

X  
X

start new businesses. What we would see would be no less than a new America -- a rising America, reaching up to our greatest dreams, bound by the values of love for country, family, faith, and freedom that have held us together -- in good times and bad -- since our earliest days.

As we look to the second half of this second term, I sometimes think of the quip Mark Twain is supposed to have made about listening to an opera in German: You have to wait until the end to hear the verb. So it is with this Administration -- there's a great deal left to accomplish before the final curtain. And when we do reach that curtain, my friends, I'm confident our verb will be, "well done."

Thank you again for your friendship and support -- and God bless you all.

Ceci  
Cole

Verb?  
MAR,  
Masong

OK -  
PMR

last word



## WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/19/86 ACTION/CONCURRENCE/COMMENT DUE BY: Tues., May 20, 12:00 pm

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
 (May 19 - 6:00 pm draft)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	MASENG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SS SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LACY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Would you please submit your comments on the attached directly to Ben Elliott's office with an info copy to my office by noon tomorrow. Thank you.

*J. C. Stuck*

**RESPONSE:**

① See p. 2: Suggest deleting statement referring to Tip's mother.  
 -Might strike "free and fair," since what the bill aims at are practices which are not tenets of free trade, but actions not yet covered under trade rules (eg., subsidies, labor issues).

② -It does have us take unilateral actions which are inconsistent with basic tenets of international trade  
 David L. Chew  
 Staff Secretary  
 Ext. 2702

(Robinson/PN)  
May 19, 1986  
6:00 p.m.

Received  
1986 MAY 19 10 23  
**PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
THURSDAY, MAY 22, 1986**

Thank you, thank you all -- and welcome to the Old Executive Office Building. It's an honor to be able to speak to you, the members of the American Retail Federation. You represent a vital sector of our economy -- one that employs more than 14 million Americans -- and I want you to know how much I appreciate the support you've given to our Administration from the first. It's been awhile now, and we're getting to be the best kind of friends, old friends. We can look back on many a battle that we've been through together -- and isn't it nice to be able to say that most of the time, we've won?

Just 6 years ago, our Nation saw orbiting interest rates, stratospheric inflation, and a mothballed military. Not any more -- not by a long shot.

With your help, we've slashed tax rates and cut back needless regulations, liberating the entrepreneurial genius of the American people and giving our Nation one of the longest sustained periods of economic growth in postwar history. Think of the products the new spirit of enterprise has put on your shelves -- products undreamed-of just a few years ago: Personal computers, compact disk players, new fabrics, even teddy bears that tell entire stories. We've begun rebuilding our military, regaining the trust of our allies and the respect of our adversaries. And we've made strides towards getting deficit spending under control once and for all.

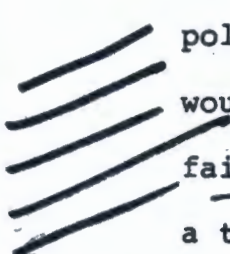
Of course we've faced opposition every step of the way -- just look at the budget the House of Representatives passed earlier this month. ~~[It's so bad, only Tip O'Neill's mother could love it.]~~ What does this budget call for? You guessed it: Weakening our defenses and raising our taxes.

There's something about this that would be ridiculous if it weren't so sad. For 6 years now, the American people have been repudiating the old policies of high taxes at home and weakness abroad, but the opposition keeps coming back with the same old thing. To borrow a comparison from retailing, the opposition is beginning to look as out of it as a department store that stocks wide ties and bell-bottom pants. The American people just aren't buying. Neither is the Senate -- and neither am I.

In addition to this budget, the House ~~is working on~~ a trade bill -- rather an anti-trade bill that is openly and rankly political. This anti-trade bill, this protectionist legislation, would have our Nation violate the most basic tenets of Free and fair international trade. Indeed, it could plunge the world into a trade war, eroding our relations ~~with our allies~~ <sup>and our markets</sup> and free world trading partners. Economic growth, in America and around the world, would be the casualty.

And again, there's a certain sense in which this effort on the part of the opposition is embarrassingly old-fashioned and out-of-date. We've known since the Smoot-Hawley Tariffs of 1930 that protectionist legislation doesn't work -- that it means less world trade and less prosperity here at home. So our Administration has worked to open markets, not to close them, and

*Democratic Leadership has put forth*



to keep those markets fair. Where trading partners appear to be cheating Americans, we're taking action -- right now our trade strike force has a number of investigations underway. But our overriding aim is more world trade, not less. The House bill would cost American consumers <sup>billions</sup> millions and undercut the <sup>millions</sup> tens of thousands of American jobs connected with foreign trade. Believe me, I don't intend to let that happen.

But these budget and anti-trade bills are rear-guard actions, manifestations of the past. The future belongs to others -- to those like you who believe in using these next 2-1/2 years to lock in the gains we've already made; in working to institutionalize this second American revolution of hope and opportunity.

We've already seen a dramatic step in this direction with the dramatic breakthrough of tax reform in the Congress.

A consensus is forming in America around low-tax, pro-growth policies. Looking back on the redistributionist high-tax policies of the late seventies, it now seems like the dark ages. The old politics of envy are over.

As the tax reform bill now before the Senate makes clear, by cutting taxes every American will benefit, every American can come out a winner. And pulling together, rather than pulling apart, we can all contribute to fulfilling America's destiny of greatness.

I must admit, there were times in this process, as tax reform wended its way through the sometimes convoluted passageways of Congress, that even I had momentary doubts. It's

like the time Marilyn Monroe met Albert Einstein. Marilyn grabbed him by the arm and said, "Let's get married."

Einstein looked at her and replied, "But, my dear, what if our children had my looks and your brains?"

