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Folder Title: JGR/Press Conferences

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THE WHITE HOUSE

WASHINGTON

November 4, 1985

MEMORANDUM FOR TOM GIBSON
DIRECTOR OF PUBLIC AFFAIRS

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

SUBJECT: Talking Points on October Economic
and Domestic Highlights

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

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

D - OUTGOING

N - INTERNAL

I - INCOMING

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

Name of Correspondent: Russ Chew

MI Mail Report

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

Subject: Talking Points on October Economic and Domestic Highlights

ROUTE TO:

ACTION

DISPOSITION

| Agency | Staff Name | Action Code | Tracking Date YY/MM/DD | Type of Response | Code | Completion Date YY/MM/DD |
|----------------|------------|-------------------|------------------------|------------------|------|---------------------------------|
| <u>CW</u> | | ORIGINATOR | <u>85, 11, 01</u> | | | <u>1 1</u> |
| | | Referral Note: | | | | |
| <u>Unit 18</u> | | R | <u>15, 11, 01</u> | S | | <u>15, 11, 04</u> <u>12N</u> |
| | | Referral Note: | | | | |
| | | | <u>1 1</u> | | | <u>1 1</u> |
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| | | 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: 11-01-85 ACTION/CONCURRENCE/COMMENT DUE BY: Noon on 11-04-85

SUBJECT: TALKING POINTS ON OCTOBER ECONOMIC & DOMESTIC HIGHLIGHTS

| | 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"/> |
| MILLER | <input checked="" type="checkbox"/> | <input type="checkbox"/> | OGLESBY | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| BUCHANAN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | RYAN | <input type="checkbox"/> | <input type="checkbox"/> |
| CHAVEZ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| CHEW | <input type="checkbox"/> P | <input checked="" type="checkbox"/> SS | SPRINKEL | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| DANIELS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SVAHN | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| FIELDING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | THOMAS | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| FRIEDERSDORF | <input type="checkbox"/> | <input type="checkbox"/> | TUTTLE | <input type="checkbox"/> | <input type="checkbox"/> |
| HENKEL | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| HICKEY | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 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 submit any remarks/comments directly to Tom Gibson, with informational copies to my office, by noon on Monday, November 4. Thank you.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

November 1, 1985

RECEIVED
NOV - 1 1985

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON *TG*

SUBJECT: Talking Points on Economic and Domestic Highlights
for the Month of October

Attached, for staffing, are talking points covering good economic and domestic news for the month of October. They are for distribution to agency spokesmen.

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

Thanks very much.

OCTOBER HIGHLIGHTS

President's popularity at record highs. President Reagan heads toward the Geneva summit with strong popular support for his handling of foreign affairs. In a Washington Post-ABC News poll, the President's overall approval rating was 63 percent; and 64 percent approved of the President's handling of US-USSR relations, the highest rating since the Post-ABC News poll began asking the question in 1982.

Grenada prospers under freedom. Two years after the October 25 rescue of Grenada, U.S. technical and economic aid there has led to an unprecedented boom. U.S. assistance has totaled \$60 million to date.

Inflation whipped. For the twelve months ending September 1985, the consumer price index rose just 3.2 percent, the slowest rise since a 3 percent inflation rate in 1967. Wholesale prices plunged 0.6 percent in September, the sharpest decline since January 1983.

Job growth continues at steady pace: 415,000 persons were added to U.S. payrolls in October 1985, the largest one-month gain in employment since February 1985. Total employment (including civilian and military) now stands at an all-time high: 109.6 million. About 8.8 million new jobs have been created since November 1982.

Continued labor-management cooperation yields increased productivity and unwinds the wage-price spiral. Chrysler and Wheeling-Pittsburgh Steel workers returned to work in October. Major collective bargaining agreements in the first nine months of 1985 provided 2.3 percent first-year wage hikes, the lowest first-year contract increase since the Labor Department's survey began in 1962. The Labor Department also reported in October that total nonfarm business productivity rose at an annual rate of 3.0 percent in the third quarter of 1985.

Trimming Government waste. On October 28, 1985, President Reagan received the final report of the Grace Commission, the President's Private Sector Survey on Cost Control. The Reagan Administration has adopted, proposed, or is scheduled to propose over 80 percent of the Commission's recommendations to cut waste and improve efficiency in the Federal Government.

Real opportunity for black Americans. A Census Bureau survey released in October showed that the number of black-owned businesses in the U.S. rose 47 percent between 1977 and 1982, from 231,203 to 339,239. According to a report in USA Today, private economists estimate there could be 434,904 black businesses by year's end -- 88 percent more than in 1977.

