

Spring 5-1993

Reagan and cutting the federal budget : how consistent was the pursuit?

E David Adams

Follow this and additional works at: <http://scholarship.richmond.edu/masters-theses>



Part of the [Political Science Commons](#)

Recommended Citation

Adams, E David, "Reagan and cutting the federal budget : how consistent was the pursuit?" (1993). *Master's Theses*. Paper 1144.

This Thesis is brought to you for free and open access by the Student Research at UR Scholarship Repository. It has been accepted for inclusion in Master's Theses by an authorized administrator of UR Scholarship Repository. For more information, please contact scholarshiprepository@richmond.edu.

Reagan and Cutting the Federal Budget: How Consistent was the Pursuit? by E. David Adams for the degree of Master of Arts in Political Science, University of Richmond, Virginia, 1993.
Thesis Director: Dr. John T. Whelan

Abstract

President Reagan assumed office advocating an economic program based on tax and spending reductions. Achievement of these objectives, Reagan argued, would improve the American economy and result in balanced federal budgets. This thesis examines Reagan's commitment to the spending restraint element of his program. I will analyze all of Reagan's budgets and State of the Union addresses to determine how consistently he sought reductions in federal spending.

Though Reagan's commitment to budget reduction was evident, his selection of means to achieve the cuts was inconsistent. His proposed budget cuts varied in intensity, and Reagan failed to propose consistent reductions in many of his "targeted" budget functions. Reagan's State of the Union messages varied from proposing substantial reductions to championing procedural devices to reduce the deficit. This thesis therefore argues that Reagan did not consistently seek the goal of reducing the federal government's expenditures.

I certify that I have read this thesis and find that, in scope and quality, it satisfies the requirements for the degree of Master of Arts.

John T. Whelan

Dr. John T. Whelan

Dan Palazzolo

Dr. Daniel J. Palazzolo

Th R Morris

Dr. Thomas R. Morris

Reagan and Cutting the Federal Budget:
How Consistent was the Pursuit?

By

E. David Adams

B.A., Virginia Polytechnic Institute and State University,
1984

A Thesis

Submitted to the Graduate Faculty

of the University of Richmond

in candidacy

for the degree of

MASTER OF ARTS

in

Political Science

May, 1993

Richmond, Virginia

LIBRARY
UNIVERSITY OF RICHMOND
VIRGINIA 23173

Table of Contents

Introduction	1
Chapter I: Presidential Agenda Setting	4
Chapter II: Reagan's Budgets	15
Chapter III: Reagan Argues for Spending Restraint	27
Chapter IV: Principle Affirmed - Action Deferred	53
Appendices:	
Table 164-65
Table 2	66
Table 367
Table 468
Table 569
Table 670
List of Functions Slated for Reduction	71
Bibliography74

"With the tax cuts of 1981 and the Tax Reform Act of 1986, I'd accomplished a lot of what I'd come to Washington to do.

But on the other side of the ledger, cutting federal spending and balancing the budget, I was less successful than I wanted to be. This was one of my biggest disappointments as president. I just didn't deliver as much to the people as I'd promised."

(Ronald Reagan: An American Life,
1990, p. 335.)

Introduction

On January 20, 1981, I was a nineteen-year-old freshman on the campus of Virginia Tech. Watching Ronald Reagan's inauguration from a dorm lounge, I vividly recall his emphasis on the need to corral Washington's spending habit. This theme would resonate throughout the Reagan presidency. Reagan's apparent commitment to reduce domestic spending first prompted me to consider two basic political questions - what should government do, and how much should government spend on what it does?

During this same period, a burgeoning deficit materialized and continues to define the choices politicians face about government's role in society. Currently, the federal government spends nearly \$300 billion that it does not have. Interest payments for this sum eclipse all other budget functions except defense and Social Security (Budget of the U.S. Government - Fiscal Year 1993 Supplement, pp. 5-42). By 1991, all American workers were paying \$4.00 each day in taxes simply to pay interest on the borrowed money covering federal deficit spending (Johnson, p. 450). Warren Rudman, the outspoken Republican co-sponsor of the Gramm-Rudman deficit reduction law, warned in 1992 that the deficit "is going to destroy the country and cause the financial markets at some

point to collapse, the currency to be devalued; all that people have saved will be worthless unless we do something about it. We are reaching the thin edge, and every economist knows it." (Bernstein, p. 19)

These developments emerged in the Reagan era. The deficits accumulated during his administration soared beyond those of every president since Franklin Roosevelt (Jones, p. 215). By the conclusion of Reagan's term, the deficit, while improving, equaled 3% of GNP, which Rudolph Penner termed "still enormous by historical standards for a nation experiencing peace and prosperity." (Penner, p. 4)

My interest in this subject concerns Reagan's commitment to reducing federal spending. It was Reagan who campaigned in 1980 on the need to balance the budget and restrain federal spending. It was Reagan who, through his rhetoric, made budget reduction a key issue during his tenure. Furthermore, it was Reagan who presided over the executive branch as the gulf between expenditures and revenues widened to historic proportions.

This thesis will compliment the assertions of Lou Cannon and David Stockman. Cannon contends that Reagan never summoned Americans to sacrifice for the economic welfare of the nation. Stockman argues that Reagan never offered a "blueprint for radical governance" that would inevitably

result in economic dislocation for many citizens. My examination of Reagan's budgets and major spending reduction addresses provides further credence to the positions of these authors. However, most importantly, this thesis will disclose Reagan's commitment to the principle of reducing government as well as his failure to advance consistently the means of doing so.

Chapter I: Presidential Agenda Setting

President Ronald Reagan presided over the first effort to reduce substantially the growth of federal expenditures since Franklin D. Roosevelt's New Deal expanded the national government. Reagan attributed America's economic difficulties to the federal government's inability to constrain spending. He offered a domestic agenda that espoused an economic program of tax cuts, spending cuts, and balanced budgets. Reagan believed that balanced budgets would result primarily from increased government revenues and reductions in domestic spending. The tax reductions were intended to create strong incentives to work and invest, thus enhancing tax revenue.

Reagan also asserted that "waste, fraud, and abuse" would be removed from the budget and stated that "unnecessary" programs would be targeted for removal or reduction. (President Reagan, p. 105) This goal, as well as the reduction of the tax burden, was the foundation of Reagan's objective to contain and reduce the culprit of the economy's ills - excessive federal government spending and taxation. While inflation eventually subsided and economic growth revived during Reagan's presidency, massive budget deficits previously unknown to the republic in peacetime also

materialized. This development led to additional arguments for the need to confront substantive spending reduction during the Reagan era.