As I said, there were moments of concern, but thanks to the far-sighted, imaginative leadership of Bob Packwood and the other members of the Senate Finance Committee, we can all be proud parents. With your support, we are writing history with this bill. And so, is this not the moment to bring tax rates down to their lowest level in half a century, to open the doors to opportunity for every American, no matter what their background, or color of their skin, and to fire the entrepreneurial engines that will carry America into the 21st century -- yes, the time is now.

Indeed, I believe we have the chance to combine pro-growth tax reform with spending restraint and a balanced budget. Inflation will become a memory of the distant past, rather than a slumbering beast, always ready to be awakened by overspending.

Interest rates can fall further, making that first home no longer a dream but a reality for young couples. And maybe with low, declining inflation and a healthy, growing economy, we can move ahead with a forward-looking monetary reform that could bring interest rates down to their historic rate of about 3 percent in real terms. Imagine what that would mean to our Nation's retailers; imagine what that would mean to our struggling farmers; or to home owners and car buyers; or to the millions of American entrepreneurs trying to raise capital to

start new businesses. What we would see would be no less than a new America -- a rising America, reaching up to our greatest dreams, bound by the values of love for country, family, faith, and freedom that have held us together -- in good times and bad -- since our earliest days.

As we look to the second half of this second term, I sometimes think of the quip Mark Twain is supposed to have made about listening to an opera in German: You have to wait until the end to hear the verb. So it is with this Administration -- there's a great deal left to accomplish before the final curtain. And when we do reach that curtain, my friends, I'm confident our verb will be, "well done."

Thank you again for your friendship and support -- and God bless you all.

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20508

3980

May 20, 1986

MEMORANDUM FOR BEN ELLIOTT

FROM: RODNEY B. McDANIEL *Bob J*  
SUBJECT: Presidential Remarks: American Retail  
Federation

The NSC has reviewed the attached Presidential remarks and has made some suggested deletions.

Attachment

As stated

cc: David L. Chew

## WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/19/86 ACTION/CONCURRENCE/COMMENT DUE BY: Tues., May 20, 12:00 pm

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
 (May 19 - 6:00 pm draft)

*U.S. GOVERNMENT*

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	MASENG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SS VAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LACY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Would you please submit your comments on the attached directly to Ben Elliott's office with an info copy to my office by noon tomorrow. Thank you.

**RESPONSE:**



(Robinson/PN)  
May 19, 1986  
6:00 p.m.

Received  
MAY 19 1986  
PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
THURSDAY, MAY 22, 1986

Thank you, thank you all -- and welcome to the Old Executive Office Building. It's an honor to be able to speak to you, the members of the American Retail Federation. You represent a vital sector of our economy -- one that employs more than 14 million Americans -- and I want you to know how much I appreciate the support you've given to our Administration from the first. It's been awhile now, and we're getting to be the best kind of friends, old friends. We can look back on many a battle that we've been through together -- and isn't it nice to be able to say that most of the time, we've won?

Just 6 years ago, our Nation saw orbiting interest rates, stratospheric inflation, and a mothballed military. Not any more -- not by a long shot.

With your help, we've slashed tax rates and cut back needless regulations, liberating the entrepreneurial genius of the American people and giving our Nation one of the longest sustained periods of economic growth in postwar history. Think of the products the new spirit of enterprise has put on your shelves -- products undreamed-of just a few years ago: Personal computers, compact disk players, new fabrics, even teddy bears that tell entire stories. We've begun rebuilding our military, regaining the trust of our allies and the respect of our adversaries. And we've made strides towards getting deficit spending under control once and for all.

Of course we've faced opposition every step of the way -- just look at the budget the House of Representatives passed earlier this month. ~~[It's so bad, only Tip O'Neill's mother could love it.]~~ What does this budget call for? You guessed it: Weakening our defenses and raising our taxes.

*(Don't know somebody's mother!)*

There's something about this that would be ridiculous if it weren't so sad. For 6 years now, the American people have been repudiating the old policies of high taxes at home and weakness abroad, but the opposition keeps coming back with the same old thing. To borrow a comparison from retailing, the opposition is beginning to look as out of it as a department store that stocks wide ties and bell-bottom pants. The American people just aren't buying. Neither is the Senate -- and neither am I. -

In addition to this budget, the House is working on a trade bill -- rather an anti-trade bill that is openly and rankly political. This anti-trade bill, this protectionist legislation, would have our Nation violate the most basic tenets of free and fair international trade. Indeed, it could plunge the world into a trade war, eroding our relations with our allies and free world trading partners. Economic growth, in America and around the world, would be the casualty.

And again, there's a certain sense in which this effort on the part of the opposition is embarrassingly old-fashioned and out-of-date. We've known since the Smoot-Hawley Tariffs of 1930 that protectionist legislation doesn't work -- that it means less world trade and less prosperity here at home. So our Administration has worked to open markets, not to close them, and

to keep those markets fair. Where trading partners appear to be cheating Americans, we're taking action -- right now our trade strike force has a number of investigations underway. But our overriding aim is more world trade, not less. The House bill would cost American consumers millions and undercut the tens of thousands of American jobs connected with foreign trade. Believe me, I don't intend to let that happen.

But these budget and anti-trade bills are rear-guard actions, manifestations of the past. The future belongs to others -- to those like you who believe in using these next 2-1/2 years to lock in the gains we've already made; in working to institutionalize this second American revolution of hope and opportunity.

We've already seen a dramatic step in this direction with the dramatic breakthrough of tax reform in the Congress.

A consensus is forming in America around low-tax, pro-growth policies. Looking back on the redistributionist high-tax policies of the late seventies, it now seems like the dark ages. The old politics of envy are over.

As the tax reform bill now before the Senate makes clear, by cutting taxes every American will benefit, every American can come out a winner. And pulling together, rather than pulling apart, we can all contribute to fulfilling America's destiny of greatness.

I must admit, there were times in this process, as tax reform wended its way through the sometimes convoluted passageways of Congress, that even I had momentary doubts.

