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#### THE WHITE HOUSE

WASHINGTON

October 19, 1984

MEMORANDUM FOR MARY SCHOENFELD

FROM:

JUDE MUSKETT

OFFICE OF PUBLIC AFFAIRS

SUBJECT:

QUESTIONNAIRE

Attached please find Presidential responses in FINAL form for the following questionnaires:

- 1) National Retail Merchants
- 2) Pension Forum

Should you have any further questions on these responses, please do not hesitate to call.

Thanks.

Attachment

FINAL

# THE HONORABLE RONALD REAGAN PRESIDENT OF THE UNITED STATES

# National Retail Merchants Association Report October 19, 1984

- 1. Q: Budget/Economy: What economic policies do you intend to pursue over the next four years that will reduce the federal deficit, increase employment, and reduce high interest rates?
  - A: We plan to continue those policies which have stimulated strong economic growth and reduced the prime interest rate by 40 percent since 1981, lowered the inflation rate to about four percent, and put more than six million Americans back to work.

Continued economic recovery and expansion will reduce the deficit still further, but it will not eliminate the entire problem. The remaining portion of the deficit is caused by government spending more than it takes in.

Congress simply has been unable to discipline itself to make the necessary cuts in spending, and has refused to enact many of our proposed spending reductions. Still, we have not given up. This year, we have worked with Republicans and responsible Democrats in Congress to pass a deficit reduction plan that puts a downpayment on the deficit through a balanced program of budget restraint, slower growth in defense and new revenue.

But a downpayment is just that; a start on the right path. More must be done. In addition to requesting Congress to pass a constitutional amendment mandating a balanced budget, I have proposed legislation giving Presidential line-item veto power over congressional appropriations. It would allow a President to veto special interest spending items and pork barrel projects without holding up spending authority for important government operations.

- 2. Q: Tax Policy: What is your position on restructuring the Federal taxation system? In particular, what is your view of a consumer income tax, a value-added tax, a national sales tax, a flat tax and changes in corporate taxation such as a corporate surtax or expanded minimum tax?
  - A: I have asked Treasury Secretary Donald Regan to suggest a plan to simplify the entire tax code so all taxpayers are treated more fairly. Such a plan could help bring tax evaders into the sunlight of honest tax compliance and broaden the tax base, so personal rates could go down, not up.

Specific recommendations will be presented to me by December 1984 and I intend to make this a top priority in my next term.

- 3. Q: Foreign Trade: Would you please comment on the rising tide of protectionism in Congress. In particular, what is your view of pending legislation that will impose quotas on imported footwear, and freeze textile imports at 1983 levels of trade?
  - A: Protectionism is a great danger to sustained world economic recovery. The costs of "protectionism" for one group are always passed on to another group down the line. Giving in to large-scale protectionism leads to retaliation by our trading partners.

This in turn means world markets close and the world economy stagnates or shrinks. Moreover, protectionism would insulate our market from competition and thus lead to higher prices and fewer choices for American consumers. The effect on retail merchants could be serious.

But at the same time we understand the problems of U.S. industries, such as steel, footwear and automobiles. We will continue to pursue domestic and international policies that will help our American manufacturing, agricultural and service industries to compete in the international marketplace. We will continue to work aggressively to expand overseas markets for U.S. goods and services.

We are for <u>freer</u> trade, but that trade must be <u>fair</u>. We will not tolerate the loss of American competitiveness or jobs to unfair trade practices. But protectionism is certainly not an answer.

- 4. Q: Small Business: In what specific ways would you stimulate growth in the small business community and especially in the small retail sector?
  - A: Our policies have created a climate conducive to small business growth. Our tax rate reductions brought new incentives for entrepreneurs and funds for investment capital. Reduced capital gains taxes stimulated capital formation and increased the return on small business investment. Greater depreciation allowances encouraged modernization. Estate tax changes will allow families to keep the rewards of their labors.

