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**Folder Title:** [JGR/Presidential Interviews  
and Questionnaires] (09/30/1983-03/31/1984)  
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THE WHITE HOUSE

WASHINGTON

September 30, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Presidential Interview with Spanish Today

Richard Darman has asked that comments on the attached written interview with the President be sent directly to Mike Baroody by close of business today. The questions and answers focus on issues of particular concern to the Hispanic community, including minority businesses, immigration legislation, education, and narcotics trafficking. The draft answer to the question concerning our position on illegal immigrants living in the United States omits any reference to the legalization aspect of Simpson - Mazolli. I think this audience would be pleased that we are trying to grant legal status to their illegal amigos. This point, and two minor stylistic ones, are made in the attached draft memorandum to Baroody.

Attachment

THE WHITE HOUSE

WASHINGTON

September 30, 1983

MEMORANDUM FOR MICHAEL E. BAROODY  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PUBLIC AFFAIRS

FROM: FRED F. FIELDING *Orig. signed by FFF*  
COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Interview with Spanish Today

Counsel's Office has reviewed the above-referenced draft interview. The draft answer to the question concerning the Administration's position on illegal immigrants fails to note that the immigration reform legislation we support would grant legal status to many illegal immigrants currently residing in the United States. I would think this aspect of the bill would be favorably received by the readers of Spanish Today, and consideration should be given to mentioning it.

The second sentence of the first paragraph of the answer to the question on Central America is grammatically unsound. Suggested revision: "The counterfeit revolutionaries, who must come to power through the barrel of a gun, offer nothing but empty promises. They are men motivated by self-interest, not that of the people of Central America." Also, with respect to the penultimate question, "reverting a trend" should be "reverting to a trend."

cc: Richard G. Darman

FFF:JGR:aea 9/30/83

bcc: FFFielding  
JGRoberts  
Subj.  
Chron

THE WHITE HOUSE

WASHINGTON

September 30, 1983

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FROM: FRED F. FIELDING  
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FFF:JGR:aea 9/30/83

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JGRoberts  
Subj.  
Chron

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

D - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: RICHARD G. DARMAN

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Presidential Interview With Spanish Today

**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>WH011</u>	<u>ORIGINATOR</u>	<u>830928</u>		<u>1 1</u>
<u>WH018</u>	<u>D</u>	<u>830928</u>	<u>S</u>	<u>830930</u> <u>COB</u>
		<u>1 1</u>		<u>1 1</u>
		<u>1 1</u>		<u>1 1</u>
		<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
- S - For Signature
- X - Interim Reply

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- 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, OE0B).  
 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: 9/27/83 ACTION/CONCURRENCE/COMMENT DUE BY: c.o.b. 9/30/83

SUBJECT: PRESIDENTIAL INTERVIEW WITH SPANISH TODAY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HERRINGTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward any edits/comments on the draft Presidential interview with Spanish Today directly to Mike Baroody and send an information copy to my office.

Thank you.

RESPONSE:

SEP 28 1983

Richard G. Darman  
Assistant to the President  
Ext. 2702

Mr. President, it is said that you are courting Hispanic votes; is it true?

Unfortunately, many people insist on viewing any action I take in this area as being political. I happen to feel that the Hispanic community in this country -- which really consists of separate communities of Cuban Americans, Mexican Americans, Puerto Ricans, and others -- has for too long been ignored and taken for granted by those in Washington. I worked closely with the Hispanic community when I was Governor of California. I campaigned among Hispanics and received their support in 1976 and 1980, and I am determined that the Hispanic community's concerns will be heard and addressed by my Administration. I am trying to ensure that through meetings with Hispanic leaders on a wide range of issues, and by getting out into Hispanic communities wherever I can. We are also bringing large numbers of Hispanics into the Administration to manage and help set policy. These efforts did not just start recently; they have been a constant through my public life. As President, I met with Hispanic leaders my first month in office to hear their views, and those types of meetings have gone on throughout my term. Unfortunately, the media has only now started paying attention.

If including Hispanics in government, consulting with their leaders, paying special attention to their needs, and helping them become more and more a part of American society is called "courting," then yes, I am courting Hispanics.

Unemployment, education, housing, medical care; these are some of the areas where Hispanics lag behind. What is your Administration doing to alleviate this situation?

Well, first of all, by cutting inflation we've limited the rate of increase of all costs, housing, medical, food and transportation; this has benefitted all Americans.

In dealing with unemployment, we have to remember that when we took office, the economic engine of America was stalled, recessions were becoming a prominent part of the American economic picture which meant a loss of jobs for many Americans. We are working to ease unemployment and with America's economic recovery we are starting to see the evidence of more jobs. Unemployment is dropping. In the last five months, Hispanic unemployment has decreased by 20 percent from 15.3 in late 1982 to 12.3 as of July 1983. I am confident that with continued economic recovery and growth -- and the Job Training Partnership Act of 1982 -- Hispanic unemployment will continue to fall.