[It's

~~like the time Marilyn Monroe met Albert Einstein. Marilyn grabbed him by the arm and said, "Let's get married."~~

~~Einstein looked at her and replied, "But, my dear, what if our children had my looks and your brains?"~~

As I said, there were moments of concern, but thanks to the far-sighted, imaginative leadership of Bob Packwood and the other members of the Senate Finance Committee, we can all be proud parents. With your support, we are writing history with this bill. And so, is this not the moment to bring tax rates down to their lowest level in half a century, to open the doors to opportunity for every American, no matter what their background, or color of their skin, and to fire the entrepreneurial engines that will carry America into the 21st century -- yes, the time is now.

Indeed, I believe we have the chance to combine pro-growth tax reform with spending restraint and a balanced budget. Inflation will become a memory of the distant past, rather than a slumbering beast, always ready to be awakened by overspending.

Interest rates can fall further, making that first home no longer a dream but a reality for young couples. And maybe with low, declining inflation and a healthy, growing economy, we can move ahead with a forward-looking monetary reform that could bring interest rates down to their historic rate of about 3 percent in real terms. Imagine what that would mean to our Nation's retailers; imagine what that would mean to our struggling farmers; or to home owners and car buyers; or to the millions of American entrepreneurs trying to raise capital to

*delete  
for  
story -  
characters  
are wrong &  
it's  
against  
women!*

start new businesses. What we would see would be no less than a new America -- a rising America, reaching up to our greatest dreams, bound by the values of love for country, family, faith, and freedom that have held us together -- in good times and bad -- since our earliest days.

As we look to the second half of this second term, I sometimes think of the quip Mark Twain is supposed to have made about listening to an opera in German: You have to wait until the end to hear the verb. So it is with this Administration -- there's a great deal left to accomplish before the final curtain. And when we do reach that curtain, my friends, I'm confident our verb will be, "well done."

Thank you again for your friendship and support -- and God<sup>m</sup> bless you all.



**'Essential' or 'Political' Measure?**

# Catchall Trade Bill Continuing Partisan Odyssey in the House

A comprehensive trade bill moving toward House passage the week of May 19 is being hailed by its advocates as crucial legislation needed to help U.S. businesses meet their foreign competition.

Detractors, meanwhile, are painting the bill (HR 4800) as a thinly disguised effort by House Democratic leaders to score political points by attacking the Reagan administration's trade policies.

However it is characterized, the proposed 458-page "Trade and International Economic Policy Act of 1986" represents a sweeping rewrite of U.S. trade laws. (*Weekly Report* p. 991)

While its sponsors heatedly deny that they have drafted a protectionist bill, HR 4800 in many instances would require retaliation, such as import quotas or tariffs, against countries accused of keeping out U.S. exports.

The bill also calls for other policy objectives that range from controlling international exchange rates and lowering Third World debt to pumping more money into math and science education in the United States.

"I don't think it's too dramatic to say that this bill is essential for the economic survival of the United States," said Dante B. Fascell, D-Fla., chairman of the House Foreign Affairs Committee. Fascell's committee was one of six House panels that drafted sections of the trade bill. The others are Ways and Means, Banking, Energy and Commerce, Agriculture and Education and Labor.

While many of the bill's provisions attracted Republican support during individual committee markups, the entire package has taken on a distinctively Democratic tinge.

"I think we all know this is a political bill," said John J. Duncan, R-Tenn., the senior Republican on the House Ways and Means Committee. "The Democratic leadership thinks there is

some political mileage in this bill."

Still, Duncan predicts the legislation will attract votes from Republicans representing districts where workers have been harmed by foreign competition. "Some of them have trade problems at home. It's more of a symbolic vote than anything else," he said.

### Administration Opposition

In addition to expected partisan wrangling, the May 20-21 debate on the trade bill will take place against the backdrop of strong White House opposition to the legislation. Administration officials have repeatedly warned of a veto if the bill reaches President Reagan in its present form.

During a May 13 meeting with GOP congressional leaders, Reagan accused House Democrats of crafting a bill that will harm U.S. interests. "They try to make it sound like an act-tough policy, but it's really a tough-luck policy for U.S. taxpayers, consumers and exporters," he said.

U.S. Trade Representative Clayton K. Yeutter, in a May 14 appearance before the Senate Finance Subcommittee on International Trade, conceded that House passage is inevitable and said he hoped for a "more responsible attitude" toward trade legislation in the Senate.

Reagan officials oppose sections of the House bill that limit the president's discretion in dealing with foreign countries when it comes to trade disputes. In some cases, presidential authority in trade matters would be shifted to the trade representative, who is appointed by the president.

### Rules Committee Action

The House May 15 approved a rule for the trade bill that will permit more than a dozen amendments, many of them from Republicans trying to eliminate objectionable provisions.

One of the amendments would delete a section in the bill calling for action against countries that post large

trade surpluses with the United States.

However, earlier in the day the Rules Committee turned down requests for several other amendments, including one by W. Henson Moore, R-La., that would have created a one-year oil import fee.

The panel also rejected proposed amendments that would have set import quotas for foreign lamb products and Canadian softwood lumber.

In doing so, Rules members heeded the advice of Sam Gibbons, D-Fla., who warned that such amendments could pave the way for another protectionist Smoot-Hawley bill that passed the Congress in the 1930s and contributed to the worldwide depression. Gibbons is chairman of the Ways and Means Trade Subcommittee, which drafted key sections of HR 4800.

James Weaver, D-Ore., who sponsored the lumber amendment, said the timber industry deserved protectionist treatment. "Smoot-Hawley wasn't necessary in the 1930s. But we need it today," he said.

The upcoming floor debate will settle some of the committees' differences over trade matters.

For example, the Energy and Commerce Committee will offer an amendment to change a Ways and Means section dealing with efforts to increase exports of U.S. telecommunications equipment and services.