THE WHITE HOUSE

WASHINGTON

November 7, 1985

MEMORANDUM FOR TOM GIBSON
DIRECTOR OF PUBLIC AFFAIRS

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

SUBJECT: Talking Points on Social Security
and Congressional Budget Crisis

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

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

OUTGOING

INTERNAL

INCOMING

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

Name of Correspondent: Sam Chew

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

Subject: Taking prints on social security and Congressional Budget Crisis

ROUTE TO:

ACTION

DISPOSITION

| Office/Agency (Stat/Matrix) | Action Code | Tracking Date YY/MM/DD | Type of Response | Code | Completion Date YY/MM/DD |
|-----------------------------|-------------------|------------------------|------------------|------------|--------------------------|
| <u>CUHOLL</u> | <u>ORIGINATOR</u> | <u>85,11,09</u> | | | <u>1 1</u> |
| <u>Unit 18</u> | <u>R</u> | <u>85,11,09</u> | | <u>S</u> | <u>85,11,09</u> |
| | | | | <u>COB</u> | |
| | | <u>1 1</u> | | | <u>1 1</u> |
| | | <u>1 1</u> | | | <u>1 1</u> |
| | | <u>1 1</u> | | | <u>1 1</u> |

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- 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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- 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: 11-07 ACTION/CONCURRENCE/COMMENT DUE BY: C.O.B. Today

SUBJECT: TALKING POINTS ON SOCIAL SECURITY & CONGRESSIONAL BUDGET CRISIS

| | ACTION FYI | | | ACTION FYI | |
|----------------|-------------------------------------|--|---------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/> | <input checked="" type="checkbox"/> | OGLESBY | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| REGAN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | |
| MILLER | <input checked="" type="checkbox"/> | <input type="checkbox"/> | RYAN | <input type="checkbox"/> | <input type="checkbox"/> |
| BUCHANAN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input type="checkbox"/> |
| CHAVEZ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SPRINKEL | <input type="checkbox"/> | <input type="checkbox"/> |
| CHEW | <input type="checkbox"/> P | <input checked="" type="checkbox"/> SS | SVAHN | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| DANIELS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | THOMAS | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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"/> |
| McFARLANE | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

REMARKS:

Please submit comments/remarks directly to Tom Gibson, with information copy to my office by the end of today.

Thank you.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

November 7, 1985

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON *TG*

SUBJECT: Talking Points/Issue Briefs on Recent Actions on
Social Security and Congressional Delay on
Government Fiscal Matters

Attached, for staffing, are talking points/issue briefs on recent actions on Social Security and Congressional delay on government fiscal matters. Treasury and OMB have reviewed a first draft and have commented on the numbers and tone. Of course they should comment on this draft as well.

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

Thanks very much.

SOCIAL SECURITY INTEGRITY PRESERVED

On November 1 and 4, in the midst of a financial crisis spawned by continued Congressional bickering and inaction, the Administration took unprecedented steps to keep November's Social Security checks payable and on schedule.

As required by law, Treasury Secretary Jim Baker redeemed some of the Social Security Trust Fund's assets -- U.S. Treasury certificates -- to raise money to pay benefits people need for rent, food, clothing and other necessities. The assets in the Trust Fund are there precisely for this purpose and will be restored.

Social Security assets are not being used to pay other obligations of the Federal Government.

The only alternative was to pay November's Social Security benefits out of general revenues which were inadequate -- and would accelerate the crisis, created by Congressional inaction, and cause the government to default.

Playing Politics With Social Security

As before, it appears that certain members of the Democratic Party -- who during the late 1970s ran the Social Security System into near bankruptcy -- are preying upon the fears of older Americans for cheap political advantage.

Democrats hope to terrorize Social Security recipients into thinking their benefits are not secure. -This suits the short-term political whims of certain unscrupulous Democratic politicians, especially in the House leadership.

The Solution:

If Congress would stop its posturing, fulfill its obligations, and pass a debt ceiling bill and appropriations bills called for by law, all Americans would breathe easier and this Democrat-generated "scare plan" on Social Security would evaporate overnight.

THE CONGRESSIONAL BUDGET CRISIS

The Constitution gives Congress the power to collect revenues "to pay the Debts and provide for the common Defence and general Welfare of the United States."

In the past, when Congress has delayed action on individual appropriation bills, the President has been required by law to shut down affected agencies. This time, the crisis is government-wide.

Unless the Congress passes a debt ceiling extension bill, the Federal Government will run out of money by November 14. Federal checks to cover military salaries, pensions, student aid benefits, the bills of vendors, principal and interest on our national debt, or any of a multitude of government's obligations will bounce.

The problem: Congress has completely abrogated its responsibility to set a Federal budget and pay the bills.

Congressional Mismanagement and Delay

This year, Congress failed to meet every deadline required by its own 1974 Budget Act to keep the Government running:

- o First Concurrent Budget Resolution. Deadline: May 15, 1985. Action: August 1, 1985 -- two and one-half months late.
- o Second Concurrent Budget Resolution. Deadline: September 15, 1985. Action: no action taken.
- o Appropriation Bills. Deadline: September 30, 1985. Action: None passed by statutory deadline and only two passed to date. A temporary continuing resolution was substituted for all appropriations bills. It expires on November 15, 1985.
- o Debt Ceiling Extension. Current Deadline: November 14, 1985. Action: Pending -- emergency actions by the Administration have covered Congressional inaction until November 14, 1985.

The Solution:

Congress should end its posturing and fulfill its Constitutional and statutory obligations and pass appropriations bills and debt ceiling legislation.

Until Congress acts responsibly and breaks the current budget impasse, the President will take all available actions to sustain government services and ensure that Social Security checks are honored.

