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THE WHITE HOUSE
WASHINGTON

March 13, 1985

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

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Talking Points on Budget Provisions

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

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: Dave Chew

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Subject: Talking points on Budget Provisions

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD
<u>CUTOLL</u>	ORIGINATOR	<u>85103112</u>
	Referral Note:	<u> 1 / 1 / </u>
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	Referral Note:	<u> 1 / 1 / </u>

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Comments: _____

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/12/85 ACTION/CONCURRENCE/COMMENT DUE BY: c.o.b. Wednesday-3/13/85

SUBJECT: TALKING POINTS ON BUDGET PROVISIONS

	ACTION FYI			ACTION FYI	
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DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/> P	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HICKS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments/edits directly to Mike Baroody, with an information copy to my office.

Thanks.

RESPONSE:

1985 MAR 12 PM 5:00

David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

March 12, 1985

MEMORANDUM FOR DAVID CHEW

FROM:

MIKE BAROODY

MB

SUBJECT:

TALKING POINTS ON BUDGET PROVISIONS

I told you last week we would have a series of talking points on specific budget provisions. Here they are.

Believe they should be circulated routinely, certainly to OMB and to anyone else you feel appropriate.

Once they are approved we will put them on our electronic guidance system and -- at the agreed time we can distribute in hard copy to spokesmen.

RURAL ELECTRIC AND TELEPHONE PROGRAMS

- o Fifty years ago, before rural America was wired for telephone and electricity, these programs were justifiable. (REA began electrification programs in 1935; the telephone program was added in 1949.)
- o \$61 billion of federal assistance later, 99% of U.S. farms have central station electric service and 95% have phone service. The job's virtually done.
- o So the program will be phased-out in the next 5 years.
- o Phase-out will save \$176 million next year, and a total of \$5.1 billion through 1990.
- o Now, the federal program provides 5% loans (2% in some cases) for operation and expansion of these systems, costing taxpayers about \$2.5 billion a year.
- o By 1990, all local systems will be expected to get needed financing through private loans at market rates, as other small utilities do. (Over one-third of their borrowing needs are already financed privately.)
- o In the phase-out period, priority for REA subsidized and guaranteed loans will go to those in weakest financial condition.
- o Keep in mind that most of the electric systems and many of the telephone companies have other financial advantages; for example, they are tax-exempt because they are self-owned rural cooperatives.

MEDICAL EDUCATION -- HEALTH PROFESSIONS TRAINING SUBSIDIES

- o Now, the federal government is spending about one-quarter of a billion dollars a year on subsidies for medical training.
- o In the mid-1960s, there was a shortage of doctors, nurses and other health specialists. That's why these subsidies were established.
- o Now the shortage is over; continuing the subsidies will create an oversupply of specialists.
- o We have almost twice as many doctors, dentists, RNs and other trained professionals now as in the mid-60s. All major studies show we have at least enough to meet our needs in virtually every category of health specialty.
- o Continuing these subsidies for medical education now isn't necessary, fair, or fiscally responsible:
 - we not only have enough professionals, but studies show the supply will continue to grow at least through the balance of the 1980s;
 - continuing the subsidy would mean reverse income distribution, taxing lower and middle-income workers to prepare others for high-income jobs;
 - terminating the subsidies will save a half billion dollars by 1988 and over \$1 billion by 1990.

END FUNDING FOR APPALACHIAN REGIONAL COMMISSION

- o ARC was set-up as a temporary program 20 years ago.
- o Since then, poverty rates in the 13 state region have been cut more than in half and the trend to out-migration has turned around (1.1 million left in 1960s; in 1970s 1.1 million moved in).
- o The region is now experiencing growth in jobs, income and population -- not because of ARC spending, but because of general trends affecting the economy.
- o Half the states in the region, for example, are so-called "sun-belt" states -- a term that didn't exist when ARC was created -- where the economy is growing at a healthy pace and creating jobs.
- o Termination of ARC project funding is part of a general policy effort to end localized economic development subsidies. (Much of the money went for development of ski resorts, swimming pools and skating rinks, anyway.)
- o The program also funds highway construction -- but money is available from other sources.
- o In fact, not including ARC funding, Appalachian states will receive \$2.1 billion more in highway funds this year than in 1982 because of increases made available under Surface Transportation Assistance Act of 1982.

END FUNDING FOR ECONOMIC DEVELOPMENT ADMINISTRATION

- o The Commerce Department's EDA program of grants and loans has added \$9.4 billion to the national debt in the last 8 years.
- o Its grants go to local development projects that are either unneeded, or can be financed privately.
- o Many of its loans have ended in default. Of the \$900 million in current loans outstanding, over half are delinquent -- and half of these are in bankruptcy.
- o Its programs often fall short:
 - In 1983, for example Congress called for creation of jobs for the unemployed and underemployed through EDA funding of 12 projects.
 - Only 207 jobs were created; only 94 of these went to target group members and the jobs created cost about \$20,000 per person per month.
- o Terminating EDA will save over \$850 million through 1990.