Both committees want the president to retaliate against other countries that impose trade barriers against U.S. products. But Energy and Commerce's version would use the Federal Communications Commission (FCC) as an enforcement weapon, denying certification to telecommunications products from countries subject to retaliation. No such authority for the FCC is in the Ways and Means version, which was included in HR 4800.

Another dispute, between the Foreign Affairs and Banking panels, deals with a section that would set up a \$300 million "war chest" to help finance the purchase of U.S. exports abroad.

The administration backs Banking's provision, included in the bill, that would give to the Treasury Secretary the authority to dispense money from the fund, known as "tied aid."

Foreign Affairs, however, wants the money to be approved by a larger inter-agency council. ■

—By Steven Pressman



DEPARTMENT OF THE TREASURY  
WASHINGTON

Carol

May 20, 1986

MEMORANDUM FOR ALFRED H. KINGON  
ASSISTANT TO THE PRESIDENT AND  
SECRETARY OF THE CABINET

FROM: SHERRIE M. COOKSEY *smc*  
EXECUTIVE SECRETARY

SUBJECT: Draft Presidential Remarks: American  
Retail Federation

The Treasury Department has reviewed the above-referenced draft Presidential remarks and has the following comments:

- On page 1, paragraph 1, line 4, delete "more than 14" and insert "18".
- On page 3, paragraph 4, line 1, insert "rate" after "low-tax".
- In paragraph 5 on the same page, line 2, delete "taxes every American will benefit" and insert "tax rates".  
NOTE: See attachment for rationale for tax comments.
- On page 4, paragraph 5, line 5, insert "longer-term" before "interest"; delete "their historic rate of" and insert "as averaged in the Sixties" at the end of the sentence.

Attachment

cc: Ben Elliott ←



DEPARTMENT OF THE TREASURY  
WASHINGTON

May 20, 1986

MEMORANDUM TO THE FILES

FROM: John G. Wilkins  
Senior Advisor (Economics)

SUBJECT: Presidential Remarks Before the American Retail  
Federation on Thursday, May 22, 1986

I have given the following comments on the May 19, 1986,  
6:00 p.m. Draft to Charles Powers' office.

On page 3, in the 12th line from the bottom, the word "rate"  
should be inserted after the words "low-tax". In the 7th line  
from the bottom, the words "cutting taxes every American will  
benefit" should be replaced with "cutting tax rates."

Since I have corrected these phrases on more than one  
speech, I am stressing to Charles Powers that the reason they  
should be changed is that 20 percent of the population will have  
a tax increase under the Senate bill. The speechwriters  
evidently make the mistake of viewing tax reform as a second  
ERTA, which was a tax cut for everybody and was not revenue  
neutral.

Attachment

cc: J. Roger Mentz  
Don Chapoton  
Don Fullerton  
Linda Carlisle



*- Hand through sent from as is - check in to [unclear]*

STATEMENT BY DEPUTY SECRETARY OF THE TREASURY  
RICHARD G. DARMAN

*- Real Estate  
Bill*

Before the Senate Finance Committee  
12:15 a.m., May 7, 1986

"WE CONGRATULATE YOU, MR. CHAIRMAN, AND DISTINGUISHED MEMBERS OF THE SENATE FINANCE COMMITTEE FOR YOUR BOLD TAX REFORM PROPOSAL. A PRELIMINARY REVIEW BY THE ADMINISTRATION INDICATES THAT THE PROPOSAL REFLECTS THE PRESIDENT'S OBJECTIVES. ~~THE PROPOSAL~~  
~~DRAMATICALLY SIMPLIFIES THE TAX RATE STRUCTURE AND REDUCES~~  
~~PERSONAL INCOME TAX RATES TO THE LOWEST LEVELS IN OVER HALF A~~  
~~CENTURY. IT REMOVES MILLIONS OF WORKING POOR FROM THE TAX ROLLS.~~  
IT RAISES THE PERSONAL EXEMPTION TO \$2000. IT DOES AWAY WITH UNPRODUCTIVE TAX SHELTERS. IT SUBSTANTIALLY INCREASES INCENTIVES FOR PRODUCTIVE INVESTMENT RELATIVE TO THE HOUSE BILL. IT REDUCES THE OVERALL CORPORATE COST OF CAPITAL RELATIVE TO BOTH THE HOUSE BILL AND CURRENT LAW. AND IT PROVIDES A MINIMUM TAX TO ASSURE THAT ALL INDIVIDUALS AND CORPORATIONS PAY THEIR FAIR SHARE.

"WHILE WE MAY HAVE RESERVATIONS ABOUT A FEW FEATURES OF THE BILL, WE ARE CONFIDENT THAT THESE CAN BE ADDRESSED IN SUBSEQUENT STAGES OF THE PROCESS.

"WE FEEL THE COMMITTEE'S PROPOSAL IS A MAJOR STEP TOWARD ACHIEVING MEANINGFUL TAX REFORM, AND URGE THE COMMITTEE TO ACT PROMPTLY AND PASS THE PROPOSAL. WE LOOK FORWARD TO CONTINUING TO WORK WITH YOU, MR. CHAIRMAN, AND THE SENATE AS WE MOVE CLOSER TO HISTORIC TAX REFORM. AND AGAIN, WE CONGRATULATE YOU AND THE MEMBERS OF THE COMMITTEE FOR YOUR HARD WORK AND HARD CHOICES ON BEHALF OF MEANINGFUL TAX REFORM."

(ROBINSON)

MAY 19, 1986

WORLD TRADE WEEK CEREMONY

SECRETARY BALDRIGE, AMBASSADOR YEUTTER,  
GOOD MORNING AND WELCOME TO THE WHITE HOUSE.  
IT'S AN HONOR TO HAVE YOU JOIN US TO HELP  
CELEBRATE WORLD TRADE WEEK. TOGETHER,  
WE CAN UNDERSCORE THE SIGNIFICANCE OF  
INTERNATIONAL TRADE TO OUR NATION AND  
THE WORLD.