THE WHITE HOUSE

WASHINGTON

November 12, 1985

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

FROM: JOHN G. ROBERTS *JGR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Talking Points Regarding Social
Security and Budget Crisis

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 (YYMMDD) 1 1

Name of Correspondent: Devin Crew

MI Mail Report

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

Subject: Subjunctive points re: Social Security & Budget Crisis

ROUTE TO:

ACTION

DISPOSITION

| Office/Agency (Staff Name) | Action Code | Tracking Date YYMM/DD | Type of Response | Code | Completion Date YYMM/DD |
|----------------------------|-------------------|-----------------------|------------------|------|----------------------------------|
| <u>CKHOLL</u> | <u>ORIGINATOR</u> | <u>5,11,12</u> | | | <u>1 1</u> |
| | Referral Note: | | | | |
| <u>CUAT 18</u> | <u>B</u> | <u>5,11,12</u> | | | <u>3 85,11,12</u> <u>10am</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:

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- I - Info Copy Only/No Action Necessary
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- S - For Signature
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DISPOSITION CODES:

- A - Returned
- EB - Non-Special Referral
- ED - Completed
- ES - Suspended

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/11/85 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. TOMORROW 11/12

SUBJECT: TALKING POINTS RE SOCIAL SECURITY & BUDGET CRISIS

| | ACTION FYI | | | ACTION FYI | |
|----------------|-------------------------------------|-------------------------------------|---------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/> | <input checked="" type="checkbox"/> | OGLESBY | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| REGAN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | |
| MILLER | <input checked="" type="checkbox"/> | <input type="checkbox"/> | RYAN | <input type="checkbox"/> | <input type="checkbox"/> |
| BUCHANAN | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| CHAVEZ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SPRINKEL | <input type="checkbox"/> | <input type="checkbox"/> |
| CHEW | <input type="checkbox"/> | <input checked="" type="checkbox"/> | SVAHN | <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 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"/> |
| McFARLANE | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

REMARKS:

Please provide any comments/edits directly to Tom Gibson by 10:00 a.m. tomorrow, with an information copy to my office. Thank you.

RESPONSE:

SOCIAL SECURITY INTEGRITY PRESERVED

On November 1 and 4, in the midst of a financial crisis spawned by Congressional bickering and inaction, the Administration took unprecedented steps to keep November's Social Security checks payable and on schedule.

As authorized by law, Treasury Secretary Jim Baker accelerated redemption of some of the Social Security Trust Fund's assets -- U.S. Treasury securities -- to raise money to pay Social Security benefits people need for rent, food, clothing and other necessities.

The assets in the Trust Fund are there precisely for this purpose and are not being used to pay other obligations of the Federal Government. Any loss to the fund because of Congressional inaction can be cured by new legislation.

Playing Politics With Social Security

Some in the Democratic Party have tried to cast the actions by the Secretary of the Treasury as a partisan issue, and in so doing have terrorized Social Security recipients into thinking their benefits are not secure.

The Solution:

Despite Congressional posturing, the President is committed to keeping Social Security checks in the mail and payable. Congress must fulfill its obligations, pass debt ceiling legislation and work to restore -- not shake -- public confidence in the Social Security system.

THE CONGRESSIONAL BUDGET CRISIS

The Constitution commits to Congress the powers (1) to collect revenues "to pay the Debts and provide for the common Defence and general Welfare of the United States," and (2) to "borrow Money on the Credit of the United States."

In the past, when Congress has delayed action on individual appropriation bills, the President has been required by law to shut down affected agencies. This time, because of the debt limit, the impending crisis is government-wide.

Unless Congress passes a debt ceiling extension bill by midnight November 14, the Federal Government will default November 15. Federal checks to cover pensions, military salaries, principal and interest on the national debt, student aid benefits and a multitude of government's obligations will bounce beginning on November 15.

The cause of this potential financial crisis: Congress has refused to take the necessary action to enable us to pay our bills.

Congressional Mismanagement and Delay

This year, Congress failed to meet every deadline required by the 1974 Budget Act to keep the Government running:

- o First Concurrent Budget Resolution. Deadline: May 15, 1985. Action: August 1, 1985 -- two and one-half months late.
- o Appropriation Bills. Deadline: September 30, 1985. Action: Not a single one passed by statutory deadline and only two sent to the President to date -- Congress's own appropriation and the appropriation for Energy and Water. A temporary continuing resolution was substituted for the 11 other appropriation bills not yet passed. This, too, expires on midnight November 14, 1985.
- o Debt Ceiling Extension. Current deadline: midnight November 14, 1985. Action: Pending -- emergency actions by the Administration have covered Congressional paralysis -- but only until midnight November 14, 1985.

The Solution:


Congress should cease dithering and fulfill its Constitutional and statutory obligations, and prevent the United States of America from going into default before the end of the week.

THE WHITE HOUSE

WASHINGTON

November 13, 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 -- Education Vouchers

Counsel's Office has reviewed the proposed talking points on the Equity and Choice Act of 1985. The Act raises serious and close questions under the Supreme Court's interpretation of the Establishment Clause. The Education Department advises that its Office of General Counsel has reviewed the Act and is confident of its constitutionality, but Administration spokesmen should expect and be prepared to answer questions on that score.