In the area of housing, by cutting interest rates in half, we have made housing more affordable for all Americans. And for low income Hispanic Americans, the Department of Housing and Urban Development recently announced the funding of two major housing projects -- one in New Jersey, the other in California. These low income projects will provide housing for Hispanic elderly as well as other needy Americans. Other such projects are in the planning stages.

In the area of education, we are providing a record \$15.3 billion for student aid for the 1982-83 school year.

Undergraduate students who demonstrate financial need are eligible for:

- up to \$1600 in grants per year;
- up to \$2500 in guaranteed loans per year;
- work-study support averaging \$700; and
- state and private aid.

And finally, we are working to ensure that medical costs do not rise out of control. Some of my FY 84 proposals, if enacted, will:

- provide \$74 billion for health care in 1984; and
- slow health care price increases, thereby making health care costs more affordable to those who are not covered by Federal health care programs.



For our children, we will continue to fund the Women, Infants and Children (WIC) nutrition program at a level of \$1.1 billion. We will increase funding for child immunization to \$41.8 million. These are just a few of the initiatives we are undertaking with regard to medical costs.

Our programs are positive programs for all Americans, and I'm committed to ensure that Hispanics benefit as much as any other group.

Mr. President, you said recently that Hispanics who are making it in the business world, "are building a better America for all of us." What is your Administration doing to help Hispanics succeed in the business world?

Let me begin by restating my belief that Hispanics making it in the business world are indeed building a better America for all of us. Hispanic businesses are making a significant contribution to our economy and to our economic recovery. This is something I want very much to see continue. To this end I have established a goal of awarding \$22 billion in federal contracts and sub-contracts to minority owned businesses -- including Hispanic firms -- in fiscal years 1983, 1984, and 1985. In the current fiscal year the goal is \$4.8 billion in Federal procurement awards. Through the third quarter of this year, Federal agencies have purchased some \$2.8 billion in goods and services -- 60% of our goal -- from minority firms. I am also committed to the creation of 60,000 new minority-owned businesses, a large number to be Hispanic, over the next ten years. During that same period, some 60,000 additional firms will be expanded.

Further, one of my the senior Administration officials on minority business development initiatives is an Hispanic-American, Victor Rivera, who is Director of the Commerce Department's Minority Business Development Agency. The agency is currently funding 100 minority business development centers nation-wide. In fact most of these centers are operated by Hispanic-owned business management firms that are providing marketing, management, financial, and technical assistance to Hispanic and other minority-owned firms. Among the firms assisted by these centers is Ruiz Food Products, recently named the Nation's number 1 small business and honored at the White House during National Small Business Week.

Additionally, just this past May, MBDA conducted one of the largest trade missions our government has ever sponsored. The agency organized a trade mission of 450 Hispanic-American businessmen to Guadalajara, Mexico. The mission was a complete success, resulting in several business opportunities for the participating firms and three major trade agreements between the United States and the Mexican government.

Education is definitely a way up for Hispanics, maybe the only way; however, Mr. President, due to budget cuts, funds to help minority students are very limited. Is your Administration planning to do something specific to help Hispanic students get the college money they need?

My Administration has supported, and will continue to support, set-aside funding for Hispanic college students. Since 1981, I have included in my budget requests to the Congress increases for the Title III, Developing Institutions Program, to ensure Federal support for minority students. Included in this important program, is \$5 million in funds specifically earmarked for awards to predominantly Hispanic postsecondary institutions. In fact, to date, the Department of Education has made 24 grant awards to these institutions, totaling \$5.6 million.

In addition to the 24 awards made to date, the Department of Education has conducted several workshops throughout the country to provide technical assistance to all interested predominantly Hispanic institutions. This type of assistance helps student aid officers prepare their grant applications. Also, to assist Hispanic students, the Department of Education makes available its Student Financial Assistance application forms in Spanish.

My Administration will continue to support this type of special assistance for minority students, including special set-aside awards for Hispanic institutions.

Mr. President, you are asking Hispanics everywhere to help you present to Americans the truth of Central America. What is that truth? Aren't you really asking Hispanics to be partisan to your way of viewing things in that region?

The truth, as I have asked Hispanic-Americans to tell it, is that Marxism, "revolutions without borders" and unending subversion against neighbors -- is not the answer for the future. The ~~empty promises of the counterfeit revolutionaries~~, who must come to power through the barrel of a gun, must be shown for what they are ... men motivated by self-interest, and not that of the people of Central America. ✓

I have not asked Hispanics take a partisan view of things in the region. I have asked all Americans to reject the hollow claims and broken promises of those who maintain that communes, enormous military establishments, state run economies, and the subjugation of individual freedoms for "the good of the revolution " is what is best for the people of Central America.

I have also asked that Hispanics support our four point program for the region: social reform and human rights, economic and humanitarian development, diplomatic solutions to regional problems, and an adequate security shield for both Central America and the United States; behind which these improvements can take place. As I said in El Paso, Texas, a few weeks ago:

"We want to see the peoples of those nations escape the poverty and oppression of their pasts. We want to see them move toward societies where democratic rights are protected and a decent standard of living is assured ..."