BY THE WAY, I CAN'T HELP RECALLING THAT  
IN MY FORMER CAREER, I HAD SOMETHING TO DO  
WITH EXPORTING FOR OVERSEAS MARKETS MYSELF.  
IN THOSE DAYS, AMERICAN MOVIES OCCUPIED 75%  
OF THE PLAYING TIME OF ALL THE SCREENS IN  
THE WORLD. UNFORTUNATELY, THE MOVIES WE  
SENT OVERSEAS WEREN'T ALWAYS SUCCESSFUL.  
"CATTLE QUEEN OF MONTANA" LOST SOMETHING IN  
JAPANESE.

BUT IT'S IMPORTANT FOR US AS AMERICANS  
TO REFLECT UPON THE EXTENT TO WHICH OUR  
NATION IS INVOLVED IN INTERNATIONAL TRADE.

ONE IN SIX OF OUR MANUFACTURING JOBS AND ONE IN FOUR OF OUR FARM ACRES PRODUCE MERCHANDISE FOR OVERSEAS MARKETS. ROUGHLY SPEAKING, EVERY \$1 BILLION WORTH OF AMERICAN MANUFACTURED GOODS EXPORTED MEANS MORE THAN 25,000 AMERICAN JOBS. OVERALL TODAY, NEARLY 5-1/2 MILLION AMERICAN JOBS ARE CONNECTED TO EXPORTS.

YET DESPITE ITS IMPORTANCE, INTERNATIONAL TRADE FACES SERIOUS CHALLENGES. LARGE AND SOMETIMES MASSIVE TRADE IMBALANCES AMONG THE MAJOR TRADING NATIONS HAVE GIVEN RISE TO STRONG PROTECTIONIST FEELING, BOTH HERE AT HOME AND ABROAD.

YET EVER SINCE THE DISASTER OF THE 1930 SMOOT-HAWLEY TARIFFS, WE'VE KNOWN THAT PROTECTIONISM JUST DOESN'T WORK.

NO, THE WAY TO PROMOTE WORLDWIDE PROSPERITY IS NOT TO ERECT BARRIERS, BUT TO BRING THEM DOWN; NOT TO DECREASE INTERNATIONAL TRADE, BUT TO EXPAND IT. WE'RE WORKING TO DO JUST THAT.

OUR APPROACH HAS BEEN THREE-FOLD. FIRST, WE'RE DOING ALL WE CAN TO PROVIDE AN ECONOMIC ENVIRONMENT THAT'S CONDUCIVE TO EXPORTS AROUND THE GLOBE -- INTERNATIONAL ECONOMIC STABILITY, INNOVATION, AND GROWTH.

IN THIS REGARD, WE'RE HAVING HISTORIC SUCCESS. HERE AT HOME, OUR OWN ECONOMY HAS GROWN FOR 41 MONTHS, CREATING MORE THAN 9-3/4 MILLION AMERICAN JOBS. INFLATION IN OUR NATION IS RUNNING AT THE LOWEST LEVEL IN TWO DECADES AND THE PRIME RATE OF INTEREST HAS DROPPED BY 60 PERCENT SINCE WE TOOK OFFICE.

ABROAD, WE'VE BEEN WORKING TO ACHIEVE CLOSER ECONOMIC POLICY COORDINATION BETWEEN NATIONS, FOSTER IMPROVED GLOBAL GROWTH, AND PROMOTE GREATER EXCHANGE RATE STABILITY. INDEED, CLOSER ECONOMIC COORDINATION BETWEEN US AND OUR TRADING PARTNERS WAS AGREED UPON AT THE TOKYO SUMMIT. WE'RE PLEASED TO SEE THAT OTHER NATIONS -- IN PART SPURRED BY OUR OWN GROWTH, IN PART FOLLOWING OUR EXAMPLE OF LOW TAXES AND LIMITED GOVERNMENT -- HAVE A GOOD OUTLOOK FOR MORE ECONOMIC GROWTH OF THEIR OWN. THE PLAZA AGREEMENT REACHED LAST SEPTEMBER HAS CONTRIBUTED TO SUBSTANTIAL EXCHANGE RATE CHANGES, IMPROVING OUR OWN COMPETITIVE POSITION. AND THE DEBT PROBLEM IN LESSER DEVELOPED COUNTRIES IS BEING ADDRESSED, PROVIDING EXPANDED MARKETS FOR AMERICAN TRADE. ALL THIS ADDS UP TO A SOUND BASIS FOR WIDER AND FREER WORLD TRADE.

SECOND, WE'RE WORKING TO REMOVE FOREIGN TRADE BARRIERS THAT MAY BE BLOCKING THE SALE OF OTHERWISE COMPETITIVE AMERICAN PRODUCTS. AS I SAID IN MY TRADE ADDRESS ON SEPTEMBER 23RD OF LAST YEAR, "ALL MUST WORK TO GUARANTEE OPEN MARKETS....FREE TRADE IS, BY DEFINITION, FAIR TRADE."

SINCE SEPTEMBER, WE'VE INITIATED INVESTIGATIONS INTO UNFAIR TRADE PRACTICES BY OTHER COUNTRIES -- MAKING OURS THE FIRST ADMINISTRATION TO INITIATE SUCH INVESTIGATIONS ON ITS OWN. TODAY, WE HAVE CASES UNDERWAY CONCERNING KOREAN BARRIERS TO FOREIGN INSURANCE COMPANIES, BRAZILIAN RESTRICTIONS ON COMPUTER IMPORTS, KOREAN VIOLATIONS OF INTELLECTUAL PROPERTY RIGHTS, AND JAPANESE RESTRICTIONS ON IMPORTED TOBACCO PRODUCTS. AND WE'VE STARTED OUR FIRST INVESTIGATION INTO TAIWAN'S FOREIGN EXPORT PERFORMANCE REQUIREMENTS.