MEDICAID

- o Cost of Medicaid program (health aid to the poor) has been rising much faster than the growth of federal revenues which support it.
- o For most of 1970s and early 80s, Medicaid costs rose almost 15 percent a year. Left unchecked, they will add \$170 billion to the national debt by 1990.
- o Budget would save \$1 billion next year, then allow Medicaid spending to rise at same rate as medical costs do.
- o States administer Medicaid, and proposal would give them more flexibility to control costs by using their Medicaid grants in the most efficient way possible.
- o Would still spend \$22.5 billion in FY86, up from \$22 billion this year.

MEDICARE

- o Unless changes are made, Medicare will be endangered by runaway costs, as Social Security was in 1982.
- o At current pace, spending will top \$100 billion by 1990 -- and actuaries say Medicare's Hospital Insurance Trust Fund could face insolvency in the early 1990s.
- o The budget would freeze payments to hospitals and doctors as the principal means of slowing spending growth.
- o Quality care would continue for the 28 million elderly estimated to be entitled to Medicare next year.
- o Savings are needed to buy time, keep Medicare strong, while we work out compromise (as we did with SS) for long-term solvency.
- o Original predictions said Medicare would cost \$8.8 billion by 1990. It costs 8 times that much already. Spending this year is \$64.5 billion; will grow to \$65.5 billion in FY86 budget request.
- o Budget's reforms are modest compared to the huge Medicare spending. The budget will keep Medicare costs to \$65.5 billion next year instead of \$69 billion (current services), saving about \$4 billion.
- o 90 percent of these Medicare savings come in lower payments to providers -- hospitals, doctors, etc. Less than 10 percent comes from higher payments by beneficiaries.
 - A beneficiary's Part B (hospital) premium would go up a modest \$5.40 a month by 1988.
 - For elderly who can't afford that, Medicaid is available to pay cost of care.

VETERANS' HEALTH CARE

- o Veterans' health care spending has exploded -- up by 12% a year since 1970 -- due to heavy use of free care by vets neither poor nor with service-connected disability.
- o All vets should be able to get care. But those who are not needy, and whose illness is not service-connected, should contribute a fair share.
- o If changes aren't made, by year 2000, cost will go up four times -- to \$37 billion.
- o Budget proposals would put emphasis back where it belongs -- on free care for needy vets and those whose disabilities were caused by military service.
- o Others, covered by Medicare (WWII vets aged 65+ will almost triple by century's end) and by private insurance, could still get care, but would pay portion of it.
 - The higher a vet's income (above a certain minimum), the more he would be expected to contribute (usually from insurance) toward his VA care.
 - And, for the first time, insurance companies would have to reimburse the VA (i.e., taxpayers) for health care given to an insured veteran.
- o This year's \$8.8 billion in spending will rise to \$9.1 billion in FY86. The VA will serve a million and a half hospital patients and handle 19 million outpatient visits.
- o Reforms will save \$2.5 billion over 2 years. The alternative, a funding cap, would pinch everyone, not just those who can afford to contribute toward their care.

AMTRAK

- o Amtrak was supposed to be a temporary, two-year measure to profitably revitalize passenger rail service. That was 14 years ago, and it hasn't worked out.
- o Instead of making money, Amtrak has cost taxpayers -- most of whom never ride Amtrak trains -- \$9 billion.
 - Nationwide, only 2 percent of intercity passengers use Amtrak.
 - Most of them are from relatively high income levels (over \$30,000).
- o It costs the taxpayers an average of \$35 every time a passenger takes a trip on an Amtrak train.
- o In fact, it would actually be cheaper for government to buy plane tickets for N.Y. to Chicago travellers than to subsidize their Amtrak trips.
- o On routes where passenger rail service is profitable, private ownership can take over after Amtrak.
- o Where service is unprofitable but states and localities want it, those who benefit -- not taxpayers at large -- can provide subsidies to keep trains running.
- o Spending \$692 million this year, would cut to \$200 million in FY86, to \$0 in FY87 and beyond.

FEDERAL PAY AND PENSIONS

- o Federal retirement costs are going through the roof -- they're up to \$25 billion this year, nine times higher than just 15 years ago.
- o Not fair for taxpayers to finance federal retiree benefits that are almost 40% more generous than private sector benefits (as numerous studies have shown they are).
- o Federal workers put in about \$1 for every \$5 they get back in benefits. Taxpayers pay the rest.
- o Without reform, taxpayers will spend another \$80 billion in the next three years alone.
- o Almost \$1 out of every \$3 federal payroll dollars goes out in the form of pension checks.
- o Budget would not break faith with federal retirees, but simply slow runaway costs and bring federal pensions more into line with private ones.
 - Benefits for early retirement would be reduced by 5% for each year before 65;
 - Cost of living raise would be frozen next year (during 1970s, retirees got COLAs above cost of living);
 - Thereafter, COLA would be based on CPI or federal pay raise, whichever is lower.
- o Budget also asks federal non-military workers to take a 5 percent cut in pay starting January 1, 1986, as their contribution to reducing the deficit.

