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**Collection:** Roberts, John G.: Files  
**Folder Title:** JGR/Presidential Radio Talk  
(08/28/1985-09/30/1985)  
**Box:** 39

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THE WHITE HOUSE

WASHINGTON

August 28, 1985

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

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Radio Talk: Footwear Imports

Counsel's Office has reviewed the above-referenced proposed radio talk, and finds no objection to it from a legal perspective. I wonder if the first full sentence on page 3, however, may draw too strong a causal link between the Smoot-Hawley tariffs and World War II. I would end the sentence with "despair."

cc: David L. Chew

**WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

O - OUTGOING

H - INTERNAL

I - INCOMING

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

Name of Correspondent: D. Chew

MI Mail Report

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

Subject: Radio Talk: Testicular Implants

**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>Curtall</u>	ORIGINATOR	<u>85,08,28</u>		<u>  1  /  1  /  </u>
	Referral Note:			
<u>Curt 18</u>	<u>B</u>	<u>85,08,28</u>	<u>S</u>	<u>8508,29</u> <u>9 am</u>
	Referral Note:			
		<u>  1  /  1  /  </u>		<u>  1  /  1  /  </u>
	Referral Note:			
		<u>  1  /  1  /  </u>		<u>  1  /  1  /  </u>
	Referral Note:			
		<u>  1  /  1  /  </u>		<u>  1  /  1  /  </u>
	Referral Note:			

**ACTION CODES:**

- 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

**DISPOSITION CODES:**

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

**FOR OUTGOING CORRESPONDENCE:**

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

Comments: \_\_\_\_\_

Keep this worksheet attached to the original incoming letter.  
Send all routing updates to Central Reference (Room 75, OEOB).  
Always return completed correspondence record to Central Files.  
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 8/28/85 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. 8/29/85

SUBJECT: RADIO TALK: FOOTWEAR IMPORTS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>GILDER</u>	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please give your comments/edits directly to Ben Elliott's office, with an info copy to my office by 9:00 tomorrow morning. Thanks.

RESPONSE:

1985 AUG 28 PM 4: 04

David L. Chew  
Staff Secretary  
Ext. 2702

(Gilder/BE/PJB)  
August 28, 1985  
3:30 p.m.

PRESIDENTIAL RADIO TALK: FOOTWEAR IMPORTS  
SATURDAY, AUGUST 31, 1985

My fellow Americans: Last Thursday, I notified Congress of my decision not to impose either quotas or tariffs on foreign shoe imports into this country. I'd like to spend a few moments talking about that decision to you, because the case of shoe imports illustrates why so-called "protectionism" is almost always self-destructive, doing more harm than good even to the industries it is supposed to be helping.

Advocates of protectionism ignore its huge, hidden costs -- costs that far outweigh the temporary benefits. For instance, the Council of Economic Advisers estimated that the quotas on shoe imports that I turned down would have cost the American consumer nearly \$3 billion. And there are other costs as well. If we'd put up quotas, our trading partners almost certainly would have retaliated -- slapping quotas or tariffs on the products we sell to them. That would mean an immediate and significant loss of American jobs, and a dangerous step down the road to a trade war. Also, if our trading partners can't sell their products here, they can't afford to buy our exports -- and that means more lost jobs for Americans.

Protectionism almost always ends up making the protected industry not stronger, but weaker, and less able to compete against foreign imports. For 5 years, between 1977 and 1981, U.S. footwear manufacturers were protected by quotas, but at the end of that time, they were even more vulnerable to foreign

competition than before. In fact, instead of "protectionism," it would be more accurate to call it "destructionism." As we have seen in the case of shoe imports, protectionism destroys jobs, weakens our industries, harms exports, costs billions of dollars to consumers, and damages our overall economy.

Recently, the balance of trade has become a very emotional issue, with some claiming that our trade deficit has cost us millions of jobs. As a result, Congress is awash in bills calling for trade sanctions. But where are the lost jobs? In 1980 we had a trade surplus and total U.S. employment was about 101 million. Today we have a trade deficit, and total employment is over 108 million. In other words, we've gained 7 million new jobs as our trade deficit grew. Our free, open, and growing economy has put more Americans to work than ever before in our history. The surest way to destroy those jobs and throw Americans out of work is to start a trade war.