IN THAT SAME SEPTEMBER SPEECH I JUST REFERRED TO, I ANNOUNCED THE FORMATION OF A STRIKE FORCE TO IDENTIFY UNFAIR FOREIGN TRADE PRACTICES AND RECOMMENDED STRATEGIES FOR COMBATTING THEM. THE STRIKE FORCE HAS BEEN HARD AT WORK. WE'VE INITIATED AN ANTIDUMPING CASE AGAINST JAPAN FOR ITS PRACTICES INVOLVING EXPORTS OF SEMICONDUCTORS. WE'VE BEGUN CONSULTATIONS WITH EUROPEAN GOVERNMENTS ON AIRBUS SALES. AND WE HAVE PROPOSED LEGISLATION TO STRENGTHEN AND EXPAND THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND ADOPTED A FORMAL POLICY IN THE ENFORCEMENT OF SUCH RIGHTS.

THIRD, WE'RE WORKING TO NEGOTIATE NEW TRADE AGREEMENTS THAT WILL EXPAND WORLD TRADE FOR THE BENEFIT OF ALL NATIONS.

AT THE RECENT TOKYO SUMMIT, WE AND OUR ALLIES ONCE AGAIN AFFIRMED OUR SUPPORT FOR A NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS -- TARGETING THE SEPTEMBER GATT MINISTERIAL MEETING FOR DECISIVE PROGRESS. AT THE SUMMIT, WE ALSO AGREED THAT THIS NEW ROUND OF TALKS SHOULD HAVE A COMPREHENSIVE AGENDA, INCLUDING NEW TOPICS OF PARTICULAR INTEREST TO THE UNITED STATES, SUCH AS SERVICES, INTELLECTUAL PROPERTY AND INVESTMENT. AND, STILL PURSUING THE GOAL OF EXPANDING TRADE, WE'VE ALSO BEGUN TO EXPLORE THE ADVANTAGES OF NEGOTIATING A COMPREHENSIVE FREE TRADE AGREEMENT WITH CANADA, OUR LARGEST TRADING PARTNER.

IN TRADE RELATIONS WITH JAPAN, PROGRESS IS, AGAIN, BEING MADE. WHEN PRIME MINISTER NAKASONE AND I MET IN APRIL AND AGAIN AT THE TOKYO SUMMIT, WE AGREED ON THE NEED TO EXPAND OUR TRADE THROUGH BETTER MARKET ACCESS.



INDEED, I AM GRATIFIED AT JAPANESE EFFORTS TO RESTRUCTURE THEIR ECONOMY TO EXPAND DOMESTIC DEMAND. BASED ON PREVIOUS WORK, THE JAPANESE ARE NOW COMMITTED TO LOWERING JAPAN'S BARRIERS TO IMPORTS OF TELECOMMUNICATIONS EQUIPMENT, MEDICAL EQUIPMENT, FOREST PRODUCTS, PHARMACEUTICALS, AND ELECTRONICS. LIKE MANY OF OUR TRADING PARTNERS, THE JAPANESE ARE TOUGH NEGOTIATORS -- MANY HERE KNOW THAT FIRSTHAND. BUT WE'RE DETERMINED TO DO ALL WE CAN TO LOWER TRADE BARRIERS IN JAPAN AND AROUND THE WORLD.

THESE ACTIONS ARE ALL CONSTRUCTIVE STEPS AIMED AT EXPANDING TRADE. THAT IS WHY I AM DISMAYED AT PROTECTIONIST LEGISLATION THAT IS UNDER CONSIDERATION IN THE HOUSE OF REPRESENTATIVES. IT IS NOT A "FAIR TRADE" BILL; IT IS A "LESS TRADE" BILL. IT WILL NOT OPEN MARKETS TO U.S. PRODUCTS; IT WILL CLOSE THEM.

IT WILL MANDATE THAT THE UNITED STATES VIOLATE MANY OF THE MOST BASIC RULES OF INTERNATIONAL TRADE. AND IT WILL EXPOSE OUR MOST PRODUCTIVE FARMS AND INDUSTRIES TO RETALIATION BY OTHER NATIONS.

THE CREATION OF A STRIKE FORCE, THE ENFORCEMENT OF OUR TRADE LAWS, VIGOROUS TRADE TALKS WITH JAPAN AND OTHER NATIONS -- IT IS ONLY RIGHT THAT WE IN GOVERNMENT SHOULD MAKE THESE EFFORTS. BUT IN TRUTH, OUR NATION WOULD BE NOWHERE WITHOUT YOU -- YOU WHO HAVE SHOWN SUCH INITIATIVE IN OPENING NEW INTERNATIONAL MARKETS. YOU'RE PROOF THAT AMERICAN BUSINESS HAS NEVER BEEN AFRAID TO COMPETE -- THAT OUR BUSINESS COMMUNITY IS AS INNOVATIVE, EFFICIENT, AND COMPETITIVE AS ANY ON EARTH. MY FRIENDS, FOR SETTING SUCH HIGH STANDARDS, I THANK YOU.

AND NOW IT'S MY PRIVILEGE TO SIGN THE  
PROCLAMATION, THEN ASK SECRETARY BALDRIGE TO  
HELP ME PRESENT THE "E" AND "E STAR" AWARDS  
FOR EXCELLENCE IN EXPORTING.