THE JOB CORPS

- o Job Corps is the highest cost training program in the budget, yet one of the least successful.
- o Program costs \$15,200 per slot, about the same as Harvard for a year.
- o Yet only 1 of 3 Job Corps trainees get jobs within a year after leaving. Almost half simply leave, most without even completing a course of study.
- o This failed program costs taxpayers \$600 million this year. Budget would cut it to \$79 million by FY87 and to \$0 thereafter.
- o Job Corps has 40,000 slots; compare alternatives:
 - Youth Employment Opportunity Wage (temporary summer wage for teens below minimum wage) can create ten times more jobs, at no taxpayer cost.
 - Highly successful Joint Training Partnership Act, (passed in '82) trains a million a year, with a better than 60 percent job placement rate.

CHILD NUTRITION

- o The Federal government's responsibility for child nutrition aid is to ensure nutritious lunches to the needy -- not to provide cheap meals for the non-needy at taxpayers' expense.
- o The FY86 budget one-year COLA freeze on child nutrition will save taxpayers \$ billion, while ensuring free meals remain available to the needy.
- o Nutritious lunches would still be available to children of upper-income families for about \$1 -- that's about the cheapest they could eat for at a neighborhood McDonald's.
- o Critics are quick to charge that schools will drop out of the program because of increased operation costs if these additional subsidies are withdrawn.
- o We've heard that argument before -- when we presented similar cuts in our 1981 budget.
- o Yet, between FY81 and FY85 less than 2% of schools now participating dropped out of the school lunch program (for reasons other than declining enrollments and exclusion of certain private schools).
- o These "dropouts" tended to be from more affluent and suburban school districts an USDA survey reports.
- o The fact is, _____ more poor children are expected to receive free meals in 1985 than in 1981.

EXPORT-IMPORT BANK

- o The demand for direct government loans to exporters is down.
- o As the dollar has grown stronger, and U.S. exports have held their own on the world market, there has become an increased preference for guarantees.
- o Termination of the loan program, which benefits only 2% of total U.S. exports, will save taxpayers almost \$4 billion.
- o At the same time, we're proposing an increase in the guarantee program by \$2 billion -- to \$12 billion.
- o In addition, we've proposed the establishment of a temporary interest rate subsidy program of up to \$100 million to meet official foreign competition.
- o This will ensure that U.S. exporters can meet foreign subsidized competition while the OECD continues to negotiate the elimination of official export credit subsidies.

HOUSING ASSISTANCE

- o The Federal government has spent over \$86 billion on housing assistance over the past 12 years.
- o Any budget program which spends at this rate warrants scrutiny.
- o The budget proposes a 2-year moratorium -- during which there would be no new Federally-assisted housing construction. This would save the American taxpayer \$ billion.
- o During this period -- despite the moratorium -- nearly 1.2 million new needy families will begin receiving assistance.
- o Also, 167,000 new units already started or committed would be completed, even while the moratorium is on.
- o Termination of FmHA housing assistance -- which currently provides only 12% of the housing for the needy -- will centralize housing assistance at HUD.
- o This will help ensure that assistance is targeted to helping the most needy, not pleasing the industry.
- o Rural America's needs will continue to be met since most of the funding comes from private lenders, with the FHA and VA playing a much larger role than FmHA in providing the balance of funding.

POSTAL SERVICE SUBSIDIES

- o In 1970, when the Postal Service was being reorganized as an independent operation, Congress decided to subsidize certain types of mailers -- mainly charitable, social and educational.
- o What Congress did not intend to do was assist in offering cheaper rates for profit-makers like People and Playboy, nor inefficient, expensive junk mail.
- o Under our reforms, profit-making mailers, now costing taxpayers \$40 million a year, will pay full rate.
- o Termination of postal subsidies would save taxpayers \$1 billion a year, which the Postal Service would accrue if subsidized mailers paid full cost.
- o Legitimate nonprofit charitable, educational and social mailers should incur only a small rate increase.
- o Because subsidies represent less than 3% of the Postal Service's total cost of operation, postal rates should not increase much, if at all.

AGENCY ADMINISTRATIVE COSTS

- o President Reagan directed agency heads to cut their FY86 budget requests to 90% of their FY85 budgets, as part of his effort to ensure government-wide cost reduction.
- o They did just that. This FY86 budget request reflects the paring of agency requests to that level.
- o Savings of almost \$1.6 billion are reflected here.
- o These savings are figured in addition to the proposed 5% Federal pay cut, and therefore, should be incurred regardless of how Congress votes on the pay cut issue.

REVENUE SHARING

- o Revenue sharing was initiated in 19__ when Federal surpluses were forecast on the horizon.
- o Today, in light of our current Federal deficit and state surpluses, this is no longer justifiable.
- o Elimination of this program will save \$ billion next year.
- o In the first two years of our present recovery, the states had surpluses totalling over \$11 billion.
- o In the face of these large deficits, we can't maintain the fiction that we have revenues to share.
- o It makes no sense for the Federal government to borrow funds to give to states and localities, which have a surplus.

SMALL BUSINESS ADMINISTRATION

- o Less than $\frac{1}{4}$ of 1% of small businesses in America use SBA credit -- only about 20,000 out of over 14 million.
- o Economic growth and the tripling of venture capital for investment made 600,000 business starts a year possible since recovery began.
- o New businesses are able to start-up without SBA assistance -- less than 2% were SBA aided in 1983.
- o Most SBA loan subsidies go to repeat customers -- 77% of SBA borrowers in the first half of 1983 were repeaters.
- o Spending almost 3/4 of a billion on this program, this year alone, cannot be justified to the taxpayer.
- o The FY86 budget proposes elimination of this program while maintaining an effective small business presence in the Federal government in the Commerce Department.