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 - Education Vouchers

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>1 1</u> | | | <u>1 1</u> |
| | <u>CUAT 18</u> | <u>R</u> | <u>05/11/12</u> | | <u>B</u> | <u>05/11/12</u> |
| | | <u>Referral Note:</u> | | | | <u>11AM</u> |
| | | | <u>1 1</u> | | | <u>1 1</u> |
| | | <u>Referral Note:</u> | | | | |
| | | | <u>1 1</u> | | | <u>1 1</u> |
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| | | | <u>1 1</u> | | | <u>1 1</u> |
| | | <u>Referral Note:</u> | | | | |

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Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, DEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2560.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 11-12-85 ACTION/CONCURRENCE/COMMENT DUE BY: 11:00 a.m. 11-13-85

SUBJECT: TALKING POINTS ON EDUCATION VOUCHERS

| | ACTION FYI | | | ACTION FYI | |
|----------------|-------------------------------------|-------------------------------------|---------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/> | <input checked="" type="checkbox"/> | OGLESBY | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| REGAN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | |
| MILLER | <input type="checkbox"/> | <input type="checkbox"/> | RYAN | <input type="checkbox"/> | <input type="checkbox"/> |
| BUCHANAN | <input type="checkbox"/> | <input type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input type="checkbox"/> |
| CHAVEZ | <input checked="" type="checkbox"/> | <input type="checkbox"/> | SPRINKEL | <input type="checkbox"/> | <input type="checkbox"/> |
| CHEW | <input type="checkbox"/> | <input checked="" type="checkbox"/> | SS SVAHN | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| DANIELS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | THOMAS | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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"/> |
| McFARLANE | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

REMARKS:

Please submit any comments/remarks directly to Tom Gibson
by 11:00 a.m. tomorrow. Thank you.

RESPONSE:

THE WHITE HOUSE
WASHINGTON

Received
NOV 12 01 53 PM '85

November 12, 1985

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON *TG*

SUBJECT: Talking Points on Education Vouchers

Attached, for staffing, are draft talking points on the Administration's educational vouchers proposal, The Equity and Choice (TEACH) Act of 1985. The Administration bill is being unveiled by Secretary Bennett tomorrow.

ADMINISTRATION INITIATIVE FOR EDUCATIONAL OPPORTUNITY

The Equity and Choice Act of 1985

The Reagan Administration has unveiled The Equity and Choice (TEACH) Act of 1985, to provide choice in education through a voucher plan. This legislation, the most recent initiative in the Administration's longstanding campaign to promote excellence in education, will shortly be introduced in Congress.

The Administration's proposed voucher system for educationally disadvantaged students (Chapter 1 participants) will enable low-income parents to exercise the right to choose the public or non-public school which best suits their children's needs.

TEACH, announced by Education Secretary William Bennett on November 13, 1985, will provide funds directly to parents of educationally disadvantaged children. Greater involvement of parents will better serve both students and schools.

TEACH is a sound response to the U.S. Supreme Court's Felton decision, which prohibits the provision of Chapter 1 services by public school teachers to children on religious school premises. Voucher funds go to parents, not teachers or schools, avoiding potential Constitutional entanglements.

Benefits of TEACH

The Administration's proposed legislation is a bold stroke for equal opportunity and educational excellence.

- o TEACH fulfills the promise of Chapter 1 by expanding the range of choices available and addressing students' individual needs.
- o TEACH gives poor families some of the educational choice already available to affluent families who can select a school through choice of neighborhood or choice of public school.
- o The Administration's voucher proposal introduces some healthy competition into the American education system -- improving the quality of education in all schools, both public and non-public.

Public Opinion and Choice

According to a 1985 Gallup Poll, 59 percent of blacks and a similar majority of persons living in central cities support an educational voucher system.

THE WHITE HOUSE

WASHINGTON

November 13, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Red Cross Press Release

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

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

OUTGOING

INTERNAL

INCOMING

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

Name of Correspondent: Dave Chew

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

Subject: Red Cross Press Release

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>CU HOLL</u> | | <u>ORIGINATOR</u> | <u>85/11/13</u> | | | <u>1 1</u> |
| | | Referral Note: | | | | |
| <u>CUAT 18</u> | | <u>R</u> | <u>85/11/13</u> | | <u>S</u> | <u>85/11/13</u> |
| | | Referral Note: | | | | <u>11:30 am</u> |
| | | | <u>1 1</u> | | | <u>1 1</u> |
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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:

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- D - 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, DEOB).
 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: 11-13-85 ACTION/CONCURRENCE/COMMENT DUE BY: 11:30 a.m. TODAY

SUBJECT: RED CROSS PRESS RELEASE

| | ACTION FYI | | | ACTION FYI | |
|----------------|-------------------------------------|-----------------------------|----------|--------------------------|--------------------------|
| VICE PRESIDENT | <input type="checkbox"/> | <input type="checkbox"/> | OGLESBY | <input type="checkbox"/> | <input type="checkbox"/> |
| REGAN | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| MILLER | <input type="checkbox"/> | <input type="checkbox"/> | RYAN | <input type="checkbox"/> | <input type="checkbox"/> |
| BUCHANAN | <input type="checkbox"/> | <input type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input type="checkbox"/> |
| CHAVEZ | <input type="checkbox"/> | <input type="checkbox"/> | SPRINKEL | <input type="checkbox"/> | <input type="checkbox"/> |
| CHEW | <input type="checkbox"/> P | <input type="checkbox"/> SS | SVAHN | <input type="checkbox"/> | <input type="checkbox"/> |
| DANIELS | <input type="checkbox"/> | <input type="checkbox"/> | THOMAS | <input type="checkbox"/> | <input type="checkbox"/> |
| FIELDING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | TUTTLE | <input type="checkbox"/> | <input type="checkbox"/> |
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| LACY | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| McFARLANE | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

REMARKS:

Is the attached press release OK with your office to go this afternoon?