But how committed was Reagan to reducing federal expenditures? To what extent did he maintain a willingness to pursue the budget reduction objectives of his 1980 campaign? This thesis demonstrates that though Reagan persistently sought to reduce spending, his proposed reductions fluctuated from one year to the next. Specifically, the President was never politically able or willing to advance consistent budget cuts similar to those proposed in his first, second, and fifth years in office. Nor did Reagan consistently propose reductions in many of his "targeted" budget functions. Initially, he appealed to the public for support in reducing or terminating specific programs. However, Reagan ultimately abandoned this approach and offered two tools that were never enacted - a balanced budget amendment and a line-item veto.

This thesis will examine Reagan's consistency in using two presidential vehicles to address federal spending reduction: the presidential budgets and State of the Union addresses. The president's budget indicates the executive's priorities, objectives, and vision of what the government should be doing and to what extent it should be doing it. The State of the Union message is highly publicized and thought by

modern presidential staff members to be the most important avenue to express the executive's objectives (Light, p. 160).

In order to test the consistency of Reagan's promise to reduce the deficit, this thesis will focus on Reagan's budget proposals and State of the Union messages during his eight-year term (1981-1989), with only two exceptions. President Carter delivered the 1981 State of the Union address before Reagan's January 20 inaugural. Therefore, Reagan's inaugural address will be used as a substitute for that year. While Reagan did deliver two other nationally televised messages early in his term (February 5 and February 18, 1981), the theme of both concerned Reagan's economic program (Public Papers of the Presidents of the United States: Ronald Reagan - 1981, pp. 79, 108). Generally, both the inaugural and State of the Union messages are utilized to announce a range of domestic and foreign presidential objectives. Therefore, a specific policy address, such as that of February 5 or February 18, 1981, would not be comparable. Though the inaugural and the State of the Union messages do differ, they share the similarity of broadly defining the president's agenda.

A second exception to the speeches examined in this thesis will be the inclusion of major Reagan addresses promoting further spending reductions. In addition to his

annual early-year messages, Reagan made six nationally televised speeches that primarily sought support for cutting federal spending. Examining these speeches in addition to the State of the Union messages is merited in fairness to the President. It should be acknowledged that Reagan did seriously attempt to publicize the budget reduction goal beyond the State of the Union addresses. Four of these messages dealt exclusively with this issue. In the last two messages, budget reductions were mentioned with several other Reagan objectives. One could not fairly test Reagan's commitment or willingness to pursue spending reduction only by reviewing the State of the Union messages. In order to place the purpose of this study in the context of the literature on presidential leadership and budgeting, let us consider the role of domestic policy making arising from the "modern presidency." I will give an overview of how other scholars have researched the presidential agenda. This thesis will then be compared and contrasted with the findings involving the presidency's recent past.

Rise of the Modern Presidency

Until the twentieth century, Congress generally dominated national policy making in the domestic realm. However, as a result of the leadership styles of Theodore Roosevelt and

Woodrow Wilson, the presidency began to assume a serious role in the creation of domestic policy (Edwards, p. 236). Presidential initiatives were enhanced by the Budget and Accounting Act of 1921. This law required the president to submit an annual budget to the Congress (Mezy, p. 90). Franklin Roosevelt's New Deal, designed to combat the Great Depression, is widely recognized as a turning point for the presidency. In domestic policy making, the president was now viewed as the primary policy initiator (Edwards, p. 237).

According to Fred Greenstein, Roosevelt's energetic response to the economic calamity of the 1930s coupled with the availability of radio communication caused four major changes in the presidency. Greenstein observes that these changes so altered the nature of the office that the term "modern" is required to separate the post-1932 presidency from its earlier role (Greenstein, p. 3). Greenstein writes that the "modern" presidency found executives much more likely to carry out four distinct functions: to engage in unilateral action; to play the primary role in setting the national government's agenda; to achieve more national visibility; and to benefit from a major presidential bureaucracy. (Greenstein, p. 4) Particularly applicable to this research are the "modern" presidency's aspects of agenda setting and visibility.

Ronald Reagan's management of a modern presidential characteristic - increased visibility - is viewed by Samuel Kernell in Going Public (1986) as the means for presidential legislative success in the future. Reagan's initial utilization of an agenda was later recorded in Hedrick Smith's Power Game (1989) as a textbook example in achieving presidential objectives. The President adhered to Paul Light's (1991) prescription for success in managing the national government's agenda. Light contends that timeliness, congressional support, public approval, and a president's margin of victory in an election are crucial for presidential success in the legislative realm. He shows how Reagan effectively took advantage of those conditions.

Light contends that the politics of the 1970s resulted in the creation of a phenomenon known as the "No Win Presidency" (1991). Current conditions have greatly complicated a president's ability to achieve his policy goals. Congress, for example, now competes with the president more aggressively for agenda space. This development is due to an expansion of congressional power arising from larger staffs, accessibility to information, and widened subcommittee jurisdiction. Furthermore, power has become dispersed throughout Congress to various committee and subcommittee chairmen, thereby reducing the president's persuasive power with just a few key leaders.

This development has also caused congressional leaders to lose influence with members of their party.

Additional research on presidential agenda setting has been done by George C. Edwards III (1985), Stephen J. Wayne (1985), and James Pfiffner (1989). Each of these scholars argues for a limited presidential agenda. This strategy helps to focus public and congressional attention on a few key items that the president considers important. The limited agenda also helps to establish a perception that the president is in control (Edwards, p. 254). Furthermore, a limited agenda helps to create unity among the president's supporters because there are fewer items on which to disagree. Consequently, a limited agenda results in fewer roll-call votes and may improve chances of concentrating presidential resources to form a core of support (Edwards, p. 254). Pfiffner describes the essence of agenda limitation: "If an administration tries to do many things and fails on a majority of them, public perception of competence may be lower than if it tries to do only a few things and succeeds." (Pfiffner, p. 147)

The scholars mentioned have focused their research on various factors influencing policy decision making, in particular, decision making involving the establishment, implementation, and control of the presidential agenda. Their findings may very well explain why the strength of Reagan's

budget reductions fluctuated over time. The scholars' research might answer the question of why certain budget functions were not consistently reduced in the Reagan spending plans. Yet this research will be devoted to a different aspect of agenda setting. Rather than argue for the importance of a president moving the agenda early and rapidly, this thesis examines a president's commitment and pursuit of the agenda beyond the initial period in office. Specifically, it will describe a single president's efforts (through his budgets and primary public addresses) to continue advocating a particular agenda objective. This objective (federal spending reduction) had been a significant position of Reagan's for many years. The question of how consistently Reagan used his budgets and major public messages to confront spending reduction once he was president is the central objective of this research. Not only is this thesis distinct in this regard, but it also provides insight into the most serious effort made by any president to reduce government. While many liberals labeled Reagan's budgets as cruel and insensitive, many conservatives complained that his proposals fell short. This thesis will examine what Reagan proposed, and how often.