These are noble goals, worthy of a great nation such as ours. I believe that with an awareness of the problem, a sense of purpose, and a consistent effort we can achieve them.

Mr. President, are we losing the battle against drug-traffickers? What else can be done to stop or reduce considerably the amount of illegal drugs coming in from South America?

It's just the opposite -- I feel that we are finally turning the tide. Since 1981, we have established several major drug enforcement initiatives. The Vice President's efforts with the South Florida Task Force and the National Narcotics Border Interdiction System, the Organized Crime/Narcotics Board Enforcement Task Forces and the major increases in drug enforcement activities within the United States have stopped a lot of illegal drugs that otherwise would be on our streets and in our homes. ✓

However, we must also remember that all our drug enforcement efforts and border interdiction will only be partially effective until such time as source countries take vigorous action to eliminate the cannabis and coca crops. We are doing what is possible to enlist these countries in a strong and united front against illegal drugs.

Drug abuse is a world problem, but we in the Americas have more than our share. It is destructive to our governments and causes serious health problems to our citizens. The problems caused by drug abuse, and the trafficking in illegal drugs must be stopped. We won't rest until we succeed.

What is the official position of your Administration regarding illegal immigrants living and working in our country?

Shortly after taking office, I created a Cabinet-level Task Force under the leadership of the Attorney General to study the need for change in our Nation's immigration laws and policies. After reviewing the Task Force report, I concluded that the time for comprehensive reform had come, and for the past two years my Administration has worked with Congressional leaders of both parties to enact legislation based on two principles -- to conserve our proud heritage as a Nation of immigrants, and to enable the government to gain tighter control over our borders.

Legislation to achieve these goals has twice passed the Senate, but consensus has not yet been reached in the House of Representatives. I am hopeful that differences within Congress can be resolved in a principled way and that a bill can be passed -- one that is at once workable and fair to all concerned.

There is a trend all over the country to go back to basics in school. You have also expressed definite views along this line in your recent speeches on education. Does this mean that teaching of foreign languages such as Spanish should disappear from curriculums, thus reverting a trend that began back in 1957 after the launching of the first Soviet Sputnik?

In no way should our efforts to improve the quality of education in this country be mistaken to mean that we are advocating the dropping, or even the de-emphasis of foreign language study -- Spanish or any other -- from our schools' curricula. There is no doubt in my mind that foreign language study adds to, and in no way detracts from, the quality of education in our schools. Language study, like math, science, english and history, is a basic element of a well-rounded education.

Mr. President, what do you think about bilingual education?

Without hesitation, I believe in a continued Federal role in bilingual education. I have spoken on this issue in the past and will continue to express concern for assisting children with limited English proficiency become proficient. As a former Governor of this country's most populous state with a large number of minority language persons, I am acutely aware of the need for special programs to help those with limited or no English gain command of the language. The goal is simple -- to help school districts develop programs that assist children in developing competency in English so that they may progress through the educational system. One thing that should be clarified is that I do not embrace one particular method of instruction. There are a variety of options before us -- whether it be transitional bilingual instruction, English as a second language, total immersion into English, as well as a number of other professionally recognized approaches.

To this end, this Administration has recently introduced the Bilingual Education Improvements Act of 1983. Our proposal is designed to strengthen and expand upon existing bilingual education programs, by permitting greater flexibility for local school districts to deal with needs specific to their systems. Additionally, our amendments, for the first time, extend bilingual education to vocational programs for out of school youth.



THE WHITE HOUSE

WASHINGTON

October 20, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN G. ROBERTS 

SUBJECT:

"Good Morning America" Interview with  
the President - Issue here: Education  
Talking Points

Richard Darman has asked that comments on the above-referenced talking points be sent directly to Michael Baroody by noon today. The talking points review Administration policies and programs in the education area, stressing merit pay, return to basics, partnerships in education, and tuition tax credits. The points review statistics to demonstrate that we have not cut back education funding, while at the same time emphasizing that more money is not the answer. I have no objections.

Attachment

THE WHITE HOUSE

WASHINGTON

October 20, 1983

MEMORANDUM FOR MICHAEL E. BAROODY  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, OFFICE OF PUBLIC AFFAIRS

FROM: FRED F. FIELDING *Orig. signed by FFF*  
COUNSEL TO THE PRESIDENT

SUBJECT: "Good Morning America" Interview with  
the President - Issue here: Education  
Talking Points

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

cc: Richard G. Darman

FFF:JGR:aea 10/20/83

bcc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 20, 1983

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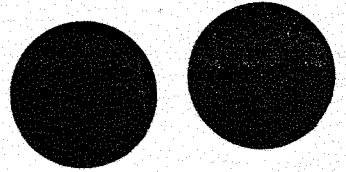
cc: Richard G. Darman

FFF:JGR:aea 10/20/83

bcc: FFFielding  
JGRoberts  
Subj  
Chron

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
  - H - INTERNAL
  - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 1 1



Name of Correspondent: Richard G. DARMAN

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: "Good morning America" interview with the President. Issue here: education talking points

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>CWHOLL</u>	ORIGINATOR	<u>8311020</u>		<u>1 1</u>
<u>CUST18</u>	Referral Note: <u>D</u>	<u>8311020</u>	<u>S</u>	<u>8311020</u> <u>NOON</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>

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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: October 19 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW

SUBJECT: "Good Morning America" interview with the President

	ACTION		FYI			ACTION		FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any edits/comments on the attached briefing materials for GMA interview with the President directly to Mike Baroody in room 160 by NOON TOMORROW, Thursday, October 20, with an information copy to my office.