If Congress wants to go the destructionist route, they have two models to consider. First, there are the economies of Western Europe, which have been seriously damaged by protectionist policies. Europe's trade deficit, it's true, is almost zero -- but then so is their job creation. For the last 10 years, Europe has actually been losing jobs. Protectionism and high taxes have enveloped the whole European continent with stagnation and unemployment.

But there's an even more disturbing model of protectionism. In the paper the other day it said, "Protectionist fervor on the Hill is stronger than it's been since the 1930's . . ." Some of

us remember the 1930's. That's when the most destructive trade bill in history, the Smoot-Hawley tariffs, helped plunge this Nation, and the world, into a decade of depression and despair that culminated in a world war. Those who advocate protectionism are modern day know-nothings -- they seem willfully blind to the clear lessons of history. ✓

The trade deficit and foreign competition are not a threat to America. The real threat to our prosperity comes from the destructive protectionist legislation now before Congress. From now on, I'm going to call these trade bills what they are: depression-makers. If the ghost of Smoot-Hawley rears its ugly head in Congress; if Congress sends me a depression-making bill, I'll veto it. I will not let political convenience or the passions of the moment dictate destructive economic policies. And that goes for taxes, too. If the Congress takes America's fair share plan and turns it into an anti-business bill that would wipe out investment, kill growth, and destroy jobs -- I won't hesitate to use my veto pen.

America is getting stronger, not weaker. Our 25-percent tax cuts have given us 2-1/2 years of economic expansion -- an expansion, a dramatic increase in personal income and the most dramatic drop in poverty in a decade.

America must go forward with growth, not retreat into the failed policies of the past, whether they be protectionism or high taxes. Let's go forward with America's fair share tax plan, by cutting income tax rates again and building opportunity. On Monday we'll be celebrating America's working men and women.

We've created 7 million jobs in the last 4 years, on this Labor Day, 1985, let's challenge ourselves to create 10 million in the next 4. To do that we're going to have to be courageous, hopeful, hard working, and proud -- I guess that pretty well sums up what it means to be an American. But there is one quality I left out: faith, faith in the loving God who has so blessed our country and who will continue to guide us on this optimistic course we have set.

Until next week then, thanks for listening and God bless you.




THE WHITE HOUSE

WASHINGTON

August 27, 1985

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

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Statement: Footwear Imports  
(August 27, 9:00 a.m. Draft)

Counsel's Office has reviewed the above-referenced revised draft statement on footwear imports. The second sentence of the third paragraph needs to be changed. As written, it suggests that there is a provision of the Trade Act of 1974 authorizing the President to instruct USTR to initiate Section 301 investigations. There is no such provision. A provision added in 1984 permits USTR to initiate a Section 301 investigation on its own notion. Before doing so, USTR is to consult with appropriate advisory committees, and its determination to self-initiate an investigation must be published in the Federal Register. See 19 U.S.C. § 2412(c).

As written, the sentence also pre-judges the results of any investigation, by referring to "five cases of discriminatory practices against U.S. interests." The investigation, of course, is to determine whether or not such practices exist.

After discussion with the General Counsel of USTR, it appears that the precise action to be taken under Section 301 is still undetermined. As presently advised, the second sentence of the third paragraph should be revised to read as follows: "I have instructed our Trade Representative to take action to initiate investigations under Section 301 of the Trade Act of 1974, as amended, to root out any unfair trade practices that may be harming U.S. interests."

cc: David L. Chew

Draft #2

(Gilder/PJB)  
August 27, 1985  
9:00 a.m.

PRESIDENTIAL STATEMENT: FOOTWEAR IMPORTS

I am notifying the Congress today of my decision not to impose quotas on non-rubber footwear imports. At the same time, I am directing the Secretary of Labor to develop a plan to use the Job Training Partnership Act to help dislocated workers in the shoe industry.