STUDENT AID

- o The question on student aid is, "How much is enough?" Since 1969, Education Department student aid have risen almost 1,300 percent.
- o The FY86 budget proposal attempts to rein-in this unrestrained 20-year spending binge, while providing assistance to keep a quality education in reach of the average American child.
- o The budget provides over \$20 billion in loans, grants and other aid to college students over the next 3 years.
- o It sets a cap of \$4,000 a year to any one student. That equals the cost of tuition, fees, room and board, and books at an average public college.
- o In addition, Federally guaranteed "PLUS" loans (unsubsidized) up to \$4,000 are available to all students.
- o It limits the eligibility for aid to low and middle-income students:
 - Family income under \$25,000 for grants, job subsidies (work-study) and direct loans;
 - Income under \$32,500 for subsidized loans.
- o The median income is around \$25,000 so students from about half of all families remain eligible for grants (more than half for subsidized loans).

Strategic Petroleum Reserve

- Spending \$1.9 billion this year, would put an indefinite moratorium on further filling of the SPR after 1985, saving \$8 billion by 1990.
- Created after 1979 oil import disruption, SPR has accumulated 450 million barrels of oil -- 90 days worth of total imports, 225 days worth of OPEC imports and 900 days of Persian Gulf imports.
- Larger SPR unnecessary because U.S. energy position has improved drastically since SPR created -- world oil glut, oil prices dropping, U.S. uses only half as much imported oil as in 1977.
- If world oil market should change for the worst, U.S. could resume adding to SPR.

Air Carrier Subsidies

- Spending \$48 million this year, would be terminated in FY 86, three years ahead of schedule.
- Program was created as temporary measure, to smooth transition in communities affected by airline deregulation.
- Every time a passenger gets on a plane at a subsidized airport, it costs taxpayers an average of \$50.
- Result is often wasteful. Passengers living just a few miles from other airports are paid taxpayer dollars via subsidy not to use them, but instead to fly from subsidized airports.
 - o For example, Clinton, Iowa is just 37 miles from a hub airport, but commuters there are paid \$200 in subsidy to leave their cars at home and use local airport instead.
- Subsidies make it hard for alternative carriers to compete -- like bus or limosine service to other airports.

EPA Sewage Treatment Grants

- Spending \$2.4 billion this year, would be phased out by 1990.
- Intent of program was to help local governments cope with backlog of sewage treatment needs that existed in 1972. Since then, over 4,000 systems have been funded.
- By 1990, 85 percent of Americans will be served by treatment systems funded by the grants. The one time "catchup" job of the EPA grants has been accomplished.
- Sewage treatment needs caused by new population growth should be funded -- as is traditional -- by state and local governments.

User Fees

- Every day, Army Corps of Engineers spends an average of \$3.5 million taxpayer dollars to operate and maintain waterways, dams, locks and harbors.
- But the businesses who benefit pay just \$100,000 daily. (Prior to 1981, they paid nothing at all).
- Budget proposes charging user fees to those who benefit from the navigation work done by government, saving taxpayers almost \$2 billion in next 2 years.
- Instead of 3 cents of every dollar in costs now paid by users, budget would raise that to 65 cents on the dollar by 1990.
- User fees would be modest: for example, a barge shipping wheat down the Mississippi River would pay less than 2 percent of the wheat's value in user fees.
- Budget proposes similar user fees in other areas:
 - o Raise entrance fees to national parks and forests. Yellowstone entrance fee of \$2 a carload has remained same for 12 years, while upkeep costs have almost tripled. Saving of \$1/2 billion by 1990.
 - o Charge fees for commercial shippers and recreational boaters who use such Coast Guard services as navigation aids, towing and boat inspection. 3-year saving of \$1.2 billion.

Welfare

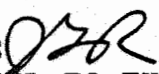
- o Spending \$9 billion this year on Aid to Families with Dependent Children. Reforms will save \$472 million over next 2 years.
- o AFDC will still give cash assistance to 3.7 million needy families next year, compared to _____ this year.
- o Proposed reform requires AFDC recipients who are able to work to do so -- or at least look for a job -- as a condition of getting AFDC benefits.
- o This ensures that AFDC remains what it was intended to be -- a last resort for families in trouble, not a substitute for work.
- o Another reform states when an AFDC family's youngest child reaches age 16, the parent able to work would no longer be eligible for AFDC.
 - Since such parents no longer have a young child at home, they are freer to work.
 - Benefits to children are not affected.
- o A third reform would prohibit unmarried minor mothers from qualifying for AFDC benefits if they leave home.
 - Currently, unwed minor parents have incentive to leave home and use taxpayer dollars to pay their living expenses.
 - This reform, besides saving tax dollars, will keep more families together.