Thank you.

RESPONSE:

100 20

Richard G. Darman  
Assistant to the President  
Ext. 2702

## KEY POINTS

- o Commission on Excellence report provides great opportunity to work together as a nation to improve our schools.
- o Educational system got off track in the '60s and '70s.
- o More money is not the answer. Not getting our money's worth on what we're spending. (20 fold increase in Federal spending for 1960 to 1983).
- o Solution is back to basics and more parental and community involvement.
- o RR role is to lead national debate.
- o Administration education initiatives include: Commission on Excellence, block grants, math and science initiative, tuition tax credit, vouchers and support for merit pay.
- o Nation is already responding. Many states have or are planning reforms -- Florida, Virginia and California have already. San Diego requires "C" to do extra-curricular activities and 2 hours of homework a night.
- o Business responding with partnerships in education -- 1,000 businesses with 140 schools in Dallas.

## RECOMMENDATIONS OF NATIONAL COMMISSION ON EXCELLENCE

- o High school graduation criteria should be strengthened by requiring at least five new basics:
  - Four years of English
  - Three years each of math, science, and social studies; and,
  - One-half year of computer science.
  
- o The teaching profession should be strengthened by:
  - Making teachers' salaries competitive and performance based (merit pay);
  - Lengthening the work year to 11 months and establishing positions which distinguish between beginning, experienced, and master teachers.

## SPENDING FOR EDUCATION

- o Government at all levels spent \$215.3 billion for education in '82-'83 school year.
  
- o Federal spending for education has not been cut under Reagan Administration.
  - \$14.1 billion in 1980
  - \$14.8 billion in 1981
  - \$14.8 billion in 1982
  - \$15.3 billion in 1983
  
- o In past 10 years spending per pupil has nearly doubled. At the same time, the number of pupils has dropped by 14 percent.
  
- o Federal spending for DOE programs has increased 20 fold since 1960 (\$760 million to \$15.3 billion).

## RR'S VIEWS ON EDUCATION

- o U.S. has the best public school system in the world. RR is confident that with parents, teachers and communities working together America can meet the challenge to get it back on track.
- o When RR came to office, our educational system had problems. Average student was not competitive with those of other industrialized nations:
  - Between 1963 and 1980 SAT's were in unbroken decline.
  - Too little was demanded of students. Graduation requirements were lax.
  - Thirteen percent of 17-year olds were functional illiterates.
  - Most students had less than 1 hour of homework.
- o Commission on Excellence report is good news. Serving to energize and mobilize country to improve education.
- o RR believes excellence in education requires greater emphasis on basics and broader vision for education -- involvement of parents, communities, churches and work place.
- o More money is not the answer. Federal spending boom (20 fold increase in 20 years) began at the same time SAT's started dropping.
- o We don't have an education problem because we're not spending enough. We have an education problem because we're not getting our money's worth for what we spend.
- o Nation has already begun to respond to the challenge.
  - Since 1980, 20 states have passed tougher certification laws so only qualified teachers can enter classrooms.
  - More than half the school districts have raised the number of credits required in basics of English, science and math.
  - Thirty-eight percent more school districts will upgrade standards by '85.



- Florida has enacted major educational reforms. Goal is to raise student achievement to upper quarter of states by 1986.
- Washington is starting a loan forgiveness program for students and teachers who plan to teach math and science.
- California is reforming its educational system, including increased graduation requirements, a longer school day and year, and loan forgiveness for students who plan to teach math and science.
- In San Diego, students must have at least 2 hours of homework every night. And they need a "C" average to participate in extra-curricular activities.
- Memphis now requires its students to have at least a "C" average to graduate.
- Forty states have formed task forces on education.
- Forty states plan to or have already increased graduation requirements.
- Thirty-one states are working on teacher certification.
- Three states have enacted math-science teacher programs; eight more are in the process.
- o Civic and business organizations are working to improve our schools.
- o RR set '83-'84 school year goal for all 110,000 U.S. schools to have formed a "partnership in education."
  - In Dallas, over 1,000 businesses have formed partnerships with 140 schools.
  - In Chicago, 133 businesses are partners with 140 schools.
  - San Diego schools are partners with the Chargers, the Padres and the Navy.
  - White House has adopted inner-city D.C. grade school.

