THE WHITE HOUSE

WASHINGTON

September 13, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS
DEBORAH K. OWEN (for Bridges)

SUBJECT: Domestic Briefing Materials for Press Conference

David Chew has asked that comments on the above-referenced briefing materials be sent directly to Tom Gibson by 2:00 p.m. today. The materials discuss tax reform, the budget, trade, agriculture, AIDS, judicial selection, revisions to E.O. 11246 (affirmative action), comparable worth, Hispanic poverty, the supposed lack of women appointees, immigration reform, congressional relations, and bank failures.

The AIDS briefing points consider the dispute over admitting AIDS-afflicted children into the public schools. The third bullet item contains the statement that "as far as our best scientists have been able to determine, AIDS virus is not transmitted through casual or routine contact." I do not think we should have the President taking a position on a disputed scientific issue of this sort. He has no way of knowing the underlying validity of the scientific "conclusion," which has been attacked by numerous commentators. I would not like to see the President reassuring the public on this point, only to find out he was wrong later. There is much to commend the view that we should assume AIDS can be transmitted through casual or routine contact, as is true with many viruses, until it is demonstrated that it cannot be, and no scientist has said AIDS definitely cannot be so transmitted. I would simply delete the third bullet item.

I would also drop the last bullet item, stating that the President does not view this issue as "a strictly civil rights issue." The previous points state how the President sees the issue, and it should be left at that, without introducing possibly confusing references to civil rights. Certainly civil rights concerns are implicated, and this is in that sense a "civil rights issue," but that does not mean countervailing concerns do not outweigh any civil rights claims.

WH2-26631

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Federal Judge Selection/Too Political?:

The briefing materials in this area make five points: (1) charges of abuses are "moot"; (2) the President's nominees have received "extremely high" ABA ratings; (3) judicial appointment is a "Constitutional right and responsibility of the Chief Executive"; (4) it has been the practice of this President and his predecessors to appoint judges "who share similar attitudes concerning the role of the judiciary"; and (5) it "sounds like some folks are finally getting around to harvesting sour grapes from last November." (Emphasis in original.)

Point 1 is unclear and should be deleted, in my view. The description of abuse charges as "moot" suggests that there possibly may be substance to them. As an alternative, the first point would more appropriately be the one you made in the National Public Radio interview: "This Administration looks for nominees who are intelligent and very well-qualified." Point 2, relating to the ABA ratings, supports this.

I have no objection to Point 3 or Point 4. However, the latter would be strengthened if it were followed by a Point similar to one you made in the NPR interview: "There is no 'litmus test.' This Administration is attempting to restore a balance on the Federal judiciary that does not exist now with the judicial activism we see. Judges should interpret the law, not make it or execute it."

Point 5 should also be deleted, even though it is probably true to a certain degree. It implies that politics may be involved, a position we are trying to disclaim in the earlier Points.

Finally, since questions about the Administration's appointment of women and minorities to the bench are frequently raised in the press, and might be the focus of an initial, or follow-up, question, it might be advisable for Mr. Gibson to provide the President with back-up materials describing the Administration's achievements in this area.

The E.O. 11246 points are noncommital, simply noting that the President hopes for a color-blind society and would support changes to the extent they would further this goal.

The comparable worth points are incomplete in that they contain no reference to the recent Ninth Circuit decision. I would add the following between the current third and fourth bullets: "The U.S. Court of Appeals for the Ninth Circuit recently rejected a comparable worth suit brought by

state and local government workers against the State of Washington. That court decision reaffirms what we have been saying."

The attached draft response to Tom Gibson makes the foregoing recommendations.

Attachment

ID # _____ CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: D. Chew

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

Subject: Domestic Briefing materials for Press Conference

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CUHall	ORIGINATOR	85,09,13			/ /
	Referral Note:				
CUAT 18	D	85,09,13		S	85,09,13
	Referral Note:	see below			2 pm
CUAT 21	D	85,09,13		S	85,09,13
	Referral Note:				2 pm
		/ /			/ /
	Referral Note:				
		/ /			/ /
	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: Deborah - Pls look at Motion on Judges.

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.