# # #

Carol

THE WHITE HOUSE  
WASHINGTON

5/16/86

MEMORANDUM

TO: MARI MASENG

FROM: FREDERICK J. RYAN, JR. *fjr*

SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

MEETING: Address American Retail Federation

DATE: May 22, 1986

TIME: 11:30 am

DURATION: 15 minutes

LOCATION: 450 OEOB

REMARKS REQUIRED: Yes

MEDIA COVERAGE: Coordinate with Press Office

FIRST LADY PARTICIPATION: No

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

K. Barun  
P. Buchanan  
D. Chew  
M. Coyne  
E. Crispen  
M. Daniels  
T. Dawson  
D. Dellinger  
B. Elliott  
J. Erkenbeck  
L. Faulkner  
C. Fuller  
W. Henkel

C. Hicks  
J. Hooley  
A. Kingon  
J. Kuhn  
C. McCain  
W. Ball  
R. Riley  
G. Walters  
R. Shaddick  
B. Shaddix  
L. Speakes  
J. Courtemanche  
WHCA Audio/Visual  
WHCA Operations

(Robinson)  
May 19, 1986  
4:00 p.m.

CAROL

PRESIDENTIAL REMARKS: AMERICAN RETAIL FEDERATION  
THURSDAY, MAY 22, 1986

Thank you, thank you all -- and welcome to the Old Executive Office Building. It's an honor to be able to speak to you, the members of the American Retail Federation. You represent a vital sector of our economy -- one that employs more than 14 million Americans -- and I want you to know how much I appreciate the support you've given to our Administration from the first. It's been awhile now, and we're getting to be the best kind of friends, old friends. We can look back on many a battle that we've been through together -- and isn't it nice to be able to say that, most of the time, we've won?

Just 6 years ago, our Nation saw orbiting interest rates, stratospheric inflation, and a mothballed military. Not any more -- not by a long shot.

With your help, we've slashed tax rates and cut back needless regulations, liberating the entrepreneurial genius of the American people and giving our Nation one of the longest sustained periods of economic growth in postwar history. Think of the products the new spirit of enterprise has put on your shelves -- products undreamed-of just a few years ago: Personal computers, compact disk players, new fabrics, even teddy bears that tell entire stories. We've begun rebuilding our military, regaining the trust of our allies and the respect of our adversaries. And we've made strides towards getting deficit spending under control once and for all.

Of course we've faced opposition every step of the way -- just look at the budget the House of Representatives passed earlier this month. It's so bad, only Tip O'Neill's mother could love it. What does this budget call for? You guessed it: Weakening our defenses and raising our taxes.

There's something about this that would be ridiculous if it weren't just a little bit sad. For 6 years now, the American people have been repudiating the old policies of high taxes at home and weakness abroad, but the opposition keeps coming back with the same old thing. To borrow a comparison from retailing, the opposition is beginning to look as out of it as a department store that stocks wide ties and bell-bottom pants. The American people just aren't buying. Neither is the Senate -- and neither am I.

In addition to this budget, the House is working on a trade bill -- rather an anti-trade bill that is openly and rankly political. This anti-trade bill, this protectionist legislation, would have our Nation violate the most basic tenets of free and fair international trade. Indeed, it could plunge the world into a trade war, eroding our relations with our allies and free world trading partners. Economic growth, in America and around the world, would be the casualty.

And again, there's a certain sense in which this effort on the part of the opposition is embarrassingly old-fashioned and out-of-date. We've known since the Smoot-Hawley Tariffs of 1930 that protectionist legislation doesn't work -- that it means less world trade and less prosperity here at home. So our

(K) Administration has worked to open markets, not to close them, and to keep those markets fair. Where trading partners appear to be cheating Americans, we're taking action -- right now our trade strike force has <sup>a number</sup> some investigations underway. But our overriding aim is more world trade, not less. The House bill would cost American consumers millions and undercut the tens of thousands of American jobs connected with foreign trade. Believe me, I don't intend to let that happen.

But these budget and anti-trade bills are rear-guard actions, manifestations of the past. The future belongs to others -- to those like you who believe in using these next 2-1/2 years to lock in the gains we've already made; in working to institutionalize this second American revolution of hope and opportunity.

We've already seen a dramatic step in this direction with the dramatic breakthrough of tax reform in the Congress.

A consensus is forming in America around low-tax, pro-growth policies. Looking back on proto-socialist, redistributionist high-tax policies of the late seventies, it now seems like the dark ages. The old politics of envy are over.

As the tax reform bill now before the Senate makes clear, by cutting taxes every American will benefit, every American can come out a winner. And pulling together, rather than pulling apart, we can all contribute to fulfilling America's destiny of greatness.

I must admit, there were times in this process, as tax reform wended its way through the sometimes convoluted

passageways of Congress, that even I had momentary doubts. It's like the time Marilyn Monroe met Albert Einstein. Marilyn grabbed him by the arm and said, "Let's get married."

Einstein looked at her and replied, "But, my dear, what if our children had my looks and your brains?"

As I said, there were moments of concern, but thanks to the far-sighted, imaginative leadership of Bob Packwood and the other members of the Senate Finance Committee, we can all be proud parents. With your support, we are writing history with this bill. And so, is this not the moment to bring tax rates down to their lowest level in half a century, to open the doors to opportunity for every American, no matter what their background, or color of their skin, and to fire the entrepreneurial engines that will carry America into the 21st century -- yes, the time is now.

Indeed, I believe we have the chance to combine pro-growth tax reform with spending restraint and a balanced budget. Inflation will become a memory of the distant past, rather than a slumbering beast, always ready to be awakened by overspending.

X  
Interest rates can fall further, making that first home no longer a dream but a reality for young couples. And maybe, with low, declining inflation and a healthy, growing economy we can move ahead with a forward-looking monetary reform that could bring interest rates down to their historic rate of about 3 percent in real terms. Imagine what that would mean to our Nation's retailers; imagine what that would mean to our struggling farmers; or to home owners and car buyers; or to the



millions of American entrepreneurs trying to raise capital to start new businesses. What we would see would be no less than a new America -- a rising America, reaching up to our greatest dreams, bound by the values of love for country, family, faith, and freedom that have held us together -- in good times and bad -- since our earliest days.