We have insisted on less federal interference with small business. As a result, we are reducing burdensome regulations and paperwork, and runaway agencies have been reined in. We have ensured that the federal government pays its bills on time or pays interest penalties. We have also increased government procurement from small and minority businesses.

America's small business entrepreneurs, including retailers, have led the way in fueling our economic recovery. We will continue our efforts to help this energetic segment of our economy.

- 5. Q: Comparable Worth: Please describe your position on the issue of comparable worth and specifically on whether you believe there is the need for Federal legislation in this area?
  - A: Our Administration is strongly committed to enforcing existing Federal civil rights statutes that guarantee all persons equal opportunity to employment and ensure equal pay for equal work.

On a separate issue of "comparable worth," I believe the free marketplace can decide which jobs should be paid more, and which less, through bargaining between employers and employers.

- 6. Q: Administrative Agency Roles: Please describe your view of the appropriate role for Administrative agencies such as the Federal Trade Commission and the National Labor Relations Board in your Administration.
  - A: When I took office in 1980, one of my priorities was reducing unnecessary federal regulation of private industry. In too many fields, government regulation either did not achieve its goals or made limited improvements at exorbitant cost. We have worked with industry and labor to get better results through cooperation rather than coercion.

The flood of needless regulation has stopped. The number of new regulatory proposals has decreased by almost one-third. Unrestrained growth in the size and spending of the regulatory workforce has stopped. Some \$150 billion will thereby be saved over the next decade by consumers and businesses because we've reduced federal red tape.

We have reduced the regulatory burden on Americans by making government rules as cost-effective as possible. We'll keep up this progress by continuing to review regulations and eliminating or fixing those that do more harm than good.

- 7. Q: Credit Card Surcharge: As you know, retailers pay a merchants discount fee to banks for the privilege of allowing customers to present bank credit cards at their stores. Do you favor or oppose the right of retailers to pass this cost on to charge card customers directly and to offer a corresponding lower price to cash customers?
  - A: The system of offering a lower price to customers who pay in cash has been implemented with success by some gasoline dealers, and I can see why other retailers might wish to have the same marketing freedom. I think the response of the American consumer, rather than the judgment of government officials, is the gauge of whether such charge card fees should be implemented.

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# WHITE HOUSE STAFFING MEMORANDUM

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RESPONSE:

The President's Authorized Campaign Committee

#### MEMORANDUM

TO:

MARGARET TUTWILER

THROUGH:

ED ROLLINS

FROM:

JIM LAKE

DATE:

OCTOBER 9, 1984 NATIONAL RETAIL MERCHANTS ASSOCIATION

QUESTIONNAIRE

Per the procedures outlined in Fred Fielding's November 28, 1983 memo on candidate questionnaires, I am enclosing draft responses to a set of questions from the National Retail Merchants Association.

Please advise me at your earliest possible convenience of White House approval of the responses. We need the approval notice by October 15 to meet our deadline.

### THE HONORABLE RONALD REAGAN President of the United States

#### National Retail Merchants Association Report October 9, 1984

- 1. Q: Budget/Economy: What economic policies do you intend to pursue over the next four years that will reduce the federal deficit, increase employment, and reduce high interest rates?
  - A: We plan to continue those policies which have stimulated economic growth and reduced interest rates by one-third since 1981, lowered the inflation rate to below four percent, and put more than six million Americans back to work. Continued economic recovery and expansion will reduce the deficit still further, but it will not eliminate the entire problem. The remaining portion of the deficit -- sometimes termed structural -- will rise over the next several years unless action is taken to curb it. The cause of this portion of the deficit is easy to explain. Government is spending more than it takes in.

Congress simply has been unable to discipline itself to make the necessary cuts in spending, and has refused to enact many of our proposed spending reductions. Still, we have not given up. This year, we have worked with Republicans and responsible Democrats in Congress to pass a deficit reduction plan that puts a downpayment on the deficit through a balanced program of budget restraint, slower growth in defense and new revenue. But a downpayment is just that; it is a start on the right path. More must be In addition to requesting Congress to pass a constitutional amendment mandating a balanced budget, I have proposed a constitutional amendment giving the President line-item veto power over congressional appropriations. It would allow the President to veto special interest spending items and pork barrel projects without holding up spending authority for important government operations. These "line items" may not appear to add substantially to the size of the particular bill, but taken together, they can swell the deficit over time.