WH2-26634

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/13/85 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. today

SUBJECT: Domestic Briefing Materials for Press Conference

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	LACY	☐	☐
REGAN	☐	☑	McFARLANE	☐	☐
WRIGHT	☑	☐	OGLESBY	☑	☐
BUCHANAN	☑	☐	ROLLINS	☑	☐
CHAVEZ	☑	☐	RYAN	☐	☐
CHEW	☐P	☑SS	SPEAKES	☐	☑
DANIELS	☐	☐	SPRINKEL	☑	☐
FIELDING	☑	☐	SVAHN	☑	☐
FRIEDERSDORF	☑	☐	THOMAS	☑	☐
HENKEL	☐	☐	TUTTLE	☑	☐
HICKEY	☐	☐	GIBSON	☐	☑
HICKS	☐	☐	_____	☐	☐
KINGON	☑	☐	_____	☐	☐

REMARKS: Please give your recommendations/comments directly to Tom Gibson, with an info copy to my office by 2:00 p.m. today. Thanks.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

WH2-26635

THE WHITE HOUSE

WASHINGTON

September 13, 1985

MEMORANDUM FOR DAVID CHEW

FROM: TOM GIBSON

SUBJECT: Briefing Materials for the September 17 Press Conference

Attached for staffing are draft Presidential briefing materials for the September 17 press conference.

BRIEFING MATERIALS ON DOMESTIC ISSUES
FOR THE PRESIDENT'S SEPT. 17 PRESS CONFERENCE

FAIR SHARE TAX REFORM

Central Points:

- o American people shouldn't lose sight of big picture:
  - -- Specific features of our tax proposal are important, but may lead American people to miss the forest for the trees.
  - -- Loopholes are being closed and special exemptions are being ended -- while tax rates are being cut across the board. The plan is revenue neutral.
  - -- RR wants to clear the tangle of rules that confuse most people and provide cover for others to avoid paying taxes -- Simplicity and Fairness.
  - -- Fairness -- this plan will help restore the confidence of the American people that the costs of government are being shared equitably.

Broad Support for Tax Reform:

- o Polls show that the American people want taxation that is fair.
- o Everyone that's ever hassled with tax forms ought to have some interest in tax-simplification.
- o Everyone that's ever wondered why the fellow next door making about the same income, with the same responsibilities, but pays less tax, has also wondered about fairness.

Other more important issues?

- o Recall the benefits that resulted from the last time we lowered tax rates -- which we propose to do again.
- o It proved to be the best anti-poverty program launched in over 16 years.
- o Since 1983, when the impact of those tax cuts began to take effect, the growth in poverty, growing since 1979, was halted. In 1984 poverty dropped by 1.8 million people.
- o Last month unemployment dropped to its lowest level in 5½ years.
- o Job creation, reductions in poverty, raised standards of living, more freedom for the American people -- rather important issues.

Tax Reform Timing:

- o RR believes we'll avoid playing politics and get a Fair Share Tax Reform proposal passed. Democrats and Republicans alike, House and Senate; this is truly a bi-partisan effort.

- o Dan Rostenkowski, Tip O'Neill, Bob Packwood, Bob Dole and many others have stated their commitments to tax reform and will all share in the credit for giving the American people tax fairness and simplicity.

Tax Reform/Some Non-negotiable items:

- o $2,000 personal exemption; President Truman stood for a bigger personal exemption, and RR hopes the Democrats in Congress will remember his example.

- o Top rate of 35%; IRS will never take more than 1 of 3 additional dollars you earn, compared to 1 of 2 now.

- o Focus of reductions kept to benefit those at lowest income levels.

Tax Reform/Middle class and Families:

- o About two-thirds of middleclass families can expect a net tax cut.

- o Those households earning between $20,000 and $50,000 will average a federal tax reduction of 7% -- hundreds of dollars, saved each and every year.

- o Families at the lower end of the income scales would even benefit more:

  -- incomes of between $20,000 and $30,000 will pay an average of 8.7% less in taxes.

  -- incomes of between $15,000 and $20,000 will pay an average of 13.5% less in taxes.

- o For families, RR has established the so-called "Homemaker IRA," where we're allowing non-income earning spouses, both husband and wife, to each put $2,000 in a tax-deferred savings account for retirement.

- o A Congressional committee, with Democrats in the majority -- the House Select Committee on Children, Youth and Families -- said our plan was the best of all those before Congress.