In addition, this research can be viewed in the context of the modern presidency as Greenstein has defined it. Both

agenda setting and visibility of the chief executive are the basis of this thesis. Reagan formulated an economic agenda that the public generally understood to include lower taxes, lower social spending, and a balanced budget. As stated earlier, Greenstein argued that presidential agenda setting was one of the changes that transformed the presidency into its modern state. Reagan was the single president thus far in the modern era to articulate and advance an agenda which Walter Mondale labeled the "politics of subtraction" (Jones, p. 57). The President's yearly budgets, State of the Union messages, and other specific addresses would be used to focus attention on budget reduction.

Greater presidential visibility is also applicable to this thesis. Writes Greenstein: "Modern presidents have become by far the most visible actors in the political system, overshadowing even the most influential legislators." (Greenstein, p. 4) As will be demonstrated, Reagan used the historically familiar and nationally broadcast State of the Union address to set his agenda for each new year. These addresses included various proposals to reduce expenditures. During his term, Reagan confronted budget reduction in six additional speeches to a nationally televised audience. This thesis will examine these high profile attempts by Reagan to present his case on budget reduction.

Overview of the Thesis

Chapter II will focus on the consistency with which Reagan proposed budget reductions. Specifically, it will identify the budget functions Reagan wanted to reduce and how often he proposed to reduce them. The functions Reagan designated for reduction will be tallied and the results recorded for each year. In addition, I will examine the extent of the proposed reductions relative to current spending at that time. Chapter III will examine Reagan's State of the Union messages over his term with the exceptions mentioned earlier. Specifically, the research will calculate and review the percentage of the text (paragraphs) devoted to spending reduction. Also, the chapter will focus upon the degree of specificity found within the addresses. As in Chapter II, the purpose is to establish how consistently Reagan used a presidential tool to address spending reduction. The concluding chapter will summarize the major research findings and then compare and contrast this author's conclusions with those of others.

In the 1980 campaign, Ronald Reagan asserted that federal spending restraint would be necessary to stabilize the American economy. Hedrick Smith later wrote that, "Our recent history shows that a president who cannot set and hold to a clear agenda loses the momentum of his election victory and fails to realize fully the potential of his presidency."

(Smith, p. 331) The latter portion of Smith's statement regarding potential is not examined in this thesis. One is only left to ponder that point. But the leading assumption of Smith's hypothesis is certainly worth exploring. In 1981, President Reagan set a clear agenda; how consistently he held to the spending reduction portion of that agenda will be explored in the following pages.

Chapter II: Reagan's Budgets

Aaron Wildavsky observed that, "The budget is the lifeblood of the government, the financial reflection of what the government does or intends to do." (Wildavsky, p. 128) As noted in Chapter I, since 1921 the president has had the prerogative to submit a budget to the Congress. A president's proposed budget provides insight into which programs, in the executive's view, are the most important. In President Reagan's case, in particular, this insight may be supplemented by the importance given to how much funding some programs could do without. The purpose of this chapter is to analyze Reagan's eight budgets from 1981 to 1989 and determine the extent to which his proposed reductions were consistent over time. How committed was Reagan to spending reduction? Did he consistently pursue this objective by way of his annual budget proposals? This chapter will reveal that while Reagan consistently offered budget reductions, the strength of these proposals varied yearly. The budgets he offered in 1981, 1982, and 1985 carried the largest proposed reductions. From 1981-1989, Reagan did consistently propose cuts or freezes in the budgets of two functions, Commerce and Housing Credit and Community and Regional Development. The President, however, did not follow the pattern set by these proposed budget cuts for the remainder of either of his terms. The President

proposed cuts in certain other functions far less frequently.

Reagan's Budget Proposals: An Overview

Table 1 (go to appendix for evaluating changes) depicts Reagan's budget proposals issued each January. For each fiscal year, four columns of figures are provided beside each of the eighteen to nineteen budget functions. The first column under each year is the estimated dollar amount budgeted for the present fiscal year that began on October 1 of the previous calendar year. The fiscal year concludes the following September 30. (For example, fiscal year 1981 began on October 1, 1980, and ended on September 30, 1981.)

The second column discloses the amount that the President wanted to spend on the given function for the fiscal year beginning on October 1. The next column indicates the difference in dollars between what Reagan proposed for the coming fiscal year (beginning October 1) and the estimated amount being spent for the present fiscal year ending on September 30. (Columns 1 and 2 are estimates because numerous unforeseen circumstances occur, affecting actual spending during the course of the fiscal year.) The final column reflects the amount indicated in Column 3 as a percentage change in spending. These percentages are merely the amount of increase or decrease in Reagan's budget proposal compared

with the previous year. An inflation factor is not presented.

Attention is devoted to what functions were being reduced and how often these reductions were proposed. In addition, one may determine how many functions were slated for reduction and at what point in time these proposals were made. Table 1 also reveals the intensity of the reductions. The table also discloses the functions which Reagan never proposed for reduction.

Table 1 indicates that, at some point, Reagan proposed to reduce fourteen of the eighteen functions (nineteen functions after fiscal 1985) comprising the federal budget. (See appendix for a description of the fourteen functions targeted for reduction.) The reader must be aware, however, that certain functions were regarded as "uncontrollable." For example, the interest function could not be reduced because the federal government was obligated to pay these amounts on money it had borrowed. Other functions contain entitlement programs. These programs, such as Social Security, Medicare, Medicaid, and others, were regulated by legislation that prescribed formulas for their automatic growth. While the president can propose reductions in entitlements, a change in law would be required to restrain expansion in such programs. Other spending of this nature included obligations through contracts or guaranteed loans made by government agencies over

the years. By the time Ronald Reagan assumed office in January of 1981, about 75% of federal spending was "uncontrollable" (Budgeting for America, p. 48) - legislation would be required to alter it.

Table 2 displays an "x" beside each function that was designated for budget reduction, and indicates in which fiscal year the proposal occurred. ("F" appears beside each function that was "frozen" at the current level of funding.) The percentage of reduction for that fiscal year relative to the current budget at that time is included beside the "x". The bottom of Table 2 discloses the total number of functions that were designated for reduction or frozen for each fiscal year. Below the function total for each fiscal year is the total amount of savings from Reagan's budget proposals (derived from the bottom of Column 3, Table 1).