As President, it is my responsibility to take into account not only the effect of quotas on the shoe industry, but also their broader impact on the overall economy. After an extensive review, I have determined that placing quotas on shoe imports would be detrimental to the national economic interest.

We will, of course, continue to insist of our trading partners that free trade also be fair trade. In that regard, I have instructed our Trade Representative, under a provision of the Trade Act of 1974, to initiate section 301 investigations in five cases of discriminatory practices against U.S. interests. I will announce specifics in the coming days. It is important to note, however, that the United States International Trade Commission did not find any unfair trading practices on the part of foreign shoe importers.

Today, we increasingly find ourselves confronted with demands for protectionist measures against foreign competition, but as the case of shoe imports makes clear, protectionism is both ineffective and extremely expensive. In fact, protectionism often does more harm than good to the industries it is designed

to help. It is a crippling "cure," a thousand times more dangerous than the illness.

The Council of Economic Advisers estimates that quotas on non-rubber shoe imports would cost the American consumer almost \$3 billion. Low-income consumers would be particularly hard hit as shoe prices rose and less-expensive imports were kept off the market. Even with a \$3 billion price tag, quotas would not buy any long-term improvement in the job picture for industry workers. It is true that quotas would save or create 13,000 to 22,000 short-term jobs, with an average annual salary of \$14,000. But each one of those \$14,000 jobs would cost consumers more than \$26,000. And by the end of 5 years, all those jobs would have vanished. Instead of spending billions of consumer dollars to create temporary jobs, we will be using the resources of the Federal Government, through the Job Training and Partnership Act, to retrain unemployed workers in the shoe industry for real and lasting employment in other areas of the economy.

There is also no reason to believe that quotas would help the industry become more competitive. In saying this, we go by recent experience. Between 1977 and 1981, U.S. footwear manufacturers received the protection they sought from foreign imports, but emerged from that period even more vulnerable to international competition than before. In fact, while unprotected by quotas, the shoe industry has begun to show positive signs of adjustment. Producers have invested in state of the art manufacturing equipment, modernizing their operations, and diversifying into profitable retail operations.

While bringing no lasting benefit to the shoe industry, quotas or other protectionist measures would do serious injury to the overall economy. The quotas proposed by the International Trade Commission could cost over \$2 billion in compensatory claims under GATT -- and would certainly invite retaliation from our trading partners. The result would be an immediate and significant loss of American jobs, and a dangerous step down the road to a trade war.

Our economies are truly interwoven with those of our trading partners. If we cut the threads that hold us together, we injure ourselves as well. If our trading partners cannot sell shoes in the United States, many will not then be able to buy U.S. exports. That would mean more American jobs lost.

Thus we find that the true price of protectionism is very high indeed. In order to save a few, temporary jobs, we will be throwing many other Americans out of work, costing consumers billions of dollars, further weakening the shoe industry, and seriously damaging relations with our trading partners. Protectionism is an emotional response to a complex issue. Slapping quotas or tariffs on foreign imports may make us feel good temporarily, but it simply is not worth the price we pay in damage to our economy, lost jobs, and the threat of an escalating trade war.

The United States can set an example to other countries by resisting the siren's call of protectionism. We must live by our highest principles and continue to promote our prosperity and the

Page 4


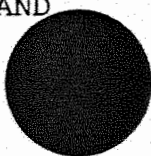
prosperity of our trading partners  
trading system remains as open, f

THE WHITE HOUSE

WASHINGTON

August 26, 1985

MEMORANDUM FOR BEN ELLIOTT  
DEPUTY ASSISTANT TO THE PRESIDENT AND  
DIRECTOR OF SPEECHWRITING

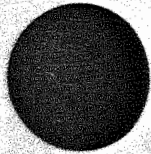
FROM: JOHN G. ROBERTS, JR.    
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Statement:  
Footwear Imports

Counsel's office has reviewed the above-referenced proposed statement, and finds no objection to it from a legal perspective.