As we look to the second half of this second term, I sometimes think of the quip Mark Twain is supposed to have made about listening to an opera in German: You have to wait until the end to hear the verb. So it is with this Administration -- there's a great deal left to accomplish before the final curtain. And when we do reach that curtain, my friends, I'm confident our verb will be, "well done."

Thank you again for your friendship and support -- and God bless you all.

*Chase Payton*

THE WHITE HOUSE  
WASHINGTON

11:30 - 11:45

MEMORANDUM

May 9, 1986

TO: AL KINGON - ~~V~~INAS KOJELIS  
FROM: FREDERICK J. RYAN, JR., DIRECTOR  
PRESIDENTIAL APPOINTMENTS AND SCHEDULING  
SUBJ: REQUEST FOR SCHEDULING RECOMMENDATION

- Joe O'Neill  
head of office  
- tax reform  
- trade

PLEASE PROVIDE YOUR RECOMMENDATION ON THE FOLLOWING  
SCHEDULING REQUEST UNDER CONSIDERATION:

EVENT: Address the annual meeting of the American Retail  
Federation

DATE: May 22, 1986

LOCATION: The Rose Garden

BACKGROUND: See attached

Date 5-22-86  
Time 11:30am  
Length ~~30~~ 15min  
Date 5-15-86  
ROOM 450  
0908

YOUR RECOMMENDATION:

Accept  Regret  Surrogate  Message  Other   
Priority  Video   
Routine  Written

IF RECOMMENDATION IS TO ACCEPT, PLEASE CITE REASONS:

*This group has been very supportive of  
the President's programs.*  
*my J. Ryan*

RESPONSE DUE: ASAP TO JEAN APPLEBY JACKSON

LA received  
5/12/86

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM

May 9, 1986

TO: AL KINGON - LINAS KOJELIS  
FROM: FREDERICK J. RYAN, JR., DIRECTOR  
PRESIDENTIAL APPOINTMENTS AND SCHEDULING  
SUBJ: REQUEST FOR SCHEDULING RECOMMENDATION

PLEASE PROVIDE YOUR RECOMMENDATION ON THE FOLLOWING  
SCHEDULING REQUEST UNDER CONSIDERATION:

EVENT: Address the annual meeting of the American Retail  
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YOUR RECOMMENDATION:

Accept  Regret  Surrogate  Message  Other   
Priority  Video   
Routine  Written

IF RECOMMENDATION IS TO ACCEPT, PLEASE CITE REASONS:

RESPONSE DUE: ASAP TO JEAN APPLEBY JACKSON

*Per Patz  
by phone 5/13/86  
Jog*

THE WHITE HOUSE  
WASHINGTON

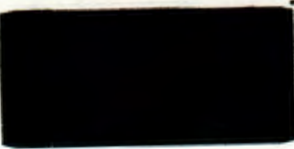
**DATE:** May 7, 1986

**TO:** Linas Kojelis  
Fred Ryan

**FROM:** WILL BALL

**SUBJECT:** attached letter

*cc" May 22*



RECEIVED  
MAY 7 1986  
SCHEDULING  
OFFICE

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The attached request has been brought to my attention because of this group's work in support of the President's U.S.-Canada free-trade agreement.

It would be very helpful if this request could be approved, and I recommend it be arranged if at all possible.

There may already be a schedule proposal pending on the basis of earlier contacts by the American Retail Federation representatives.

Thank you for your attention to this matter.



# AMERICAN RETAIL FEDERATION

1616 H STREET, N. W. WASHINGTON, D. C. 20006 (202) 783-7971

JOSEPH P. O'NEILL  
PRESIDENT

April 29, 1986

Mr. William L. Ball, III  
Assistant to the President  
for Legislative Affairs  
The White House  
Washington, D.C. 20500

Dear Will:

As a follow up to our discussions during the Finance Committee consideration of the U.S.-Canada free trade agreement, let me reiterate my request.

In our conversation with Craig Fuller, we discussed the possibility of our ARF Annual Meeting participants proceeding to the Rose Garden in the late morning of May 22 prior to the Vice President's lunch with the President. At that point, it was our hope that the President and the Vice President could make a short appearance.

Needless to say, with the strong support that the retail industry has provided the Administration on both the tax and trade fronts this past year, and in several successful fundraising efforts, I think the President would have an easy time in formulating his comments. He has addressed this same group several times and has traditionally been the major spotlight of the retailers' annual meeting. This is a very supportive group of CEO level executives and their wives from all 50 states.

We are indebted to you for your continued assistance. I look forward to hearing from you and will tell Craig we are working together per his suggestion.

Sincerely,



Joseph P. O'Neill

JPO/lfl

# AMERICAN RETAIL FEDERATION

1616 H STREET N.W. WASHINGTON, D. C. 20006 (202) 783-7971

DONALD V. SEIBERT  
CHAIRMAN OF THE BOARD

May 9, 1986

The Honorable Donald T. Regan  
Chief of Staff to the President  
The White House  
Washington, DC 20500

Dear Don:


I just wanted to alert you to a previous communication between Joe O'Neill, President of the American Retail Federation, and Will Ball, regarding a meeting they are attempting to coordinate with President Reagan and Vice President Bush the morning of Thursday, May 22nd. As Chairman of the American Retail Federation I will be hosting the delegation of 150 senior retailing executives who will be meeting here in Washington and we are anticipating a meeting with the President and Vice President as part of that forum.

As you are well aware, the retailing industry was an early and strong supporter of the President's initiatives both on tax reform and his foreign trade policies. This meeting would be a plus for our folks and for the President as well.

Don, I know what a busy schedule the President has but I understand that he is scheduled for a luncheon with Vice President Bush on the 22nd and have, therefore, requested through Will that he visit with our people briefly before that luncheon. Anything you can do to make this happen will be most appreciated.

I'm looking forward to seeing you soon.

Sincerely,

  
Donald V. Seibert

DVS:asl