The reader will observe that about one-half of the functions were designated for reductions in Reagan's first year. One function, Energy, was frozen at the previous year's level of funding. In his second year, Reagan slated one less function for cuts, but the total dollar savings were slightly greater than his first budget. Reagan's third budget proposed a continued decline in the number of functions being reduced, as well as fewer dollar savings. By the final year of Reagan's first term, he designated four functions for

reductions and three functions to be frozen. The total dollar savings had declined considerably. Proposed reductions for Reagan's first three years averaged \$17.5 billion compared to \$5.7 billion in his fourth year.

Upon re-election, the President forwarded a budget containing reductions and a freeze in about two-thirds of the functions. The proposed dollar reductions in the President's fiscal 1986 budget totalled the largest of any of his proposed sums. Again, the reader will observe that the dollar sums and the number of reduced functions declined in Reagan's sixth, seventh, and final year in office from a peak in fiscal 1986.

The World Book dictionary defines "consistent" as "keeping or inclined to keep to the same principles, course of action." A "principle" is defined by the same resource as "a fundamental belief." Webster's New World Dictionary defines both of these terms in a similar manner. Table 2 reveals that Reagan continually and thus consistently proposed spending cuts (a "fundamental belief") in a variety of functions for each of his eight years as president.

While this is true, the manner chosen by the President presents a different finding. "Consistent" may also involve "keeping or inclined to keep to the same course of action." A course, in the sense pertaining to this topic, is defined by World Book as "a line of action; way of doing; behavior."

Webster's again defines the word similarly. Reagan did not follow the same "course - way of doing - of action" regarding the strength of the reductions. The final category of Table 2 - Total Dollar Reductions - illustrates this point. The President's unadjusted annual reductions ranged in strength from \$5.6 billion to \$37.1 billion over his term. Thus, one must distinguish between keeping to the same "principles" and keeping to the same "course of action." The same "course of action" was not kept if it was altered significantly.

The reader will observe from Table 3 in the appendix that during the first term, the deficit, by Reagan's own projections, was escalating rapidly. He forecasted a decline for fiscal 1985. Yet this still represents a figure enormously larger than when he assumed office just 3 years prior. The magnitude of Reagan's proposed cuts, however, declined relative to his earlier reduction proposals. For example, the President suggested reductions in his first year amounting to 2.4% of total outlays. By his second year, with an increasing deficit, Reagan advocated reductions totalling 2.6% of total outlays. This presents a pattern of consistency. A definite "course of action" was established. Reagan followed his original reductions (and thus his objective of budget reduction) with cuts even larger for his second budget. One would therefore expect this pattern to

continue given that the President forecasted the deficit to more than double in fiscal year 1984.

This pattern of consistency dissipates by the third year, however. Proposed budget reductions declined by that point to 1.8% of total outlays. The decrease is even greater in Reagan's fourth year. There exists, therefore, an unmistakable change in the President's budget reduction proposals. While reductions are present each year, the degree of each reduction has declined from its earlier position.

The second term offers a different pattern. Although Reagan forecasted a deficit for fiscal 1986 as large as his projection for the previous year (\$180 billion), the cuts proposed after his re-election were almost six times larger. Again, the intensity of Reagan's cuts fluctuated, thus diminishing any claim of "keeping to the same course of action." Unlike his first term, Reagan estimated that the deficit would decline each year beginning in fiscal 1987. As a consequence, his proposed budget reductions also declined each year. By his final year in office, however, Reagan was again projecting an increase in the deficit. Reagan's consistency was altered as a result. The President lowered his reductions as the deficit declined in the second term. Yet when he projected the deficit to rise in his final year, Reagan proposed reducing the budget by the smallest percentage

of total outlays (0.5%) of his second term.

From the tables, a sense of the intensity of Reagan's proposed reductions can be obtained. The reader is invited to consult Table 2, which more clearly depicts the size of the reductions as a percentage change from the previous year. The functions subjected to the least spending restraint will be focused upon first.

The Income Security function was reduced by 0.03% in fiscal 1984 under Reagan's proposals. This function was slated for an 8.9% reduction again in fiscal 1986. Reagan proposed a freeze in funding for veterans at current spending levels and suggested a reduction of 0.7% in fiscal 1987. The President proposed a reduction of 0.8% funding for International Affairs during his first year. He sought a 6.6% reduction at the peak of his anti-spending effort for fiscal 1986.

Other functions confronted reductions with greater intensity and much more often. Commerce and Housing Credit was reduced in Reagan's budget every year. Often the proposed reductions exceeded a 50% cut from the current budget at that time. It was proposed that Agriculture be reduced in six of Reagan's eight budgets by as much as 47%, 42%, 37%, 24%, and 15%. The proposed reductions in Community and Regional Development were double-digit figures on five occasions.

Despite focusing on reduction in government, it is significant to acknowledge the functions that Reagan wanted to increase. The tables indicate that three functions were never cited for decreases by the President. Defense, General Science, and Social Security/Medicare were protected consistently throughout Reagan's tenure. (Social Security was not reduced when Income Security was designated for reduction in fiscal 1984.) Reagan had campaigned on raising defense expenditures in light of Soviet actions. The Soviet Union's expanding arsenal and 1979 invasion of Afghanistan were used by Reagan to justify his campaign position. The General Science budget also contained projects that held military potential. Social Security and Medicare were immensely popular programs in which all socio-economic groups had an interest.

The functions Reagan designated for reduction and the frequency and intensity of their reduction can best be evaluated by examining Table 4. The table conveys an obvious point; only two functions (see Category 1) were targeted for reduction every year of the Reagan presidency.

Reagan insisted on continually reducing or freezing the Commerce and Housing Credit and Community and Regional Development functions. The reader should consult Table 1, which indicates that in eight consecutive budgets, Reagan

reduced or froze funding in the two functions. Such an effort, however, cannot be found for any other function. Thus, Reagan's consistency with the two particular functions would not be as vigorously pursued with others.

It would seem to follow that if the President continually proposed reducing a function, he would not suggest a raise for it until much later, if at all. (A freeze might be more understandable.) The Energy and Education functions illustrate this point. Category 2 indicates that Reagan proposed reductions in Education and Energy for seven of his eight budgets. However, Table 1 reveals that in his final budget, after continually proposing reductions, Reagan submitted a 10.9% increase for Education and a 14.8% increase for Energy.

Reagan's inconsistency is also evident in the remaining categories. Category 3 indicates that Transportation was targeted for reductions in five of Reagan's budgets. Table 1 reveals that he originally proposed spending less than \$20 billion for Transportation in fiscal years 1982 and 1983. These proposals represented cuts of 17.4% and 7.5%, respectively. However, in his third budget, Reagan proposed a 14.6% increase in transportation funding to \$25 billion. A smaller increase followed in the fourth Reagan budget. His next three budgets again proposed reductions in this function.