RESPONSE:

NOV 13 11 08 AM '85

THE WHITE HOUSE
WASHINGTON



November 13, 1985

MEMORANDUM FOR: DAVID CHEW
FROM: FREDERICK J. RYAN, JR. *FJR*
SUBJECT: Red Cross Press Release

Today at 2:15 p.m., the President will meet with Red Cross Chairman George Moody and Red Cross President, Richard Schubert to discuss their \$20 million disaster relief campaign.

The fund-raising drive was announced on November 7 to ensure that the Red Cross can continue to meet disaster victims' needs. To date, the Red Cross has committed almost \$48 million on a series of natural disasters that have hit the United States. This year is only the third time this century that five or more hurricanes have hit the U.S. mainland.

President Reagan will also be doing a public service announcement and promoting various private sector initiatives that are being developed to assist them with their campaign.

Attached is a draft press release we would like to have made available through the White House Press Office after the meeting today.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 13, 1985

President Ronald Reagan today presented the American Red Cross with a letter of support for its \$20 million emergency disaster relief campaign announced November 7. Red Cross Chairman, George M. Moody, and President, Richard F. Schubert, accepted the letter urging Americans to give generously towards the fund-raising campaign launched to meet current and future disaster demands.

The fund-raising drive was begun to ensure that the Red Cross can continue to meet disaster victims' needs. To date, the Red Cross has committed almost \$48 million on a series of natural calamities that have struck U.S. mainland and Puerto Rico since July 1, 1985. This year is only the third time this century that five or more hurricanes have hit U.S. mainland. The five hurricanes were "Bob," "Danny," "Elena," "Gloria," and "Juan." Other disasters such as fires, floods, chemical spill evacuations and the Puerto Rican mud slides have added to Red Cross expenditures.

Since July 1, 1985 the Red Cross has operated 2,026 shelters housing 900,000 people. More than 22,000 Red Cross volunteers and paid staff have fed more than 4 million disaster victims. Approximately 31,400 families have received Red Cross financial assistance.

The Red Cross expects to spend almost \$10 million on the current relief operation in Virginia, West Virginia, Maryland and Pennsylvania. More than 4,500 Red Cross volunteers and paid staff served 25,000 meals and distributed 5,000 cleanup kits to families affected by the floods.

President Reagan will also be doing a public service announcement and promoting other private sector initiatives to support the American Red Cross.


People wishing to help disaster victims can send donations to their local Red Cross chapters or to the American Red Cross, "Emergency Disaster Relief Campaign," P.O. Box 37243, Washington, D.C. 20013

THE WHITE HOUSE

WASHINGTON

January 3, 1986

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

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Draft Domestic Briefing Materials

Counsel's Office has reviewed the draft domestic briefing materials. It is our understanding that the first item in the third bullet on the page entitled "Homeless" will be revised to delete any numerical description (the number of beds has been the subject of litigation) and to delete the description of the shelter as a "Navy" facility.

cc: David L. Chew

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YYMMDD) 1 1 1

Name of Correspondent: David Crew

MI Mail Report

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

Subject: Draft Domestic Breeding Materials

ROUTE TO:

ACTION

DISPOSITION

| Office/Agency (Staff Name) | Action Code | Tracking Date (YYMMDD) | Type of Response | Code | Completion Date (YYMMDD) |
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- S - Suspended

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

Comments: _____

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

EXTREME CLOSE HOLD

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/2/86 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 1/3/86

SUBJECT: DRAFT DOMESTIC BRIEFING MATERIALS

| | ACTION | FYI | | ACTION | FYI |
|----------------|-------------------------------------|-------------------------------------|-----------------|-------------------------------------|-------------------------------------|
| VICE PRESIDENT | <input type="checkbox"/> | <input type="checkbox"/> | POINDEXTER | <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 checked="" type="checkbox"/> | <input type="checkbox"/> | SPEAKES | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| CHAVEZ | <input type="checkbox"/> | <input type="checkbox"/> | SPRINKEL | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
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| FIELDING | | | TUTTLE | <input type="checkbox"/> | <input type="checkbox"/> |
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| HICKS | <input type="checkbox"/> | <input type="checkbox"/> | <u>BRASHEAR</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
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REMARKS:

Please submit your comments on the attached directly to Tom Gibson in Room 160 by noon tomorrow. Thank you. *w/ info copy to our office.*

RESPONSE:

EXTREME CLOSE HOLD

PRINCIPAL ACHIEVEMENTS OF 1985

Economy

- o America enters her fourth year of economic recovery and expansion.