- 2. Q: Tax Policy/What is your position on restructuring the Federal taxation system? In particular, what is your view of a consumer income tax, a value-added tax, a national sales tax, a flat tax and changes in corporate taxation such as a corporate surtax or expanded minimum tax?
  - A: I have asked Treasury Secretary Donald Regan for a plan to simplify the entire tax code so all taxpayers are treated more fairly. Such a plan could help bring tax evaders into the sunlight of honest tax compliance and broaden the tax base, so personal rates could go down, not up. Specific recommendations consistent with these objectives will be presented to me by December 1984 and I intend to act on them in my next term.
- 3. Q: Foreign Trade/Would you please comment on the rising tide of protectionism in Congress. In particular, what is your view of pending legislation that will impose quotas on imported footwear, and freeze textile imports at 1983 levels of trade?
  - A: The greatest danger today to our international trade is a growing protectionist sentiment. Just as we believe that incentives are the key to greater growth in America, we must resist the sugar-coated poison of protectionism everywhere it exists -- here and throughout the world. Protectionism brings higher prices, provokes retaliation, and insulates efficiencies in production.

But free trade works only when all trading partners accept open markets for goods, services, and investments. We will review existing trade agreements and vigorously enforce trade laws including assurance of access to all markets for our services industries. We will pursue domestic and international policies that will allow our American manufacturing and agricultural industries to compete in international markets. We will not tolerate the loss of American jobs to nationalized, subsidized, protected foreign industries, particularly in steel, automobiles, mining, footwear, textiles, and other basic industries.

4. Q: Small Business/In what specific ways would you stimulate growth in the small business community and especially in the small retail sector?

A: My Administration's policies have created a climate conducive to small business growth. Our tax rate reductions increased incentives for entrepreneurial activity and provided investment capital through incentives to save. Reduced capital gains taxes further stimulated capital formation and increased the return on small business investment. Greater depreciation allowances encouraged modernization. Estate tax changes will allow families to keep the rewards of their labors.

We have insisted on less federal interference with small business. As a result, burdensome regulations were reduced, and runaway agencies like OSHA were reined in. We have ensured that the federal government pays its bills on time or pays interest penalties. We have also focused needed attention on increased government procurement from small and minority businesses.

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- 5. Q: Comparable Worth/Please describe your position on the issue of comparable worth and specifically on whether you believe there is the need for Federal legislation in this area?
  - A: The federal government already established strong criteria to assure equal pay for jobs of comparable value, in the Equal Pay Act of 1963. My Administration is strongly committed to enforcing the Equal Pay guarantee of equal pay for equal work and to maintaining the freedom employees now enjoy in deciding which jobs should be paid more, and which less, through bargaining with their employers.
- 6. Q: Administrative Agency Roles/Please describe your view of the appropriate role for Administrative agencies such as the Federal Trade Commission and the National Labor Relations Board in your Administration.
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#### THE WHITE HOUSE

WASHINGTON

October 9, 1984

MEMORANDUM FOR SARA EMERY

FROM:

MARY SCHOENFELD

SUBJECT:

QUESTIONNAIRES

Sara, please find attached three more questionnaires from Reagan-Bush that need to get started into our system. They are:

MAGAZINE: DUE DATE:

1. LTV/WALL STREET JOURNAL--EMPLOYMENT ASAP

2. FIREHOUSE MAGAZINE October 10

3. NATIONAL RETAIL MERCHANTS ASSOCIATION October 15

Thanks.

### The President's Authorized Campaign Committee

#### MEMORANDUM

TO:

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THROUGH: FROM:

ED ROLLINS JIM LAKE

DATE:

OCTOBER 9, 1984

RE:

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