## RR'S EDUCATION POLICIES

- o RR's goal: To have the best possible education for all our citizens.
- o Appropriate role for federal government is to strengthen local school districts, to help states carry out their responsibilities, and to help meet the special needs of certain groups, including the handicapped, the disadvantaged and minorities.
- o Specifics of the Reagan record on education include:
  - Leadership. Appointed national commission to report on state of American education. RR has used Presidency as "bully pulpit" to lead national debate on education.
  - State and local flexibility. Enacted a block grant program in 1981 which consolidated 29 narrow, categorical grants into a single, flexible state and local grant. Helps school districts meet locally defined needs. So far has saved state and local governments \$1.8 million in administrative costs and 191,000 person hours in paperwork.
  - Meet need for more math and science teachers. RR has proposed a \$200 million 4-year block grant to train 10,000 math and science teachers each year.
  - Increase parental freedom of choice. Administration proposals for tuition tax credits and education vouchers would give parents greater freedom to choose best schools for their children. Would give choice -- for first time -- to low and middle income parents.
  - Student aid. Proposed spending \$5.9 billion on guaranteed student loans in '84 -- a 22% increase in 2 years.
  - Special Needs Children. Maintained commitment to special needs children by proposing \$4.1 billion for disadvantaged and handicapped students in '84 -- highest level ever.
  - Teacher Incentives. RR has supported the concept of recognizing and rewarding outstanding teachers through Master Teacher/Merit Pay plans.

-- Partnerships in Education. RR directed federal government to promote partnerships in education. Every agency (including the White House) is to adopt a school. White House Office of Private Sector Initiatives is working with state governments and industry groups so that all 110,000 schools can be "adopted" in '83-'84 school year.

THE WHITE HOUSE

WASHINGTON

December 22, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Draft Material for Interview  
With Wire Services

Richard Darman has asked that comments on the attached briefing material be sent directly to Michael Baroody by 2:00 p.m. today. The material, for the President's year-end interview with the wire services, focuses on the progress of the economic recovery and the improvement of America's position in foreign affairs. I see no legal objections. The material ends with a list of items on which the President hopes to see Congress act. Two high-priority legal reform items are not listed and, in my view, should be. I would add "tougher criminal laws" (an understandable shorthand for our pending proposals concerning the death penalty, exclusionary rule reform, abolition of parole, limitation of the insanity defense, stronger forfeiture and sentencing laws, etc.) and "immigration reform" to the list of legislative priorities.

Attachment

THE WHITE HOUSE

WASHINGTON

December 22, 1983

MEMORANDUM FOR MICHAEL E. BAROODY  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PUBLIC AFFAIRS

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Draft Material for Interview  
With Wire Services

Counsel's Office has reviewed the above-referenced draft briefing material, and finds no objection to it from a legal perspective. I would, however, consider adding "tougher criminal laws" (an understandable shorthand for our pending proposals concerning the death penalty, exclusionary rule reform, abolition of parole, limitation of the insanity defense, stronger forfeiture and sentencing laws, etc.) and "immigration reform" to the list of legislative priorities appearing at the end of the briefing materials.

cc: Richard G. Darman

FFF:JGR:aea 12/22/83

bcc: FFFielding/JGRoberts/Subj/Chron

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING  
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Richard G. DARMAN

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Draft material for interview with wire services

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>WHOU</u>	ORIGINATOR	<u>831222</u>	1 1
	Referral Note:		
<u>WATIB</u>	<u>D</u>	<u>831222</u>	<u>S 831222</u> <u>2:00 pm</u>
	Referral Note:		
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	Referral Note:		
		<u>1 1</u>	<u>1 1</u>
	Referral Note:		

**ACTION CODES:**

- A - Appropriate Action
- I - Info Copy Only/No Action Necessary
- C - Comment/Recommendation
- R - Direct Reply w/Copy
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- S - For Signature
- F - Furnish Fact Sheet  
to be used as Enclosure
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- C - Completed
- B - Non-Special Referral
- 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 MEMORANDUM

DATE: 12/22/83 ACTION/CONCURRENCE/COMMENT DUE BY: 12/22 - 2:00 p.m.

SUBJECT: DRAFT MATERIAL FOR INTERVIEW WITH WIRE SERVICES

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please provide any edits/comments directly to Mike Baroody, with a copy to my office, by 2:00 p.m. today. Thank you.

**RESPONSE:**

Richard G. Darman  
Assistant to the President  
Ext. 2702

THE WHITE HOUSE  
WASHINGTON

Received S S  
1983 DEC 22 AM 11:55

December 22, 1983

MEMORANDUM FOR RICHARD DARMAN

FROM: MIKE BAROODY

SUBJECT: WIRE SERVICES INTERVIEW

Attached is the draft material for the Presidential year-end interview with the wires on Friday.



December 22, 1983

NOTES FOR YEAR-END INTERVIEW WITH AP AND UPI

Biggest accomplishments of last 3 years?

- o Recovery -- our major objective on taking office.
- o Renewing respect for America abroad.
- o Restoring military's strength -- and morale.
- o Showing people that government could respond to their wishes -- Congress and President could enact a program. Americans getting their confidence in government back as we try to get government off their backs and on their side, again.