cc: David L. Chew

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET



GOING  
RNAL  
MING  
Correspondence  
ived (YY/MM/DD)   1     1  

Correspondent: D. Chew

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

Presidential Statement: Fast wear impacts

Staff Name	ACTION		DISPOSITION	
	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>u</u>	ORIGINATOR	<u>85,08,26</u>		<u>1 1</u>
	Referral Note:			
<u>18</u>	<u>R</u>	<u>85,08,26</u>	<u>S</u>	<u>85,08,26</u> <u>4 PM</u>
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		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

**ACTION CODES:**

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

heet attached to the original incoming letter.  
 pdates to Central Reference (Room 75, OEOB).  
 mpleted correspondence record to Central Files.  
 out the correspondence tracking system to Central Reference, ext. 2590.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 8/26/85 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 p.m. today

SUBJECT: PRESIDENTIAL STATEMENT: FOOTWEAR IMPORTS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
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HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

MARKS: If the President decides for no relief, attached is a draft Presidential statement. Please give your comments/edits directly to Ben Elliott's office, by 4:00 p.m. today, with an info copy to my office. Thanks.

1985 AUG 26 PM 2:09

ONSE:

David L. Chew  
Staff Secretary  
Ext. 2702



(Gilder/PJB)  
August 26, 1985  
1:00 p.m.

PRESIDENTIAL STATEMENT: FOOTWEAR IMPORTS

I am notifying the Congress today of my decision not to impose either quotas or tariffs on non-rubber footwear imports. At the same time, I am directing the Secretary of Labor to develop a plan to use the Job Training Partnership Act to help dislocated workers in the shoe industry.

Today, we increasingly find ourselves confronted with demands for protectionist measures against foreign imports, but as this case makes clear, protectionism is usually both ineffective and extremely expensive. Worse, protectionism often does more harm than good, even to the industries it is designed to help. It is a "cure" that is often more crippling than the disease.

The Council of Economic Advisors estimates that quotas on non-rubber shoe imports would cost the American consumer almost \$3 billion. Even with that price tag, there would be no long-term improvement in the job picture for industry workers.

It is true that quotas would save or create 13,000 to 22,000 short-term jobs, with an average annual salary of \$14,000. But each one of these \$14,000 jobs would cost consumers more than \$26,000. And by the end of 5 years, those temporary jobs would have vanished. Instead of spending billions of consumer dollars to create temporary jobs, we will be using the resources of the Federal Government, through the Job Training and Partnership Act, to retrain unemployed workers in the shoe industry for real and lasting employment in other areas of the economy.

It's also not at all clear that protection would bring any lasting benefit to the shoe industry itself. In saying this, we go by recent experience. Between 1977 and 1981, U.S. footwear manufacturers received the protection they sought from foreign imports, but emerged from that period even more vulnerable to international competition than before. Instead of saving the domestic footwear industry, 5 more years of protection now might only end up making it a permanent ward of the Federal Government.

In fact, the industry shows positive signs that it is adjusting to increased competition from abroad. The industry is being modernized and streamlined by more efficient producers who have invested in state of the art manufacturing equipment and diversified into profitable retail operations.

While bringing no lasting benefit to the shoe industry, quotas or other protectionist measures would injure the overall economy. We estimate that the quotas proposed by the International Trade Commission would cost over \$2 billion in trade damage -- and invite retaliation from our trading partners. Quotas would mean an immediate and significant loss of American jobs, and a dangerous step down the road to a trade war.

Our economies are truly interwoven with those of our trading partners. If we cut the threads that hold us together, we injure ourselves as well. If our trading partners can't sell shoes in the United States, many will not then be able to buy U.S. exports. That would mean more lost jobs in the U.S.

So, when we balance the pros and cons of protectionism we find that to save a few, temporary jobs, we will be throwing many

other Americans out of work, costing consumers billions of dollars, further weakening the shoe industry, and seriously damaging relations with our trading partners. Protectionism is an emotional response to a complex issue. Slapping quotas or tariffs on foreign imports may make us feel good temporarily, but it simply isn't worth the price we pay in damage to our economy, lost jobs, and the threat of an escalating trade war.