THE WHITE HOUSE

WASHINGTON

April 24, 1985

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

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Fact Sheet and Talking Points on
the President's Budget Address

Counsel's Office has reviewed the above-referenced fact sheet and talking points. We recommend changing the last word in the penultimate sentence on page 3 from "bill" to "appropriations package." Under the Constitution, the President can exercise his veto power only with respect to an entire bill. The Mattingly proposal is constitutional because under it each item in an appropriations package would be enrolled as a separate bill. Thus, when the President rejects a specific spending item under the Mattingly proposal, he would be vetoing "an entire bill," as he must under the Constitution.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: Dave Chew

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Fact Sheet and Talking Points on the President's Budget address.

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>CUHOLL</u>	ORIGINATOR	<u>85104124</u>		<u> 1 / 1 / </u>
<u>CUAT 18</u>	Referral Note: <u>A</u>	<u>85104124</u>		<u>S 85104124</u> <u>ASAP</u>
	Referral Note:	<u> 1 / 1 / </u>		<u> 1 / 1 / </u>
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WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/25/85 ACTION/CONCURRENCE/COMMENT DUE BY: ASAP

SUBJECT: Fact Sheet and Talking Points on the President's Budget Address

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>RYAN</u>	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>DANIELS</u>	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAROODY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments or changes to Mike Baroody, with an info copy to my office ASAP. Thanks.

RESPONSE:

1985 APR 26 AM 11:43

David L. Chew
Staff Secretary
Ext. 2702

DRAFT

Address by the President
on His Compromise Budget Request for Fiscal 1986

The President delivered a televised address from the Oval Office beginning at 8:00 p.m., on Wednesday, April 24, 1985.

In his remarks, the President discussed the compromise budget proposal for fiscal year 1986 agreed to on April 4th by the President and the Senate Republican leadership. He urged public support for the compromise, which he termed the Taxpayers' Protection Plan.

I. General Themes of the Address:

The President said the plan "will reduce deficits by \$300 billion over 3 years, bringing us within reach of a balanced budget by 1990" and stressed this would be done without higher taxes.

He said that Congress faces "an historic challenge" to make Government "end its spend-thrift ways, live within its means and assure a strong and prosperous future." He urged Americans to make "your voices heard in the Senate this week, and later in the House."

On the compromise budget plan itself, the President said that it meets these important tests:

- o it reduces the deficit without increasing taxes in a way that "will not hinder growth but encourage it";
- o it is fair and balanced, and "attacks excessive spending across the board";
- o it protects the neediest among us, preserving the safety net of programs as "one area we will not touch";
- o it sets clear national priorities; contrary to a freeze which would make no distinctions between "worthy and wasteful" spending, the plan "keeps what should be kept and cuts what should be cut."

II. Elaboration of Specific Points About the Taxpayers' Protection Plan:

a.) Enhancing Economic Growth -- Cutting Deficits without Higher Taxes:

The President said that bringing spending into line with revenues was "the heart of our deficit reduction plan." In fact, the compromise will cut substantially from spending planned in current law and save:

- \$52 billion in fiscal 1986;
- \$296.8 billion through fiscal 1988;
- close to a half trillion dollars through 1990, when the deficit will be less than 1% of GNP and virtually in balance.

The deficit reduction effects of the plan will fulfill the President's original goal of a deficit at 2% of GNP or less in 3 years -- easing substantially the burden of federal borrowing on financial markets. In contrast to this year, when Federal borrowing absorbs 78% of net private savings, by 1988 the Treasury will be taking only 30% of such available credit.

In the same year, if this deficit reduction package is enacted, we can expect by Administration estimates:

- another 7 million American jobs, bringing total employment to nearly 115 million;
- continued moderate inflation;
- economic growth in the range of 4% annually for the 6th straight year.

As the President said in his address, "the task is large, and the stakes are momentous."

The President pointed to the progress made since passage four years ago of his program for economic recovery:

- inflation of 4% or less for three years in a row;
- 29 straight months of growth in the GNP;
- highest employment rate in history at 60.3%;
- record number working, at over 108 million and 8 million more Americans working than 29 months ago;
- interest rates down from post Civil War records.

Giving much of the credit for the economy's turnaround to his 1981 tax rate cuts, the President renewed his commitment to a "veto of any tax increase Congress sends me" and to seek further reductions instead. "In taxes," the

President said, "we've seen that lowering rates ... is a good idea that worked," and pledged to unveil in May his tax simplification plan for "changing it from a source of confusion and contempt, to a model of fairness and simplicity."

The President received a tax simplification plan from the Treasury Department in December of 1984. Discussions since then between Treasury officials and Members of Congress will yield a final Administration plan next month.

b.) Attacking Spending Across the Board:

The President said "no part of the budget is spared" in the compromise plan. In fact, the plan saves \$97.5 billion from defense over the next 3 years and \$175.8 billion from domestic programs. There's an additional 3 year saving of \$23.6 billion in lowered debt service (interest payments). Overall, the plan:

- terminates or phases out 20 programs;
- substantially reforms 40 others;
- freezes most of the rest;
- reduces the defense spending request to 3% real annual growth -- the bare essential to meet security needs (and about 1/3 the growth rate of the last 5 years).

In calling for elimination of some programs, like taxpayer subsidies for Amtrak, for small business through SBA loans and for big business through Export-Import Bank loans, the President said that "if programs like these can't be cut, we might as well give up all hope of getting Government spending under control."