Tax Reform

- o Because of RR's personal involvement, the process has been kept alive by House passage of most sweeping reform legislation in more than 40 years. Markers have been set out for Senate action in 1986.

Gramm-Rudman-Hollings

- o Most sweeping anti-deficit legislation in history. RR committed to work with Congress to meet deficit targets.

Farm Policy

- o Market-oriented approach reinstated, reversing failed policies of past administrations.

Geneva Summit

Growing bipartisanship in foreign policy:

- o Congress voted \$1.5 billion for 21 additional MX missiles, bringing the total to 50.
- o In June, Congress voted to resume aid to freedom-fighters in Nicaragua, reversing the House vote in May.
- o Clark Amendment was repealed, allowing the U.S. to aid those on the side of freedom in Angola (Savimbi/UNITA).

Free and Fair Trade

- o RR stemmed tide of protectionism by tough enforcement of existing trade laws and multilateral steps to revalue currencies.

Achille Lauro

- o Demonstration of U.S. resolve to bring terrorists to justice, wherever they hide.

ECONOMIC UPDATE

- o Entering the fourth year of economic recovery and expansion:
 - Stock market at record highs; December 16, Dow-Jones hit 1553, an all-time high.
 - Inflation for the year at about 2.9 percent; you have to go back to 1966-1968 to find three straight years of lower inflation.
 - Job creation -- There are nearly 9 million more Americans working today than there were in November 1982; a record number of Americans are now employed -- nearly 108 million.
 - Interest rates down -- prime dropped to lowest level in 7 years -- critics said they'd be up in 1985. Interest on Treasury notes also hit seven-year lows this year.
 - Energy prices trending down -- About 45 percent decline in real terms since RR ordered immediate decontrol in January 1981. OPEC cartel no longer dictates prices.

Economic Outlook for 1986

- c RR looks to 1986 with justifiable optimism.
- o CEA projections:
 - (1) GNP growth: 4%
 - (2) Unemployment rate: to drop from 6.9% to 6.7%
 - (3) Inflation to remain low (under 4%)
 - (4) Long-term interest rates to continue to fall

NOTE: CEA also forecasts that short-term interest rates may rise -- interest rate on 91-day Treasury bills is forecasted to rise from 7% to 7.3%. In addition, CEA projects inflation rate (GNP deflator) to increase from estimated 2.9% in 1985 to 3.8% for 1986.

- o Commerce Department projects nearly 80 percent of the U.S. manufacturing sector will enjoy increased shipments in 1986; vast majority will post higher revenues.

Additional Encouraging Trends

- o Recent Federal Reserve actions reinforce downward trend in interest rates. With OPEC cartel's troubles, no reason to expect cost of energy to reignite inflation.
- o Lower interest rates in 1985 helped housing, cars, and other big-ticket purchases.
- o Administration efforts led to 20 percent decline in value of the dollar; imports should flow in more slowly in 1986 -- good news for U.S. manufacturers.

GRAMM-RUDMAN-HOLLINGS

- o RR is pleased that there is a strong working consensus in the Congress to reduce the deficit and balance the budget.
- c It is important to distinguish between the purpose and process of G-R-H. The purpose of G-R-H is to make the federal budget process work. The automatic cuts of G-R-H will take effect only if the federal budget process fails.
- o G-R-H is historic: For the first time, sets us on a firm path of deficit reduction. The financial markets are already reflecting this hopeful new prospect.

Constitutional Questions

- o The Justice Department has moved for a dismissal of the suit brought by Rep. Mike Synar and others only because they don't think Members of Congress have standing to sue.
- o Justice Department attorneys do favor an expedited review of the constitutional questions posed by G-R-H and welcome a suit by plaintiffs with standing. DOJ expects such a suit to be filed in the near future.
- o The Justice Department is fulfilling its responsibility to enforce the law and uphold the Constitution.
- o Justice Department action will not prevent the important purposes of G-R-H from being accomplished in a timely fashion.
- o In G-R-H, constitutional questions were anticipated by the Congress; some remedies already included in legislation.

NOTE: A provision of the Act grants standing to Members of Congress who wish to file a constitutional challenge to G-R-H. Article III of the Constitution requires that a "case or controversy" exist before a matter can be litigated in the Federal court.

Note on Sequestering Process

- o There is likely to be a "sequester" under Gramm-Rudman-Hollings for FY 1986, to take effect March 1. It will be a maximum of \$11.7 billion, of which half would come from defense.
- o RR's aim, and presumably that of the Congressional leaders, will be to avoid a sequester next October for 1987. The deficit target can be met and a sequester avoided while preserving the planned 3 percent growth in defense and without higher taxes. All it takes is a little courage to cut back domestic spending of lower priority.