We will, of course, continue to insist of our trading partners that free trade also be fair trade. I have instructed our Trade Representative, under a provision of the Trade Act of 1974, to monitor our trading partners with a view toward ending unfair trading practices and broadening the access of U.S. manufacturers to foreign markets. In the near future I will be announcing actions to be taken against countries that we determine are violating the principles of free and fair trade.

The United States can set an example to other countries by resisting the siren's call of protectionism. We must live by our highest principles and continue to promote our prosperity and the prosperity of our trading partners by ensuring that the world trading system remains as open, free, and fair as possible.

THE WHITE HOUSE

WASHINGTON

September 6, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS 

SUBJECT: Radio Talk: Section 301 of Trade Act

David Chew has asked that comments on the above-referenced remarks be sent directly to Ben Elliott by 2:30 p.m. today. The radio address discusses the Section 301 investigation the President has directed the Trade Representative to initiate. According to USTR General Counsel Alan Holmer, the consultations required by 19 U.S.C. § 2412(c)(2) prior to self-initiation of an investigation were begun and completed yesterday. Holmer also advised that his office had examined the question of whether the President could direct the Trade Representative to initiate an investigation, and determined that this raised no problems.

The President's remarks accurately describe the 301 process: investigation, negotiation, and retaliation if negotiations are unsuccessful. The remarks then discuss the three investigations to be initiated -- Korean insurance, Brazilian computers, and Japanese tobacco -- and the two pending matters to be accelerated -- Japanese leather and European canned fruit. Finally, the remarks stress that it is preferable to open up foreign markets than to close our own.

I have no objections.

Attachment

THE WHITE HOUSE

WASHINGTON

September 6, 1985

MEMORANDUM FOR BEN ELLIOTT

DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PRESIDENTIAL SPEECHWRITING

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

SUBJECT: Radio Talk: Section 301 of Trade Act

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

FFF:JGR:aea 9/6/85

cc: FFFielding

JGRoberts

Subj

Chron

cc: Dave Chew

THE WHITE HOUSE

WASHINGTON

September 6, 1985

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

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Radio Talk: Section 301 of Trade Act

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

FFF:JGR:aea 9/6/85  
cc: 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: David L. Chew

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

Subject: Radis Talk: Section 301 of Trade Act

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Type of Response Code
<u>CW Holland</u>	ORIGINATOR	
<u>CWAT 18</u>	Referral Note: <u>D</u>	<u>S</u> 85109106 <u>2:30PM</u>

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|--|---|---|
| <b>ACTION CODES:</b><br>A - Appropriate Action<br>C - Comment/Recommendation<br>D - Draft Response<br>F - Furnish Fact Sheet to be used as Enclosure | I - Info Copy Only/No Action Necessary<br>R - Direct Reply w/Copy<br>S - For Signature<br>X - Interim Reply | <b>DISPOSITION CODES:</b><br>A - Answered<br>B - Non-Special Referral<br>C - Completed<br>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, OEOP).  
 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: 9/6/85 ACTION/CONCURRENCE/COMMENT DUE BY: 2:30 P.M. TODAY

SUBJECT: RADIO TALK: SECTION 301 OF TRADE ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please provide any edits directly to Ben Elliott by 2:30 p.m. today, with an information copy to my office. Thank you.

**RESPONSE:**

David L. Chew  
Staff Secretary  
Ext. 2702



(Gilder/BE)  
September 6, 1985  
1:00 p.m.

12:55  
PRESIDENTIAL RADIO TALK: SECTION 301 OF TRADE ACT  
SATURDAY, SEPTEMBER 7, 1985

My fellow Americans: in my radio address last Saturday, I discussed my decision not to impose either quotas or tariffs on foreign footwear imports. Protectionism, I said, costs consumers billions of dollars, damages the overall economy, and destroys jobs. Instead of closing down markets at home, and throwing Americans out of work, we should be stepping up our efforts to open markets abroad and create American jobs by increasing exports.