One will observe that the functions receiving the strongest cuts from Reagan are also the ones slated for reduction the most often (Table 4, Categories 1-3). The Reagan philosophy of free market allocation and state-local responsibility certainly was involved in the selection of functions found in these categories. Categories 4 and 5 experienced fewer reductions and smaller proposed cuts. These programs invoked a presidential prerogative (International Affairs) as well as the prerogatives of the conservative Reagan (Veterans and Justice). The other functions, Health and Income Security, were among the most expensive programs, yet obviously the most difficult to summon courage for reduction.

Summary

Several points have been established concerning Reagan's use of his budget to propose spending reduction. First, at some point in his presidency, Reagan proposed reducing fourteen of the eighteen/nineteen functions. Exceptions to Reagan's proposals included the Defense, General Science, and Social Security/Medicare functions. Second, the President's strongest spending reduction plans would come early in each of his terms. The first term was unique in that Reagan's proposed cuts were larger in 1982 than he offered in his

initial year. The first year of his second term would signal the high water mark of Reagan's budget reduction proposals. Yet thirdly, after each of these efforts, the strength of Reagan's proposed cuts declined for the remainder of each term. The strength of the proposed reductions therefore followed an inconsistent pattern.

Fourth, for his entire presidency, Reagan consistently proposed cuts or freezes in the budgets of two functions. No other functions selected for proposed reductions ever followed this consistent pattern. In fact, Reagan proposed funding increases for some functions that he had earlier suggested for reduction.

Overall, we should acknowledge that the President did propose reductions in the budget each year. In this sense, he was consistent in upholding the principle of limiting the federal government. But clearly the means selected to uphold this principle varied. Now that we have explored Reagan's attempt to reduce spending in dollar amounts, we turn to the question of how consistently the President's rhetoric reflected his commitment to balancing the federal budget.

Chapter III: Reagan Argues for Spending Restraint

Within Article II of the United States Constitution, the president must periodically inform the Congress on the state of the union. Until well into the twentieth century, this presidential message was a standard manner of reporting the activities of departments and agencies within the executive branch. In fact, President Jefferson began the practice (followed by the next twenty-four chief executives) of simply forwarding the address to Congress. It was then read by the clerk of the House. President Wilson restored the procedure utilized by George Washington and John Adams of delivering the State of the Union address directly to Congress. (Edwards, p. 312)

As the president's agenda setting function intensified, the State of the Union message also grew in importance. Recent presidential staff members have emphasized this point. They have said that the State of the Union is the primary vehicle for promoting what the president considers important and what he intends to do. Some staff members have described vigorous conflicts within an administration over where in the address a particular issue will be placed and how many sentences or words will be devoted to it (Light, p. 160).

Utilizing the State of the Union address to advance presidential initiatives and objectives began in earnest with President Truman. Every chief executive since that time, with the exception of Eisenhower's initial year in office, has followed this custom (Edwards, p. 312).

This chapter will present Reagan's State of the Union addresses and analyze his spending reduction proposals for consistency. Doing so will make clear Reagan's commitment and his willingness to pursue budget cuts throughout his term. This chapter will present evidence that the President offered the strongest reduction proposals in the 1982, 1983, and 1985 State of the Union messages. However, Reagan did not utilize later addresses to pursue similar substantive reduction proposals. Beginning with the 1984 State of the Union addresses, Reagan consistently called for two tools to cut spending that were never placed at his disposal - a balanced budget amendment and a line-item veto. In fact, in his final two State of the Union messages, Reagan's plans for deficit reduction relied exclusively on these two tools.

Criteria for Content Analysis

The President never failed to mention spending reduction in his seven State of the Union messages (1982-1988). In fact, in five of the seven messages, Reagan mentioned spending

cuts before any other goal to adhere to his original economic program or achieve deficit reduction. Despite the consistent presence of this objective, Reagan never established a definite pattern of using the State of the Union to advance substantive reduction proposals.

To begin assessing Reagan's consistency in using these messages to promote spending reduction, I will apply the following criteria:

- 1) what specific proposals to reduce expenditures are present
- 2) how often do these proposals reoccur in subsequent State of the Union addresses
- 3) how many paragraphs are devoted to these proposals relative to the number of paragraphs in the entire text
- 4) what consequences for failure to reduce federal spending are mentioned
- 5) where in the address is spending reduction positioned relative to other goals.

The same criteria will be applied to the 1981 Reagan inaugural address. As previously stated, President Carter delivered the State of the Union address for that year before leaving office. While Reagan presented two televised speeches very early in his term, the first dealt exclusively with American economic conditions. The other address concerned Reagan's program to alleviate those conditions. State of the Union messages tend to encompass a much wider scope, therefore making Reagan's 1981 inaugural address better suited for this study.

Additionally, the President presented six major speeches specifically concerning spending reduction. These addresses will also be analyzed in this chapter. It must be acknowledged that the President did attempt to focus on this goal beyond the annual State of the Union address. Primarily, the frequency of these messages and specific proposals within them will be examined. Initially, however, attention will be devoted to Reagan's 1981 inaugural and State of the Union messages.

Rhetoric and Reductions: Reagan's First Term

Reagan's first message as President did not contain any specific proposals regarding spending reduction. He left no doubt, however, that such reductions would be forthcoming. The President announced at his inauguration that, "It is my intention to curb the size and influence of the federal establishment." (Reagan, 1981, p. 2) When Reagan spoke about the government's inability to control deficit spending, he warned of dire consequences. American society was "mortgaging our future and our children's future," he said (Reagan, 1981, p. 1). The President further proclaimed that such spending would "guarantee tremendous social, cultural, political, and economic upheavals." (Reagan, 1981, p. 1)

Reducing the size of the federal government and reducing

taxes appeared to share equal importance in Reagan's inaugural address. He announced that these objectives "will be our first priority, and on these principles there will be no compromise." (Reagan, 1981, p. 3) About 8.5% of the paragraphs from Reagan's text were devoted to spending reductions.

The President's inaugural address, while lacking specific proposals for reducing government, nevertheless sent a clear and emphatic signal. Reagan set the tone for the reduction proposals that would follow. He pointedly stated his intentions to confront spending and bluntly foretold the consequences if deficits went unchecked.

On January 26, 1982, Reagan presented his first State of the Union address (Reagan, 1982, p. 72). However, unlike the inaugural message given a year earlier, the President requested several spending reductions. (See Table 5 in the appendix for the State of the Union proposals.) The paragraphs of this address devoted to spending reduction proposals comprised about 28% of the speech. This would be the largest percentage devoted to this topic in any Reagan State of the Union message. In contrast to the inaugural address, no mention was made of dire consequences if spending reduction was not achieved.