IMPACT OF GRAMM-RUDMAN-HOLLINGS ON FOREIGN AFFAIRS

- o I intend to submit budgets for the 1987 fiscal year and for future years that will meet the deficit targets established in G-R-H.
- o This will require some tightening of operations in all parts of government, including the operations and programs of the foreign affairs agencies.
- o I intend to develop my future budgets as I have in the past, to meet, to the maximum extent possible, the requirements for defense and foreign assistance.
- o The key to implementation of G-R-H will be close cooperation between the Administration and the Congress to reach a consensus on our national priorities which provides adequate resources for the conduct of foreign affairs.
- o It would be an abdication of our responsibilities for the Administration and the Congress to fail to agree on programs which reflect the national security and foreign affairs priorities which the American people have elected us to carry out. Such a failure to agree would, under Gramm-Rudman, trigger arbitrary, automatic spending cuts, and thus severely limit our ability to carry out those initiatives which have brought this country out of the doldrums and paralysis of the 1970s.

AIRLINE SAFETY

- o RR knows only too well that Americans are concerned about airline safety. One accident, one lost life, is too many.
- o RR spent a cold December morning with the families who were part of the tragedy in Gander, Newfoundland.
- o No common thread to the tragedies in U.S. or worldwide.
- o As part of an ongoing inspection effort, the FAA has ordered an eight-week review, beginning next week, of airline engine maintenance and service facilities.
- o While deregulation has reduced most ticket prices, there have been no reductions in the FAA safety standards and inspection procedures.
- o Secretary of Transportation has announced plans for an additional 150 inspectors in 1986.
- o Not one accident in 1985 has been attributed to an error by air traffic controllers.

NOTE: More people have died in 1985 aviation accidents worldwide than in any previous year. The mysterious Air India crash, and the Japan Air Lines crash (lost tail section, Boeing 747) killed 850 people.

During the holidays, a crash of a private plane into a California shopping center and the death of musician Rick Nelson drew wide media attention.

TRADE

- o RR seeks to reduce trade deficit by opening global markets to U.S. products, but insists on fair play. In a fair and open world market, America can out-innovate, out-compete and out-sell anybody in the world.

Trade Deficit

- o Yes, it's high, but largely because our economic performance has been better than our trading partners.
- o Answer is to reduce U.S. budget deficit and for trading partners to improve economic performance. Recent progress has adjusted dollar's value, but it will take time to reduce trade deficit permanently.
- o Also taking aggressive steps to fight unfair trade practices in other countries.
- o Must keep the problem in perspective. Our free and fair trade policies have helped create nearly 10 million new jobs in the last three years. We are doing better than most countries that have protectionist trade policies.

Trade Legislation

- o Happy to work with Congress as it seeks to restore a level playing field for American business.
- o Interested in seeing legislation that would strengthen our ability to enforce fair trade. Also want authority for a new round of GATT negotiations.
- o But will not approve protectionist legislation.

Anti-Trust Laws

- o RR is considering amendments to our major antitrust laws -- the Sherman Act of 1890 and the Clayton Act of 1914 -- that were recommended by the Economic Policy Council and the Domestic Policy Council.
- o Since the days of those landmark statutes, the world has changed considerably.
- o We now have a global economy, demonstrated by the fact that 70 percent of American goods face import competition.
- o We must adjust to this global economy and that adjustment should include refining our antitrust laws to reflect the dynamics of world trade.

BUDGET POLICY

- Before Gramm-Rudman-Hollings was enacted, RR instructed OMB Director Jim Miller to aim for a 1987 deficit no higher than \$144 billion.
- Miller is working to produce a budget within those limits, and though nothing final has been decided on any specific item, the budget will meet the goal.
- RR has already announced that the Administration will be asking for three percent growth in defense, and will not touch Social Security or ask for higher taxes.
- RR will deliver a budget that will promote even greater economic growth and job creation.

Privatization

- Without going into specifics, it is true that privatization will be a theme of this year's budget.
- Many government activities, at all levels, can be more efficiently carried out by the private sector at the local level.

NOTE: There have been leaks in the press that the FY 87 budget will propose an unprecedented effort to sell federal government assets; the FHA, for example.

BUDGET RECONCILIATION

- o If the budget process is to ever work, it must work at every step along the way. Once both Houses agree to a budget resolution, they must then enact the specific budget savings in the form of legislation.
- o In light of the recently enacted Gramm-Rudman-Hollings bill, it is important now, more than ever, to achieve the maximum level of savings.
- o Before going home for Christmas, the Congress failed to enact a Reconciliation Bill. One reason was our threat to veto a bill that -- as drafted by either House -- contained numerous objectionable provisions: new taxes and phoney savings.
- o RR will not accept new taxes in order to meet savings targets set forth in the budget resolution. We must find the discipline to cut deficits through spending cuts.

FARM POLICY

The 1985 Farm Bill

- o Food Security Act of 1985 -- the farm bill -- makes major strides toward the market-orientation sought by RR, while maintaining income support for Nation's farmers.
- o Over time, loan rates and crop price support levels will be adjusted to market levels, thus helping make our commodities more competitive in the international marketplace.
- o Many of the more costly 1981 program changes have been modified or eliminated.
- o Although this bill is not perfect, it is an improvement over current policy and it will allow us to keep our commitment to America's farmers.

Farm Credit Legislation

- o Legislation maintains a viable Farm Credit System -- a private, farmer-owned cooperative which provides more than 1/3 of all money loaned to U.S. farmers.
- o Gives stronger regulatory authority to Farm Credit Administration to run the system like a business, use its own resources efficiently.
- o Allows Treasury to provide assistance only if System uses all its resources and can demonstrate need for extra help. However, RR believes this will not be necessary.