I instructed the United States Trade Representative to begin investigations of unfair trading practices on the part of our trading partners. We have the authority to counter unfair trading practices by initiating investigations, entering negotiations, and taking active counter-measures if those negotiations are unsuccessful.

Today, I am directing the U.S. Trade Representative to step up proceedings in three cases of unfair trade.

One: Against a Korean law that prohibits fair competition of U.S. life and fire insurance firms in the Korean market, in direct contradiction of treaty obligations.

Two: Against a Brazilian law, passed in 1984, that has restricted U.S. imports of computers and related products and squeezed out some American computer firms operating there.

Three: Against restrictive practices dealing with tobacco products in Japan that unfairly restrict U.S. entry into that market.

In addition, I've also ordered acceleration of our efforts to open up Japanese markets in leather and leather footwear, and to challenge the European Community's subsidies on canned fruit. On these two cases, we are setting a deadline of December 1, 1985. If these disputes are not resolved by then we will take counter-measures.

We earnestly hope that through these negotiations we will be able to convince our trading partners to open those markets that are now closed to American exports. We will take counter-measures only as a last resort -- but our trading partners should not doubt our determination. I am committed to and will continue to fight for fair trade. American exporters and American workers deserve a fair shake abroad, and we intend to see that they get it.

Our objective will always be to make world trading partnerships freer and fairer for all. So while we will use our powers as a lever to open closed doors abroad, we will continue to resist protectionist measures that would lock out trade and the prosperity it brings to us all.

There are no winners in a trade war -- only losers. Some bills now before the U.S. Congress bear a frightening similarity to the infamous Smoot-Hawley Tariff Act of 1930 which helped bring on and prolong the Great Depression, and greatly increased international tensions. These bills are job destroyers,

depression makers -- it is damaging protectionist legislation of this type, not foreign trade, that poses the greatest threat to American industry and American jobs. Once we take our first step down the protectionist road, we may soon find ourselves stepping over a cliff.

Let's take a moment to put the trade deficit in perspective. It's true that for American firms trying to sell their products abroad, these can be difficult times. But it's important to note that our share of world exports has not declined. In 1980 it was just below 12 percent. In 1984, it was slightly higher than 12 percent. Our trade deficit has been caused by the large rise of imports into this country.

Why have imports risen? The main reason is the difference in growth between our country and our trading partners. Our tax cuts ignited a non-inflationary economic expansion that has put over 8 million Americans to work in the last 33 months alone. In fact, numbers released yesterday showed a dramatic drop in overall unemployment to 6.9 percent -- the lowest in 5 years. Contrast that to Europe, where a mix of protectionist policies and continued high tax rates have produced economic anemia, and where they have actually lost jobs overall in the last 10 years. So why are we importing more from them than they are from us? The reason is clear, Americans are working and prospering and can afford to buy their goods. High taxes in Europe have stunted growth, so they can't afford to buy from us.

We can either balance the trade deficit up, by encouraging our trading partners to adopt the high-growth policies of tax

cuts and free trade; or, we can balance the trade deficit down, by adopting the no-growth policies of tax hikes and protectionism.

The choice is clear, let's take the high road to prosperity by fighting for an open, free, and fair trading system with our economic partners -- and by encouraging them to adopt low-tax, high-employment growth policies. And let's keep our engines of growth humming here at home, too, by passing a new tax plan for America -- a fair share tax plan for all.

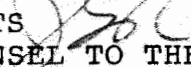
Until next week, thanks for listening and God bless you all.