Regarding objectives, adhering to his economic program

was mentioned by the President before any other. Reagan described the plan as consisting of four "common-sense fundamentals" of which he mentioned continued spending reduction first. Preservation of the tax cuts immediately followed. Upon listing his spending reduction proposals, the President then focused on the transfer of federal programs to state and local governments. The third objective mentioned by Reagan was a need to create urban enterprise zones.

The President's 1982 message contained six spending reduction proposals, the same number as in Reagan's 1985 message - the first of his second term. Of all State of the Union messages, 1982 contained the greatest number of proposed reductions Reagan outlined to the nation. The specificity and the implied message of further cuts in unnamed programs (except Social Security) announced in the 1982 address were bold. Reagan was well aware that the House of Representatives and one-third of the Senate were being asked to support these reductions despite the November election. He also knew that his proposals in January of 1982 could be used as an issue in November against his party. Reagan demonstrated consistency in the address by holding fast to his economic plan initiated in 1981. He continued to verbalize the importance of spending reduction and offered substantive proposals as well.

Like the previous State of the Union message, Reagan's

1983 address included several proposals to reduce spending. Of these proposals, only containing entitlement growth had been advanced by Reagan in the previous year's address. The President also stated that if Congress passed his spending reduction proposals, he would accept a temporary tax. It would begin in 1986 only under certain circumstances and was not to exceed 1% of the GNP. About 5% of the paragraphs from Reagan's 1983 address were devoted to budget reduction proposals. This total was down considerably from the previous year, probably because the President did not advocate transferring certain federal programs to state and local governments in 1983.

Unlike the 1982 State of the Union message, Reagan did mention several consequences if deficit spending was not reduced. He warned that such spending could weaken the economic recovery then under way. Furthermore, the President stated that anemic economic growth could persist "into the indefinite future" as a consequence (Reagan, 1983, p. 104). Reagan also returned to a warning used in his inaugural address by remarking that, "we will leave an unconscionable burden of national debt to our children." (Reagan, 1983, p. 104)

Federal deficit reduction, with an emphasis on spending restraint, was mentioned in the President's address before any

other objectives in 1983. As a part of this theme, Reagan stated that the tax cuts and defense buildup must be preserved. (Reagan, 1983, p. 104). This goal was followed by expanding employment opportunities and the need to "revitalize" American education.

The President's 1983 State of the Union message, like the previous year's address, contained substantive spending reduction proposals. However, the President's proposals were not always specific. While the 1982 and 1983 addresses, for example, advocated curtailment in entitlement expenditures, neither offered how this would be achieved. Reagan continued in 1983 to prioritize deficit reduction by mentioning it ahead of all other issues. The President, however, altered his approach to obtain the reductions. In 1983, Reagan exchanged his 1982 proposals, with the exception of containing entitlements, for an inflation-adjusted spending freeze. Such 1982 suggestions as transferring certain federal programs to the states, terminating 75,000 federal jobs, and abolishing the departments of Energy and Education disappeared by the 1983 State of the Union message. This unwillingness to proceed with these objectives, as well as most of 1982 proposals, came after only one year. Referring again to World Book's definition of consistency, Reagan in 1983 was "keeping or inclined to keep to the same principles" (spending

reduction) but not "inclined to keep to the same course of action."

In 1983, Reagan established a new pattern that would continue throughout the remainder of Reagan's State of the Union messages. Though Reagan definitely adhered to the principle of deficit reduction in every address, the actual mechanics, the means, "the same course of action" would change considerably. Ultimately, "keeping to the same course of action" would demand procedural changes to repair the deficit - a balanced budget amendment and a line-item veto. These proposals were procedural in that if they were adopted, the president would possess new means of controlling the budget.

The President delivered the 1984 State of the Union address on January 25. In that election year, Reagan requested completely different budget reductions relative to previous addresses. About 9% of the paragraphs from Reagan's speech were devoted to spending reduction requests. Again, all of the proposals were new, with no further mention of past spending reduction plans. Reagan did, as in 1981 and 1983, mention the consequences of failing to reduce deficit spending. However, in 1984, unlike previous years when definite detrimental effects were pronounced, Reagan framed the consequences more positively. Instead of facing a threat to weaken or end the economic recovery, Reagan stated that

deficits must decline "to ensure continued economic growth."
(Reagan, 1984, p. 89)

Deficit reduction was cited by Reagan before other objectives in the State of the Union message. As in previous years, the President stated that tax increases and defense spending reductions were not options to confront deficit spending. Reagan did suggest eliminating certain tax breaks if a bi-partisan plan could be constructed. Spending reduction was followed in the speech by tax reform and a commitment to space exploration.

Like the other State of the Union messages, deficit reduction did figure prominently in the 1984 address - mentioned before any other issue. Reagan remained locked to the principle of reducing government spending. After three years of budget conflict, both he and the Congress were well aware of the risks, frustrations, and realities concerning the "politics of subtraction." As Reagan approached reelection, he called for bipartisan support in crafting a spending compromise. He embraced a private commission's findings for budget reform. Furthermore, he advanced procedural remedies for confronting spending - requests for tools not at that time available to him as a means of controlling spending. A complete absence of any proposal from past State of the Union messages represents a departure from Reagan's "course of

action." Again, his attention to spending confirms a consistent adherence to principle; yet he failed to pursue that principle through consistent practical action. Reagan began his presidency enunciating an effort to reduce the federal budget that resonated almost as a crusade. His first and second State of the Union messages offered substantive, though not always specific, measures to follow the assertions made in his inaugural address. Though substantive, the second address did not follow most of the proposals from the first message. However, by the concluding year of his first term, Reagan failed to pursue the pattern of substance he established. His 1984 State of the Union called on two procedural tools, a research group's findings, and bipartisanship to combat deficit spending. The President continued in his second term to utilize the State of the Union message to advance the objective of budget reduction.

Rhetoric and Reduction: Reagan's Second Term

Upon winning reelection, President Reagan's 1985 State of the Union address included several paragraphs on reducing the budget. The centerpiece for program reduction was a freeze on overall federal spending. Reagan stated that spending "must not be one dime higher than fiscal 1985." (Reagan, 1985, p. 132) Three Reagan proposals were promoted in the 1985 State

of the Union that had received attention in previous addresses. The Grace Commission recommendations, the balanced budget amendment, and the line-item veto had all appeared in Reagan's 1984 State of the Union. No other budget reduction proposals from earlier State of the Union messages were present.