What about this year -- 1983?

- o 1983 was a good year -- and 1984 should be, too.
- o Specifically:
  - Recovery began;
  - Social Security reform was passed;
  - full tax rate cut took effect;
  - focused education debate on excellence, not money;
  - Grenada rescue succeeded;
- o All through 1983 we had positive GNP growth, falling unemployment, and low inflation. Haven't seen that kind of positive combination since 1972. Really was a banner year.
  - growth for year was healthy 6.1% (based on 4th quarter "flash" of 4.5% -- could change some);
  - CPI up 3.2% for last 12 months;
  - Unemployment fell to 8.4%.
- o Economists inside and outside government almost unanimous that recovery will continue throughout 1984. Our goal was sustainable growth with low inflation -- and we can have it well past 1984, provided Congress works with us on controlling spending.

- o Now, 3.6 million more Americans working than a year ago. That's what growth means -- jobs -- and that's why recovery was our top priority.
- o There are 102.7 million working. That's a record -- but it's a record RR expects to see broken several times in 1984 as growth leads to even more jobs.

Have achieved what many in 1980 thought impossible -- at least this soon.

- o Inflation: CPI rose only 3.2% from a year ago. Some said we might not see it so low until 1990 or so.
- o Economy growing again: From start of 1979 to end of 1982, there was virtually no growth (some quarterly ups and downs, but GNP basically stagnated over that 4 year period). Some then were saying we'd have to learn to live without growth in an "era of limits" but RR thinks what's happening now to economy is proving them wrong.
- o Growth of spending cut: Spending rose more than 17% in 1980. The rate's now about half that.
- o Taxes: Many said Congress would never go along with lower tax rates and certainly never pass indexing (and give up the automatic revenue bonus from inflation).
- o Energy: Many thought prices, shortages and U.S. dependence on imported oil could only get worse. But, 2 days after taking office, RR ordered decontrol and now:
  - prices are down -- actually lower than on inauguration day.
  - U.S. importing only half the oil it did in 1977.
- o Social Security: Retirement fund saved from bankruptcy. Also, since RR took office, benefits for average retired couple rose \$170 a month.
- o Education: Now discussion centers on how much children should learn, not how much government should spend. That's a result of the Administration's leadership in commissioning Excellence report.

## U.S defenses, America's leadership role being restored.

- o The declining U.S. commitment to adequate defense spending has been reversed under RR and funding for needed strategic and conventional weaponry is being passed by Congress.
- o Morale in the armed services is up; quality of men and women in uniform should be source of pride to all Americans.
- o Have followed firm, realistic policy in U.S.- Soviet relations.
- o Put forward comprehensive set of proposals for nuclear arms reductions. Hopeful Soviets will return to talks and U.S. ready to resume negotiations. Believe it's in Soviet interest to return to table.
- o Had successful summit in Williamsburg. Leaders of industrial nations struck broad agreement on basic Western economic goals. (Note OECD report, out Wednesday, was more optimistic about prospects for world economy than any in several years. OECD is Organization for Economic Cooperation and Development -- group of economists of leading industrialized nations.)
- o Action in Grenada, efforts to strengthen alliances, have demonstrated new U.S. resolve to protect and further her national interests and resume rightful place of leadership in the world.

## Disappointments?

- o Biggest is loss of brave young men in uniform. Decision to send men into danger toughest any President has to make. Was the right decision, but wish it didn't have to be made.
- o Deficits, of course, but RR's determined to get them down. Budget for FY85 will show how we can reduce the deficit in coming years -- and we're going to work hard to get Congress on our side.
- o Legislatively, still looking for progress on many fronts:
  - Enterprise Zones;
  - Tuition tax credits;
  - school prayer;
  - budget restraint;

THE WHITE HOUSE

WASHINGTON

February 1, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN G. ROBERTS *JGR*

SUBJECT:

Wall Street Journal Interview --  
Scheduled for February 2, 1984  
With the President

Richard Darman has asked that we send any comments on the attached interview briefing materials directly to Mike Baroody by 3:30 p.m. today. The bulk of the materials concerns the progress of the economic recovery. There is a question and answer on the line-item veto, in which the President states he would welcome even the one-year experiment proposed by some Democrats. He expresses a preference for a Constitutional amendment, to effect permanent structural change, but nothing in the draft answer precludes acceptance of our suggested statutory approach of enhanced Presidential authority not to spend individual items of appropriation.

There is also a question and answer on resistance to protectionist pressures, in which the President reiterates his commitment to free trade but, appropriately, notes that we will enforce the law with respect to subsidization or other unfair trade practices. Nothing in the draft answer compromises the pending applications for protection under § 201 of the Trade Act of 1974, 19 U.S.C. § 2251.

I have no legal objections.