Tax Reform/Recent Proposal to Exclude Breaks for those with Pension Plans

- Look at the whole pension landscape. The 401(k) tax break was put in before RR's administration expanded IRA's in 1981 -- and plans to expand them again.

- The IRA is a fairer way to help people save for retirement; anyone can start an IRA, but 401(k) arrangements are available to only a portion of the private sector workforce.

- By repealing 401(k) tax exemption, started under last administration, RR's tax proposal will remain revenue neutral -- while still bringing tax rates down.

BUDGET

$2 trillion Debt Ceiling will soon need to be passed:

- "Congress makes the budget, the President doesn't."

  - Jim Wright, Congressional Record 9/22/83

- In January, RR sent up a budget with 17 program terminations, worth what would have been $60 billion in savings for FY '86.

- Unfortunately for all Americans, the Congressional budget process has not delivered on any of those program cuts, and spending just keeps rolling along.

1981 Tax Cuts -- lower revenue -- responsible debt runup?

- Overall, revenues have grown almost 23% under RR.

- OMB estimates by end fiscal year 1985:

  1985 Revenues will have increased $69.5 billion over 1984.
  1985 Spending will have increased $95.5 billion over 1984.

- RR has best record of trying to cut federal spending -- root of the deficit problem.

Vetoes on Appropriations Bills:

- We are working with Congressional leadership and are communicating acceptable limits on individual appropriation bills -- if bills exceed these limits there will be vetoes.

- The fiscal year ends at the end of this month. Congress has had plenty of time to pass funding bills to keep the federal government running.

- RR hopes that we don't have a repeat of last year, where Congress' failure to pass acceptable spending legislation forced the closing of many government offices.

TRADE

Proposed Administration Legislation:

- o Being developed together with Congressional leaders to provide RR with greater ability to address unfair trade practices.
- o Cannot have Free Trade without Fair Trade.

Fair Trade Enforcement/initiation of 301 cases:

- o Japan -- restrictions on selling U.S. leather goods
  -- restrictions on selling U.S. tobacco products
- o South Korea -- restriction on U.S. insurance sales
- o E.C. -- unfair subsidies of canned fruits in foreign markets
- o Brazil -- restrictions on selling U.S. computer equipment

Protectionist Pressures:

- o RR shares the concern that certain jobs are being lost to overseas workers. However, there has been a net increase of almost 8 million jobs since the recovery began -- 330,000 jobs were created last month.
- o Unemployment has dropped to the lowest level in 5½ years.
- o You can't use declining numbers of jobs to justify protectionism -- Fact is, we are creating jobs at a record pace.
- o Protectionism is a boomerang. It always hurts the country which imposes it.

Shoes:

- o $1 billion worth of protection would have cost American consumers $3 billion.
- o Displaced workers to be retrained under targeted JTPA programs.

Textiles:

- o Administration has strengthened Customs enforcement of trade laws -- 800 textile seizures in last two years.
- o Proposed legislation conflicts with Multifiber Arrangement (which governs international textile trade) -- might mean abrogation of bilateral agreements with 34 other countries.

AGRICULTURE

Farm Credit Crisis:

- o Problems are severe. $74 billion in loans; $11 billion of which are problem loans.
- o However, there are sufficient resources within Farm Credit Administraion for the problems to be addressed without a federal bailout.

Farm Legislation:

- o We need to get the government out of the business of farming. There appears to be agreement on that issue.
- o The unaltered spending of billions of dollars over the last two decades has brought no lasting improvements to America's farmers.
- o Movement toward a market-oriented farm policy, open access to foreign markets, increased exports, and a growing economy with a lid on inflation offer farmers the best solutions to their problems.
- o The Farm Bill currently in favor in the House appears to exceed its budget limits. RR has sent a letter to Congress outlining the acceptable features of a farm bill. As I have said before, I will veto budget-busting legislation whatever the sort. If its the farm bill, so be it.

"Farm Aid" Train/Concert:

- o RR welcomes the efforts of Merle Haggard and other Country Music stars in highlighting the plight of America's farmer.
- o Indeed, officials in the Administration have helped make the trip possible -- AMTRACK train at cost and cut red tape.
- o There is no denying there are acute financial problems for farmers in many parts of the country -- in many cases a product of the inflation expections of the late 70's.