About 6% of the paragraphs from the speech were devoted to budget reduction proposals. Like the 1982 State of the Union message, Reagan offered no compelling reason to reduce expenditures other than to obtain a balanced budget eventually (Reagan, 1985, p. 132). No mention was made of consequences that would follow if this was not done. In fact, Reagan emphasized not the dangers of deficit spending, but the need to promote economic growth. This strategy preceded his spending reduction proposals and was presented as a key ingredient in deficit reduction. The President announced that, "The best way to reduce government spending is to reduce the need for spending by increasing prosperity." (Reagan, 1985, p. 132)

Reagan's change from emphasizing budget cuts to encouraging economic growth also was reflected in the presentation of objectives. Reagan spoke of tax reform before any other objective. This goal was followed in the speech by support of "growth initiatives." These included support for:

enterprise zones, a youth employment and wage bill, the Job Training Partnership Act, and ownership of public housing legislation. Controlling deficit spending followed these proposals, and Reagan stated that taxes would not be raised to confront the problem (Reagan, 1985, pp. 131-32). He emphasized that tax reform and the other "growth initiatives" could not wait for deficit reductions. The President maintained that these initiatives would assist in reducing deficits because of the economic activity they would create.

Reagan's first State of the Union message of his new term offered substantive proposals. For the first time in such a message, he specifically identified Medicare and Medicaid as a source of savings. Like 1983, he suggested that cuts were available in defense spending. Unlike 1983, Reagan did not attach a dollar amount to the savings. Certain government subsidies such as Amtrak and agriculture programs were also mentioned in the 1985 address as areas for reduction. As noted earlier, Reagan would offer six proposals to reduce spending, the most of any State of Union address since 1982. The line-item veto and the balanced budget amendment, however, were included in the latter address. Given the length of time required to amend the Constitution, a balanced budget amendment's usage for timely action was minimal. Reagan had initially proposed such an amendment for the line-item veto.

However, he later simply asked for "authority" to use it. The 1982 address, therefore, contained more substance, though not always specific, than any of the Reagan early year messages.

Reagan's 1985 State of the Union is unique for several reasons. Though it contained the substantive suggestions mentioned, Reagan did not refer to the deficit initially as he had in all previous addresses. The deficit issue followed behind tax reform and what Reagan described as "growth initiatives." This speech reflected Reagan's apparent continued faith in a supply side resupply of the U.S. treasury. The President stated: "Well, the best way to reduce deficits is through economic growth. More businesses will be started, more investments made, more jobs created, and more people will be on payrolls. The best way to reduce spending is to reduce the need for spending by increasing prosperity." (Reagan, 1985, p. 132)

The President never so emphatically voiced this view of growth as a primary deficit reducer in a State of the Union before or after 1985. Ironically, despite announcing his optimism that economic growth was the "best way" to reduce expenditures, the reader should recall that Reagan's budget for fiscal 1986 advanced the strongest reductions of his presidency.

The President endorsed four proposals in his 1986 State

of the Union address to deal with deficit spending. As in every address since 1984, Reagan proposed enacting the Grace Commission's suggestions, the line-item veto, and a balanced budget amendment. The President also recommended "welfare reform," which he had never promoted per se in his annual early year messages as a cost-saving measure. However, Reagan had spoken of the need to contain entitlements in both the 1982 and the 1983 addresses - specifically, anti-poverty entitlement programs. For example, the President mentioned food stamps as a program rife with fraud and abuse (Reagan, 1982, p. 75; 1983, p. 105).

Two paragraphs were utilized in the 1986 address to explain Reagan's spending-reduction plan. This represented about 6% of all paragraphs from the text. He stated, as he had in 1981, 1983, and 1984, that failure to reduce expenditures would bring adverse consequences to the country. Unlike those years, however, Reagan was not as frank about those consequences. In his 1986 address, he warned that the United States could not "win the race to the future" if it continued the trend of deficit spending (Reagan, 1986, p. 126).

As he had in all the messages examined thus far, except in 1985, Reagan mentioned deficit control before any other objective. He continued in 1986, as he had done the previous

year, to eliminate raising taxes as a means of addressing this problem (Reagan, 1986, p. 126). Following this objective were continuing the defense buildup and tax reform.

By restoring deficit reduction to its former status among issues mentioned, Reagan remained committed in principle to reducing government. Yet his departure from "the course of action" set early in his second term presents an inconsistent pattern. After only one year, Medicare/Medicaid containment and reduction in government subsidies were abandoned in the President's 1986 annual message.

Reagan's 1987 State of the Union address limited spending-reduction proposals to advocating a balanced budget amendment and obtaining line-item veto authority. Both of these proposals had been suggested by Reagan each year, beginning with the 1984 State of the Union. As he had the year before, Reagan did propose welfare reform. However, unlike 1986, the President did not argue that such reform would be used as a means for spending reduction. In 1987, Reagan simply justified welfare reform because welfare recipients needed to be "freed from the dependency of welfare and made self-supporting." (Reagan, 1987, p. 59) Therefore, only two paragraphs of Reagan's text were devoted to methods that, according to him, would reduce expenditures - a balanced budget amendment and the line-item veto. This constituted

about 6% of all paragraphs from the text.

The President mentioned only one consequence of deficit spending in his address. He stated that the federal government had to stop postponing this issue and leaving it for future generations to confront. Reagan had not mentioned this particular consequence in a State of the Union since 1983.

Thus far, budget reductions had always received attention before other issues in the State of the Union address with the exception of 1985. Reagan's 1987 message shifted spending reduction behind funding the defense buildup, funding foreign-assistance programs, and American efforts to enhance competitiveness. Absent were any specific proposals for program reductions or eliminations as had been the case previously. The President himself described his proposals on deficit spending as "budget reform." (Reagan, 1987, p. 59) However, he again emphasized that raising taxes was not a desirable way to control deficit financing (Reagan, 1987, p. 58).

Reagan's final State of the Union address was presented on January 25, 1988. (Reagan, 1988, p. 85) Just as he had the previous year, Reagan confined his proposals to address deficit spending to two paragraphs advocating a balanced budget amendment and line-item veto authority. This

represented about 4% of all paragraphs from the text. No other suggestions accompanied these. Both had appeared in every Reagan State of the Union address since 1984.

As in 1982 and 1985, Reagan made no mention of any consequences that would follow a failure to address deficit spending. He described the present budget process as having "broken down" and spoke about the difficulty of timely and fully informed decision making on spending (Reagan, 1988, p. 86). While Reagan stated that the budget process had caused "crisis after crisis" as deadlines were missed and the federal government maintained order through continuing resolutions, absent were any of his previous warnings against deficit spending.