Attachment

THE WHITE HOUSE

WASHINGTON

February 1, 1984

MEMORANDUM FOR MICHAEL E. BAROODY  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PUBLIC AFFAIRS

FROM: FRED F. FIELDING <sup>Orig. signed by FFF</sup>  
COUNSEL TO THE PRESIDENT

SUBJECT: Wall Street Journal Interview --  
Scheduled for February 2, 1984  
With the President

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

cc: Richard G. Darman

FFF:JGR:aea 2/1/84

bcc: FFFielding/JGRoberts/Subj/Chron

THE WHITE HOUSE

WASHINGTON

February 1, 1984

MEMORANDUM FOR MICHAEL E. BAROODY  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PUBLIC AFFAIRS

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Wall Street Journal Interview --  
Scheduled for February 2, 1984  
With the President

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

cc: Richard G. Darman

FFF:JGR:aea 2/1/84

bcc: FFFielding/JGRoberts/Subj/Chron

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD)   1   /   1   / \_\_\_\_\_

Name of Correspondent: Richard G. Narman

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Wall Street Journal Interview -  
Scheduled for Tomorrow, 2/2, With  
the President

**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>W Holland</u>	ORIGINATOR	<u>84102101</u>			<u>  1  </u> / <u>  1  </u> / _____
	Referral Note:				
<u>WAT18</u>	<u>D</u>	<u>84102101</u>		<u>S</u>	<u>84102101</u> <u>3:30 PM</u>
	Referral Note:				
<u>WAT17</u>	<u>A</u>	<u>84102101</u>			<u>  1  </u> / <u>  1  </u> / _____
	Referral Note:				
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	Referral Note:				

**ACTION CODES:**

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**DISPOSITION CODES:**

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- 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 MEMORANDUM

DATE: 2/1/84 ACTION/CONCURRENCE/COMMENT DUE BY: 3:30 p.m. TODAY

SUBJECT: WALL STREET JOURNAL INTERVIEW -- SCHEDULED FOR TOMORROW, 2/2  
WITH THE PRESIDENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FELDSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	<u>Barody</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>Tutwiler</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
JENKINS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please forward any comments directly to Mike Barody, with a copy to my office, by 3:30 p.m. TODAY. Thank you.

**RESPONSE:**

Richard G. Darman  
 Assistant to the President  
 Ext. 2702

1984 FEB -1 PM 1:48



Received SS

1984 FEB -1 PM 1:27

THE WHITE HOUSE  
WASHINGTON

February 1, 1984

MEMORANDUM TO RICHARD DARMAN

FROM:

MIKE BAROODY *MB*

SUBJECT:

WALL STREET JOURNAL INTERVIEW / RR

Attached for your staffing are draft materials for the President's Wall Street Journal interview scheduled for tomorrow, Thursday.

February 1, 1983

NOTES FOR WALL STREET JOURNAL INTERVIEW

General Points

- o Program working: 1983 first year since 1972 with:
  - consistent growth (up over 6%);
  - low inflation (2nd straight year under 4%);
  - falling unemployment (down 2.5 points).
- o Economic outlook: can have prolonged expansion, not just cyclical recovery, if Congress cooperates.
- o Fairness charges:
  - Democrats' double-digit inflation most unfair to poor. Stole more than \$1000 from family on \$5000 fixed income in 1979-80.
  - Unfair to whom? Not to taxpayers with lower rates, or to workers with higher real wages, or to fixed income poor and elderly with lower inflation.
- o Jobs: no clearer contrast with Dems than here. They proposed one "jobs" bill they claimed would create 300,000 public works jobs. Would have spent \$3.5 billion. But without that costly pork-barrel, a growing economy put more than 300,000 a month to work in 1983.

Politics

- o Expect hard fought campaign but that's good -- people deserve full airing of issues.
- o Democrat contenders: Lots of talk about new ideas coming from them, but they aren't offering any.
- o Why the focus on Mondale already?
  - RR not singling him out. Just seems that whenever RR mentions overpromising to special interests, people seem to think of him first.
  - To RR, all eight sound pretty much the same now.
  - Happy to leave the choice to Democrats.
  - Whichever of the eight is nominated, the voters' in 1984 have same basic choice as in 1980: Go forward to era of opportunity or back to era of limits.

Q & A

1. If deficit reduction panel (on downpayment) fails, how long do you think it will take before the deficits start crowding out private borrowing and hurting the recovery?
  - o Too soon to talk about failure. Budget just went to Hill Wednesday.
  - o Effort shouldn't fail. Democrats (and Republicans) both called for similar bipartisan talks.
  - o Even before SOTU, majority leader Wright, Gillis Long, many other Hill Democrats, asked for such talks. So shouldn't write off the effort before it's really even gotten started.
  - o So the question's hypothetical -- but can say this:
    - Recovery still looks solid. Good news of the past week shows that's true:
      - o New home sales at 5 year high;
      - o Productivity up 3.1% in 1983, most since '76;
      - o Leading indicators up almost 16% in a year;
    - The pace has slowed somewhat from last summer, but that's not bad. We don't want a boom that will lead to a bust -- we want sustainable growth with low inflation.
    - We have that now, and we can keep it for the future if Congress will work with us to maintain restraint and bring the deficit down.
    - If we can't get solid bipartisan cooperation on spending, there's always the veto.
    - But, to go back to the point your question raises, RR's hopeful we can get some agreement, even in an election year -- and make the deficit an object of cooperation with Congress, not confrontation.