The President renewed his call for the line-item veto saying, if Congress won't do it, then I'll make the cuts ... I'll take the heat." He has asked for this authority consistently, and called in his 1985 State of the Union Address for passage of the Mattingly bill that would legislate a two-year test, in which the President would have temporary authority to reject specific spending items without vetoing an entire bill. Governors in 44 states have line-item veto power and it has been sought for the President periodically since 1876. ✓

4

c.) Preserving the Safety-Net:

The President pointed out that safety-net programs providing income assistance, food, housing and medical aid were reformed in 1981 and "are now targeted to genuine need." These programs, he added, make up only 8% of the budget.

Programs affecting needy and non-needy alike, such as Medicare, for example, will be reformed in ways that specifically protect the needy. In the case of Medicare, provision is made in the budget compromise for adequate Medicaid funding to assure continued full health care coverage for needy. The elderly poor can be protected from any adverse impact of higher premiums through Medicaid coverage, already automatically provided in 48 states.

Similarly, needy Social Security recipients will be guaranteed real growth in their income through additional SSI benefits. (Supplemental Security Income benefits will be fully indexed for inflation and, in 1986, the nearly 2 million elderly poor receiving them will get an additional \$10 a month, \$15 for needy couples.)

d.) Setting Clear Spending Priorities:

"Our plan recognizes," the President said, "that all spending is not created equal. Some programs are vital to our national security and domestic welfare and must be given first priority. Others are no longer affordable, or were not proper Federal responsibilities to begin with."

The plan brings excessive federal spending growth to an abrupt halt. The rate of spending growth, over 17% just five years ago, shrinks to a negative rate next year. Fiscal 1986 spending will down 2.2% in real terms under the plan and there would be virtually no growth in 1987-88.

By 1988, total spending will be down from this year's level of 25% of GNP to 21% -- and will be trending lower.

The plan emerged from months of work and program review culminating in agreement between the Administration and Senate leaders on three basic questions:

- should the federal government do it?
- does the current federal approach work?
- can we afford it now?

The President cited several examples of inappropriate federal spending. He condemned these and others on grounds of equity and asserted "it isn't fair and you know it. But that's the law of the land right now, just part of the legacy of trying to do good things for all by treating your earnings like Government property."

Identifying national security as our first priority, the President said the 3% real annual growth which the plan provides is the "rock bottom level we must maintain."

That represents a savings of \$18.3 billion next year and \$97.5 billion by 1988 from the "Rose Garden compromise" agreed to on March 15, 1984. It brings nominal defense spending to a level \$25 billion less than projected in President Carter's last budget which assumed higher inflation. While 3% growth is acceptable, a freeze on defense spending is not; and would likely require real cuts in manpower and program delays that would jeopardize some vital systems.

The defense share total spending will be less in fiscal 1986 under this plan than it was 20 years ago.

III. Conclusion

The President said that the "hour was late" and "stakes momentous." The future health of the economy hangs in the balance. In the President's words, the healthy economy this plan can ensure "means jobs, opportunities and rising incomes for our younger citizens, and a steady flow of tax payments into the funds that support our retired citizens."

DRAFT

April 24, 1985

TALKING POINTS ON THE PRESIDENT'S BUDGET ADDRESS

- o The President put the case precisely: Congress faces an historic challenge.
- o This plan is our best (if not our last) chance for years to get spending under control and move toward a balanced budget.
- o What's at stake is the economy's future and as President Reagan put it, enactment of this budget can mean "jobs, opportunities and rising incomes for our younger citizens, and a steady flow of tax payments into the funds that support our retired citizens."
- o Failure to control spending can mean an end to the recovery that began with such strength -- and hope -- 29 months ago.
- o Skeptics back in 1981. said the President's program couldn't work but:
 - it's yielded the lowest inflation in 20 years;
 - the strongest growth in over 30 years;
 - set employment records and put 300,000 a month to work for 29 straight months;
 - cut the prime rate in half, to 10.5%;
 - did all of the above at same time taxes were cut.
- o The same skeptics now say we can't cut the deficit without raising taxes.
- o They were wrong then about recovery; they're wrong now about deficits.
- o The President's compromise with Senate GOP leaders does just that -- cuts deficits without raising taxes and:
 - leads to a balanced budget by early 1990s;
 - saves \$52 billion next year;
 - saves almost \$300 billion by 1988;
 - saves almost a half trillion by 1990;
- o The compromise plan meets four essential criteria:
 - cuts the deficit without stifling growth;
 - preserves safety-net protections for the needy;
 - fairly spares no part of the budget, cutting almost \$100 billion from defense, about \$200 billion from domestic (plus interest) spending;
 - clearly sets priorities, eliminating or reforming programs that are not needed, not efficient or not affordable.