AIDS

Federal Efforts to Find a Cure:

- o AIDS education and research has been a top priority of the Department of Health and Human Services for over four years.
- o Over $100 million is being spent on AIDS research and education in 1985.
- o RR recently approved revisions to my 1986 budget, increasing initial requests for AIDS research and education by $41 million, for a total of $126 million.
- o Leading scientists have stated that never before in history has so much progress toward understanding and combating a disease been made in so short a time.

AIDS/Afflicted Children Being Allowed to Attend Public Schools: ?

- o I have deep sympathy for the child and the parents of a child who is afflicted with this horrible disease.
- o I can understand the concerns of parents who are fearful of their child contracting the disease in public places.
- o However, as far as our best scientist have been able to determine, AIDS virus is not transmitted through casual or routine contact.
- o There is the need for greater research and answers.
- o And there is the need for rational consideration of the problems posed by AIDS -- considerations that balance public health concerns with those of afflicted children in critical stages of social development. We must not make them into modern day lepers.
- o I do not see this issue as some have framed it -- a strictly civil rights issue.

FEDERAL JUDGE SELECTION/TOO POLITICAL?

- Charges of abuses in the selection process are moot.
- RR's selections for judgeships have received extremely high ratings from the American Bar Association.
- It is the Constitutional right and responsibility of the Chief Executive to appoint judges to the federal bench.
- It has been RR's practice, as it has been the practice of ALL prior occupants of the Oval Office, to appoint judges who share similar attitudes concerning the role of the judiciary.
- Sounds like some folks are finally getting around to harvesting sour grapes from last November.

AFFIRMATIVE ACTION/PROPOSED REVISIONS TO EXECUTIVE ORDER 11246

- It is my hope that America will someday be color-blind, and that discrimination of any sort will be a thing of the past.
- To the extent that revisions in Administration policies, regarding numerical goals and timetables would further this goal, I would support them.

COMPARABLE WORTH

- It is not equal pay for equal work.
- Equal pay for equal work is the current law and we have aggressively enforced the provisions of Title VII that protect against wage discrimination based on sex.
- Comparable worth is a system where bureaucrats or judges would arbitrarily decide what people ought to earn.
- It would deny the rights of collective bargaining, and it would ultimately mean the loss of an untold number of jobs.
- Any time you punch the marketplace, it punches back.
- Today, women and men are freed of former sterotypes and may enter any field of work they choose.

POVERTY RATES AND HISPANICS

- True, poverty rates for hispanics did not see the same dramatic declines as other segments of the population in 1984.
- That was the only disappointment in an otherwise terrific batch of news -- the sharpest overall decline in poverty in 16 years.
- However, there were dramatic increases reported for hispanic family income -- up 6.8% in one year -- the highest of any population group.
- We are studying that apparent contradiction.

LACK OF WOMEN APPOINTEES?

- RR's new Director of Public Liaison, Linda Chavez, probably doesn't share that view.
- Connie Horner the first woman to ever head OPM or it's predecessor, the Civil Service Commission probably doesn't share that view either.
- There are others in the Cabinet and on the Supreme Court you could check with as well.
- Meanwhile, 5 of 7 Associate Directors in the Office of Presidential Personnel are women. They're filling a lot of senior slots in our Administration, and they're looking to fill them with qualified men and women.

IMMIGRATION

Do you back the current attempt at Immigration reform sponsored by Senator Simpson and Representatives Mazzoli and Rodino?

- Since 1981, when we first submitted comprehensive reform legislation, we've been firmly in support of fair, workable and non-discriminatory immigration reform.
- We have recently gone on record in support of Senator Simpson's bill, S.1200, urging only a few minor modifications having to do with farm workers.

CONGRESSIONAL RELATIONS

- o Very positive GOP Congressional Leadership meeting last week.
- o Identified issues for joint action -- Trade for instance.
- o Made clear my strong desires to see Tax Reform passed this Fall.

RECORD NUMBER OF BANK FAILURES -- 80 SO FAR IN 1985

- o The problems are being handled quietly efficently by federal banking agencies -- FDIC for federally insured banks; FSLIC for federally issured Savings and Loans.
- o Reforms in interstate banking laws have allowed many failed or troubled financial institutions to be aqquired by other stronger banks -- this has brought a greater degree of stability to the entire banking system.