THE WHITE HOUSE

WASHINGTON

September 20, 1985

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

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Radio Talk: Foreign Policy

Counsel's Office has reviewed the above-referenced radio talk, and finds no objection to it from a legal perspective. I do think, however, that the last three sentences in the first full paragraph on page 3 go much too far in suggesting that the Smoot-Hawley Tariff caused World War II. Hitler and the Japanese military caused World War II, and the President should not be put in the position of suggesting, like some Marxist revisionist historian, that American economic policies were to blame.

cc: David L. Chew

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: D. Chew

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

Subject: Radio Talk: Foreign Policy

ROUTE TO:	ACTION	Tracking Date	Disposition	Completion Date
Office/Agency (Staff Name)	Action Code	YY/MM/DD	Type of Response Code	YY/MM/DD
<u>CUNHILL</u>	ORIGINATOR	<u>85,09,19</u>		<u>1 1</u>
	Referral Note:			
<u>Quat 18</u>	<u>R</u>	<u>85,09,19</u>	<u>S</u>	<u>85,09,20</u> <u>10 AM</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
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		<u>1 1</u>		<u>1 1</u>
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		<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
- D - Draft Response
- 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: 9/18/85 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. 9/20/85

SUBJECT: RADIO TALK: Foreign Policy

(9/19/85 5:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please give your comments/edits directly to Ben Elliott, with an info copy to my office by 10:00 a.m. Friday, September 20th.

RESPONSE:

1005 SEP 19 11 55

David L. Chew  
Staff Secretary  
Ext. 2702

(Robinson/BE)  
September 19, 1985  
5:00 p.m.

RECEIVED  
SEP 19 11 5 17  
PRESIDENTIAL RADIO TALK: FOREIGN POLICY  
SATURDAY, SEPTEMBER 21, 1985

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

Next Friday, I will meet the new Soviet Foreign Minister, Eduard Shevardnadze. He and I will discuss a range of issues, including the Soviet occupation of Afghanistan; the release from Soviet prison of the great humanitarian Raoul Wallenberg; the fate of dissident Andrei Sakharov, whom the Soviets are continuing to persecute; and our attempts to achieve a genuine reduction in nuclear arms. As Mr. Shevardnadze and I meet, it will be 6 months since Mr. Gorbachev became the new Soviet leader. This will give our meeting special significance.

As you know, throughout its history, the Soviet Union has been bent upon expansion. During the 1970's alone, it engaged in the largest military build-up in world history. These policies have inflicted bitter costs upon the Soviet peoples -- every week, Russian soldiers are dying in Afghanistan, while in their homeland, the people must live in cramped housing and endure shortages of goods as ordinary as vegetables and meat. Today, the Soviet Union represents the only industrialized nation on Earth in which life expectancy is actually on the decline.

Mr. Gorbachev can change this. He can set in train a policy of arms reductions and lasting peace. By shifting resources from



armaments to people, he can enable his nation to enjoy economic growth. Given the nature of communism, we must not raise false hopes. But during my meeting with Mr. Shevardnadze, I will be searching for signs of change.

Turning from the Soviet Union to the Middle East, I'll be meeting with President Mubarak of Egypt this week and with King Hussein of Jordan next week. In both meetings, two items will dominate the agenda. First, peace between Israel and her neighbors. President Mubarak and King Hussein are both deeply involved in our efforts to build a lasting peace. Our support for them promotes the peace process and helps to keep the entire region stable. The second item will be the war between Iran and Iraq. America and other nations have worked for several years now to bring this war to an end; so far, to no avail. Yet if we cannot end the fighting, we and allies like Egypt and Jordan can keep it from spreading. In particular, we're determined to defend the free shipment of oil through the Persian Gulf.

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

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

Everyone who understood the importance of free international trade to our own prosperity became alarmed. Indeed, 1,028 economists petitioned President Hoover to veto the legislation. Then it became known that President Hoover intended to sign the bill, the Smoot-Hawley Tariff Act, just the same. This time the stock market crashed and the Great Depression began. The Depression wiped out the prosperity of the twenties and helped to sow the seeds of the vast and violent destruction of World War II. Deflation was especially severe in Germany, where Hitler took full power in 1933. In Japan, one economist asserts, the Smoot-Hawley tariff, quote, "convinced . . . public opinion that American policy would not tolerate the legitimate expansion of Japanese trade," end quote. So the Japanese turned to conquest instead.

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

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