THE WHITE HOUSE

WASHINGTON

June 14, 1985

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

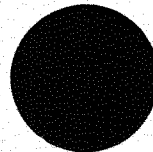
FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Talking Points: Drop-by Mooresville Chamber
of Commerce Meeting at Mac's Restaurant,
Mooresville, Indiana

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

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET



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

Name of Correspondent: Dave Chew

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Talking Points: Drop by Mooresville Chamber of Commerce meeting Mack Restaurant, Mooresville, Indiana

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> CUHOLL </u>	ORIGINATOR	<u> 85106114 </u> _____ _____ _____ _____
	Referral Note:	
<u> CUAT18 </u>	<u> R </u>	<u> 85106114 </u> _____ <u> S </u> <u> 85106114 </u> _____
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	Referral Note:	

ACTION CODES:

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

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

FOR OUTGOING CORRESPONDENCE:

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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: 6/14/85 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. TODAY

SUBJECT: TALKING POINTS: Dropby Mooresville Chamber of Commerce Meeting
Mac's Restaurant, Mooresville, Indiana

(6/14/85 9:30 a.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 type="checkbox"/>	<input checked="" type="checkbox"/>
STOCKMAN	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DANIELS	<input checked="" 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"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<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 provide any comments/recommendations directly to Ben Elliott, with an info copy to my office by 2:00 p.m. today. Thanks.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

(Gilder/BE)
June 14, 1985
9:30 a.m.

Received 5/5
1985 JUN 14 10:00 AM

PRESIDENTIAL TALKING POINTS: DROPHY MOORESVILLE CHAMBER
OF COMMERCE MEETING
MAC'S RESTAURANT
MOORESVILLE, INDIANA
WEDNESDAY, JUNE 19, 1985

- Just stopped by for burger and fries; since you're all here, think I'll stay a while.
- You may have heard about our proposal to overhaul tax code -- make it fairer, simpler, more compassionate. Wanted to bring message directly to you -- in America's heartland. Sometimes communicating through the media, there seems to be a lot of static in the way.
- We call proposal America's Tax Plan -- it will take load off back of long-suffering American taxpayer, take low-income wage earner and retired elderly off tax rolls, and remove tax distortions that are holding American economy back from reaching full potential. Mac's restaurant sums up our message up in two words, when they say: "treat yourself."
- Some people call towns like this "Middle America." When I look around, it seems to me it could be called, "up and coming America."
- One of the best things about our tax proposal is the boost it will give to Main Street America. We're cutting tax rates for small and entrepreneurial businesses -- we're cutting top rate on personal income to 35 percent, on corporations from 46 to 32 percent (while keeping the graduated scale for small corporations), and lowering capital gains again, to 17-1/2 percent. Objective is to

create small business renaissance in America, make this decade the Age of the Entrepreneur.

- I read in The News that Bill Seashols said, one of strengths of Mooresville is: people still believe in work ethic here and they emphasize importance of family.
- That's what America's Tax Plan is all about, too. Will set our economy humming, will be the best jobs creation bill we've ever had. Second, it's will give families and wage earners some long-overdue relief by increasing the standard deduction and practically doubling personal exemption to \$2,000.
- By lowering marginal rates, will allow people to keep more of each extra dollar they earn. If you work overtime, get a raise, save some money and invest it, more of that extra income will end up where it belongs -- in your pocket, not Uncle Sam's wallet.
- By removing low-income earners from tax rolls, the climb up the ladder of success will be easier for everyone.
- Don't be shy: let Congressmen and Senators know how you feel about America's Tax Plan. Congress wants to do what's right, it's just that sometimes they need a little encouragement.
- Now, I'd be glad to answer any questions.

THE WHITE HOUSE

WASHINGTON

June 18, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS, JR. 

SUBJECT: Talking Points

David Chew has asked for comments on the attached talking points as soon as possible. The points cover two areas: agriculture and affirmative action. The agriculture points emphasize that we are providing subsidies and loans to farmers now but that the long-term solution is more open markets. The affirmative action points focus on the City of Indianapolis police and fire quota system, and the Justice Department's efforts to reopen that consent decree on the basis of the Stotts decision. The points emphasize the President's disapproval of quotas, and look to the Stotts decision to support Justice's efforts.

I would change the last bullet item to read: "Despite the fact that the Memphis decision (Firefighters Local Union 1984 vs. Stotts) directly involved only lay-offs, we believe the reasoning of the opinion applies to all employment actions." This is clearer than saying, as the current draft does, "despite the fact that the decision refers only to lay-offs, we believe it refers to all employment decisions."

THE WHITE HOUSE

WASHINGTON

June 18, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

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

SUBJECT: Talking Points

I have reviewed the proposed talking points on agriculture and affirmative action. I would change the last bullet item on affirmative action to read as follows: "Despite the fact that the Memphis decision (Firefighters Local Union 1984 vs. Stotts) directly involved only lay-offs, we believe the reasoning of the opinion applies to all employment actions."

FFF/JGR:jmk
cc: FFFielding
✓GRoberts
subject
chron.

THE WHITE HOUSE

WASHINGTON

June 18, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Talking Points

I have reviewed the proposed talking points on agriculture and affirmative action. I would change the last bullet item on affirmative action to read as follows: "Despite the fact that the Memphis decision (Firefighters Local Union 1984 vs. Stotts) directly involved only lay-offs, we believe the reasoning of the opinion applies to all employment actions."