2. Is Reaganomics responsible for the recovery?

- o In a word -- yes.
- o There was nothing automatic about this recovery or the progress against inflation that contributed so much to it. Our policy changes made the big difference.
- o Monetary policy also played a large role, as we said it would -- but it also helped that we tried to work with the Fed and not against it. (Fed policy was stymied by Carter Administration on-and-off policies -- like the ill-fated try at credit controls.)
- o Let me put it this way. Do you think recovery could have happened if:
  - inflation were still in double-digits?
  - tax rates had not been cut?
  - federal spending was still rising 17% a year?
  - regulatory burdens were still growing like they were? (VP's task force cut regulation costs to business, consumers by \$150 billion in next 10 years -- frees that money for investment.)
- o If we hadn't brought interest rates down, would home sales be at five-year peak?
- o We've tried to be consistent -- we set our economic policy and economic goals right at the start and stuck to them. That consistency -- in contrast to stop and start policies that preceded us -- was a major factor in turning the economy around.
- o Key Point: Growth was the major objective. It had basically come to a halt at the start of 1979 and (with some ups and downs) stayed that way for four years. RR rejected "era of limits" talk and, by the start of 1983, the economy began growing. There's enough momentum for it to continue through the '80s if we can keep Congress from stunting its growth.
- o Said it couldn't be done: Three years ago, almost no one thought we'd come this far this fast.
  - Inflation was expected to stay high for years.
  - Energy shortages, rising costs, were said to be permanent.
  - Growth was said to be a thing of the past.

3. If the money supply is too tight and leads to an economic downturn in mid-year, are there steps you could take to maintain the recovery?
- o No reason to expect down-turn -- recovery's going well.
  - o Fed within its targets for growth in money supply and we expect they will try to stay there.
  - o Have learned one lesson well from last 10-20 years of experience: Can't fine tune the economy with any precision. Important to maintain steady course over the longer term.
  - o Can't expect every economic sign to be up every month -- and must not panic or change course if some are not.
  - o Example: Leading indicators index went down in November. But, that didn't change long-term outlook. Back up in December, the index has risen 15 out of last 16 months. Overall, the index' performance strongly suggests continued growth in future.

4. What are prospects for the line-item veto and would you accept the one-year experiment being suggested by Congressional Democrats?
- o Prospects for passage have improved.
  - o Last year in the Senate, the Armstrong-Long amendment to give the President "enhanced rescission authority" (not a line-item veto but similar in concept) was tabled by a very close vote of 49-46.
  - o Can't predict Congress will pass, but the odds may be better now than ever in the 100+ year history of the idea. RR intends to push for it.
  - o As for the one-year experiment -- we'd welcome it.
  - o Can't say just how it might be used this year. (Frankly an election year may not be best time to give it a fair trial -- but RR willing to give it a try if Congress acts).
  - o Of course, would prefer permanent structural change that only a Constitutional amendment can give -- rather than statutory authority that Congress can give one year and take away the next.
  - o But if RR had the authority last year, might have used it, for example, against provision of Energy Department money bill that requires DoE to have certain number of employees to run programs -- whether they're all needed or not.

5. Can you continue to resist protectionist pressures, especially in steel and other heavy metal industries?
- o RR firmly committed to free trade principles.
  - o Must try to avoid temptation to raise more barriers to trade -- and keep focus on trying to bring them down.
  - o Consumers would be first to suffer from protectionism.
  - o American industry being hurt by unfair foreign competition can expect we will take appropriate actions to offset subsidization or other unfair trade practices by other countries. We will enforce the law.

6. What will be the major areas of concern at the economic summit in June?

- o Our British hosts are working with the Allies to establish the agenda for the London summit.
- o Would be premature to talk now as if the agenda were set in concrete. It's not.
- o Obviously, will want to build on the many positive points of agreement struck at Williamsburg and at previous summits.
- o Expect we will also seek to expand cooperation on economic policy consultation and on international trade and debt strategies.



7. Will RR have to raise taxes in a second Administration?

- o Will have to raise revenues but believe we can do that without raising tax rates. Combination of broader tax base (by getting at underground economy), tax simplification, and continued growth would be a better way.
- o RR hopes that Treasury review announced in SOTU will let us bring rates down, not raise them.
- o RR's losing patience with those who still criticize the tax cuts, in light of the economic progress we've seen since they took effect -- and the obligation in fairness we had to American taxpayers to lighten the rising tax burden.
- o It's clear tax policy is a major point of difference in this campaign year. Contenders for the Democratic nomination say they'll raise taxes, one way or the other. (Some of them talk about spending cuts, too, but you can sense their hearts aren't in it.)
- o Key point: As RR said in SOTU, real question is how to get the deficit down. Simply must not be done the wrong way -- by wiping out incentive tax cuts we worked so hard for.