FmHA Foreclosure Notices

- o RR is genuinely concerned about the plight of the farmers and has taken steps to help; in 1985, RR directed existing resources to be used to help farmers in a credit crunch -- so that the spring planting could proceed. Federal price support assistance has topped \$60 billion over the past five years.
- o Farmers Home Administration (FmHA) will begin notifying farmers this week that if they are delinquent on federal loans, they must immediately take steps to repay or restructure those loans.
- o Under a November 1983 court ruling, FmHA will outline all options available to these farmers, including foreclosure.

NOTE: In November 1983, a federal judge ordered FHA to halt these notifications pending completion of regulations giving farmers various options for handling their debts. These regulations were published in the Federal Register in November 1985.

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HOMELESS

- o The problem is tragically real -- particularly in our cities.
- o It must be addressed by each community, with ~~with~~ compassion, joining where possible the resources of governments with concerned private groups and organizations.
- o In Washington:
 - A new 400-bed Navy facility in Anacostia has been made available to the city's homeless until a more permanent solution can be implemented.
 - The Administration has pledged \$3.7 million to the Coalition for the Homeless, a non-profit group representing several organizations that share our concern for homeless persons in Washington.
 - RR wants to reiterate what we said just before New Year's: We will not forcibly evict anyone from that shelter so long as the cold weather remains dangerous to those without shelter.

AFFIRMATIVE ACTION

- o RR's view is now, and has always been, that quotas are wrong no matter whom they apply to and they are a disservice to all Americans.
- o There are various proposals to revise federal rules concerning the use of quotas as they pertain to federal contract compliance.
- o RR has not reviewed any proposals.

GOP Platform on Affirmative Action:

"The Republican Party is the party of equal rights. From its founding in 1854, we have promoted equality of opportunity....

"Americans demand a civil rights policy premised on the letter of the Civil Rights Act of 1964. That law requires equal rights; and it is our policy to end discrimination on account of sex, race, color, creed, or national origin....

"Just as we must guarantee opportunity, we oppose attempts to dictate results. We will resist efforts to replace equal rights with discriminatory quota systems and preferential treatment."

HEALTH ISSUES

AIDS

- o AIDS education and research continues to be a top priority of the Administration. By the end of this year, the federal government will have spent almost half a billion dollars to fight AIDS.
- o While AIDS continues to be a major threat to the public health, it appears that the rate of increase of reported cases is slowing, and there is still no evidence that it can be spread through casual contact.
- o We all have long-term hopes for drugs and vaccines against AIDS, but none are immediately at hand.
- o Meanwhile, major efforts should focus on prevention, and lowering the risks of spreading the disease.

Catastrophic Health Insurance

- o Catastrophic Health Insurance is the purest form of health insurance -- it provides protection against the financial consequences of very high cost, low probability, illness or injury.
- o Nearly 30 million Americans are without health insurance of any kind for at least a portion of the year.
- o This is not an new issue for RR or for this Administration. RR proposed a catastrophic health insurance plan for California.
- o And in 1983 the Administration proposed catastrophic protection for Medicaid beneficiaries. HHS Secretary Bowen has written about adding catastrophic coverage under Medicare.
- o We are examining this important and broad issue, and will shortly determine if there is an appropriate role here for the federal government.

TAX REFORM

- House bill is a good start, not a final product. More must be done to broaden the tax base, reduce tax rates further, and lower the cost of capital.
- RR will work for these improvements and oppose any final legislation which does not meet RR's standards of true tax reform, especially increased economic growth.
- RR has received assurances from Senate GOP leaders that they will work with him this spring to improve the bill and give RR something that can be signed.
- In June 1985, one month after RR unveiled Administration proposal, a New York Times columnist wrote that tax reform bill was dead. After the bill passed the House, that surprised columnist wrote: "How did it happen?"

Highlights

- Under the House bill, most median-income families of four would receive substantial tax relief; the largest percentage reductions in taxes would be received by low income taxpayers.
 - The top individual rate is reduced to its lowest level since 1931.
 - 93 percent of all taxpayers would be in the 15 or 25 percent bracket.
 - 85 percent of all taxpayers, at every income level, would receive a tax reduction or experience no change in tax.
 - Corporate tax rates are reduced to their lowest level since 1941.
- The personal exemption and standard deductions are increased substantially, and millions of working poor will be removed from the tax rolls.
- Tax shelters are curtailed, special preferences are eliminated or restricted, and a stiff minimum tax is imposed.

Politics of Tax Reform

- o Constitution requires tax bills to start in the House of Representatives, where the Democrats have the majority.
- o House Ways and Means Committee, which writes tax legislation, is stacked two-to-one against the Republicans.
- o Naturally, House GOP would have preferred their tax reform vehicle to pass the House and eventually be signed into law.
- o It was apparent from the beginning that it would take bipartisan support to get tax reform through the House. There were some understandable differences of opinion on the tax reform bill as this bipartisan effort was being assembled.
- o RR is confident that what will finally emerge from the Senate will be a better bill -- one that even larger majorities of Congress, from both sides of the aisle, can support.