FFF/JGR:jmk
cc: FFFielding
JGRoberts
subject
chron.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: Dave Chew

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Talking points

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION		
	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUHOLL</u>	ORIGINATOR	<u>8510618</u>			<u>1 1</u>
	Referral Note:				
<u>CUAT 18</u>	<u>D</u>	<u>8510618</u>		<u>S</u>	<u>8510618</u>
	Referral Note:				<u>ASAP</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

ACTION CODES:

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

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- S - Suspended

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- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

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

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/18/85 ACTION/CONCURRENCE/COMMENT DUE BY: IMMEDIATE

SUBJECT: Talking Points

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input 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 type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
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KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide comments on the attached talking points ASAP. Thanks.

RESPONSE:

AGRICULTURE

The Indiana farm economy is in shambles. What can your Administration do to alleviate the crisis?

Billions more in federal funds won't solve problem. Have already spent billions to help farmers.

- * \$53 billion in price supports by end of last year.
- * Made available \$650 million program for short-term help for farmers with credit crunch.
- * Provided loan guarantees for farmers whose local banks failed, and who couldn't find a new private lender without such a guarantee.
- * In terms of government loans, Farmers Home Administration has loaned more money to farmers this year than any other in its history.

Long term solution is more open markets.

- * Our Export Incentive Program will allow exporters to sell agricultural products to foreign countries at a lower price by using USDA surplus commodities to make up the difference. This will allow American farmers to make sales that otherwise would have been made by other countries whose agricultural economies are government subsidized.
- * Your programs will move agriculture toward freer market so American farmers will be able to sell their way out of trouble.

AFFIRMATIVE ACTION

Under the Carter Administration, the City of Indianapolis was forced to adopt an affirmative action program for its police and fire departments. Now, your Administration is telling them to dismantle that program, even though the City apparently likes its affirmative action plan. Will you persist in your efforts?

We are just following the 1984 Supreme Court decision that told the Memphis fire department they could not lay off or fire employees on the basis of race.

It's true that I don't believe in quotas. As I said in my radio address this past Saturday, "The truth is, quotas deny jobs to many who would have gotten them otherwise, but who weren't born a specified race or sex. That is discrimination pure and simple and is exactly what the civil rights laws were designed to stop."

Despite the fact that the Memphis decision (Firefighters Local Union 1984 vs. Stotts) referred only to who could be layed off, we believe the decision refers to all employment actions.

THE WHITE HOUSE

WASHINGTON

December 10, 1985

MEMORANDUM FOR TOM GIBSON
SPECIAL ASSISTANT TO THE PRESIDENT
DIRECTOR, PUBLIC AFFAIRS

FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Talking Points on Job Creation

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

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

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

Name of Correspondent: Dave Chew

MI Mail Report

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

Subject: Jobbing parents on job creation

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>CUHOLL</u>		<u>ORIGINATOR</u>	<u>85112110</u>			<u>1 1</u>
		Referral Note:				
<u>Chat 18</u>		<u>B</u>	<u>85112110</u>		<u>S</u>	<u>85112110</u>
		Referral Note:				<u>4 PM</u>
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		Referral Note:				

ACTION CODES:

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Comments: _____

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/10/85 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 P.M. TODAY

SUBJECT: TALKING POINTS ON JOB CREATION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHAVEZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SS VAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	<u>GIBSON</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"/>
LACY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Tom Gibson by 4:00 p.m. today, with an info copy to my office. Thank you.

RESPONSE:

THE WHITE HOUSE

WASHINGTON

December 10, 1985

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON *tg*

SUBJECT: Draft Talking Points on Job Creation

Attached, for staffing, are draft talking points on the recent employment situation report by the Bureau of Labor Statistics. These materials are for Administration spokesmen.

I'd like to put these out as soon as possible. Thanks very much.

attachment

JOB CREATION MILESTONE

10 Million New Jobs

- o Using a survey of business establishments, the Department of Labor's Bureau of Labor Statistics reports that 10.1 million new payroll jobs have been created in the 36 months since the economic recovery began. This job-creation record is better than any previous 3-year rebound from a recession low.
- o Using the household survey, BLS reports that 8.8 million Americans have found jobs in the past 36 months.
- o The 6.9 percent overall unemployment rate in November equals the lowest rate in the Reagan Administration and amounts to a 35 percent drop in unemployment levels since November 1982 -- the greatest decline in unemployment in 33 years.

Labor Survey Details

- o The Labor Department uses two different surveys to measure job growth:
 - Current Population Survey -- measures people in households who are working, including self-employed, non-salaried household workers; farm employees; military personnel. This is the survey upon which the unemployment rate is based.

Using the Current Population Survey, there were nearly 108 million people employed in November 1985, 8.8 million more than when the recover began 36 months ago.
 - Current Employment Statistics Survey -- counts wage and salary employees whose names appear on nonfarm payrolls. According to this survey, there were 98.8 million people employed in November 1985, 10.1 million more than when the recovery began.

Help Wanted

- o The College Board measures classified advertising in 51 major newspapers across the country to develop its monthly "Help-Wanted Advertising Index."
- o The help-wanted advertising index has nearly doubled since 1982 and now stands at 140 (October 1985).
- o In New England, the help-wanted index stood at 164 in October -- an all-time high.