The President spoke of the need to restrain federal spending before any other issue in his 1988 State of the Union; however, in his final early year message, this objective was strongly coupled with the need to restructure the budget process. Reagan emphasized this point by dropping on his podium the immense copies of the conference report, reconciliation bill, and continuing resolution. This objective was followed by a proposal to require Congress to issue an impact statement that any pending legislation would have on the family. The third objective mentioned by the President was education reform.

What remains of Reagan's budget reduction proposals were the procedural suggestions which dated to 1984. Interestingly enough, these same suggestions would be the sole surviving components of Reagan's spending reduction agenda. In his final two State of the Union messages, no substantive proposal was offered to limit government. Reagan, after six years of articulating the need to restrain federal spending in his State of the Union messages, ultimately offered two unavailable instruments - a balanced budget amendment and the line-item veto - as the only effective manner to restrain deficit spending.

Throughout both terms, Reagan consistently made deficit reduction through spending containment a focal point of his State of the Union speeches. The President, beginning in 1984, consistently offered two procedural remedies to the problem. He would, in fact, "keep to the same principles." Yet, as argued, Reagan's pattern of solutions to achieve that principle varied yearly. Though political reality no doubt greatly influenced Reagan's proposals, he did not "keep to the same course of action" in this regard. The President did not, or was not able to remain consistent in advocating substantive proposals as he was with procedural proposals. Reagan gradually concluded that the most effective spending reduction proposals were those mechanisms that only someone else could

grant.

Beyond the State of the Union

Reagan's efforts to capture the public's attention on spending reduction certainly were not confined to his State of the Union messages. Other major attempts were made on his part to summon support. What follows is a brief summary of the major televised addresses over Reagan's two terms concerning budget reduction. Not included are the 1981 addresses made prior to the enactment of Reagan's economic program. Attention is focused, therefore, on the messages made after further budget cuts were deemed necessary. The intention is to establish Reagan's willingness to advocate effectively further reductions after he won the 1981 budget cuts.

The President's first effort at advocating additional budget reductions beyond what Congress initially agreed to came on September 24, 1981. Reagan argued before a national audience that interest rates and inflation would decline if further spending reductions were enacted. He noted that the national debt had reached \$1 trillion and stated that such a figure should be taken as a "warning." (Reagan, 1981, p. 832) The President called for six billion in further reductions for fiscal year 1982 and \$80 billion in spending cuts over the

next three years. He argued that this could be accomplished with five major steps: a 12% reduction for most government programs in 1982; reducing the non-defense government work force by 75,000; eliminating the department of Energy and Education; reducing federal loan guarantees by \$20 billion; reforming entitlement and welfare programs (except Social Security) to save \$27 billion over three years; and tightening tax deductions and increasing government user fees (Reagan, 1981, p. 833). Reagan followed his proposals by informing the public that "this cannot be the last round of cuts. Holding down spending must be a continuing battle for several years to come." (Reagan, 1981, p. 833)

Reagan again approached the public on the need to reduce spending in an April 29, 1982 message. He stated that a budget must be enacted for fiscal 1983 that would reduce deficits and interest rates. Reagan argued that preserving his tax cuts and the defense buildup were vital and should not be part of any deficit reduction formula. Further spending reductions were required, he said. He proposed a constitutional amendment to balance the budget, and encouraged citizens to contact their representatives in support of the President's budgetary proposals.

On October 13, 1982, several weeks before the midterm elections, Reagan addressed the nation on the condition of the

economy. He argued that federal deficit spending was the primary cause of inflation and that inflation ultimately led to recession and unemployment. The President stated that bold action was required to confront the nation's economic problems. He attempted to project an image of trying to do the difficult but right thing. Said Reagan, "at my age, I didn't come to Washington to play politics as usual." (Reagan, 1982, p. 1310) He asked for the public's support in his efforts to constrain government, and stated that the Congress shared responsibility in controlling spending and passing a balanced budget amendment.

Perhaps the high water mark of Reagan's effort to argue publicly for spending reduction occurred on April 24, 1985. Reagan warned that deficit spending would destroy "all our progress, all the good we have accomplished so far, and all our dreams for the future." (Reagan, 1985, p. 493) He further predicted "painful hardships down the road" if an acceptable spending plan could not be constructed (Reagan, 1985, p. 496). Reagan's proposal was for spending reductions of \$300 billion over three years with no tax increases. He justified reducing Amtrak and eliminating subsidies to businesses through the export-import bank and Small Business Administration. Reagan then proclaimed to his audience that, "If programs like these can't be cut, we might as well give up

hope of ever getting government spending under control." (Reagan, 1985, p. 496)

The President also proposed that federal retirees and recipients of Social Security and veterans' benefits receive a 2% increase over three years instead of the existing cost-of-living adjustments. He stated, however, that if inflation rose over 4%, the amount of the increase would be added to the 2%. The President appealed for self-sacrifice and national unity. He encouraged the public to express support for his plan to Congressional representatives. This was Reagan's last major public appeal for spending reduction of this magnitude.

Reagan returned to deficit reduction in a prime-time address on June 15, 1987. He reported on the Venice Economic Summit, arms control efforts, and the deficit. The President argued, predictably, that federal spending was too great and again called for a balanced budget amendment. Furthermore, he urged the public to contact their Congressional representatives on the need to restrain spending. Reagan expressed his belief that a public response would create an environment for consensus on a budget pact that stressed spending reduction. A line-item veto was also requested by the President in this message. He warned that the economic future of the United States was at risk if deficit spending could not be controlled.

Almost two months later, on August 12, 1987, Reagan again addressed the nation. His speech opened with statements concerning arms shipments to Iran. The remainder of the message dealt with various Presidential objectives. Reagan emphasized the need for a balanced budget amendment. He noted that strong public support existed for this measure and that 44 states utilized such a device (Reagan, 1987, p. 944). Reagan proposed that if the Congress would schedule a vote on this amendment in 1987, he would agree to negotiate on all spending items of the budget.

Reagan throughout his presidency developed a practice of utilizing national televised messages to argue specifically against deficit spending. These addresses, as pointed out, were supplements to the proposals and reasoning the President had outlined in his State of the Union messages. Reagan appeared before a national audience seeking support for reductions in the fiscal 1982, 1983, 1986, and 1988 budgets.

One recognizes the possibility of risking a declining utility of television appeal on this issue over time. Perhaps this factored heavily into Reagan's decision not to seek similar support for his budget plans during the other four years. The fact that he did not, however, constitutes an inability or unwillingness to "keep to the same course of action" set by addresses for the 1982 and 1983 budgets.

Special messages on budget reduction for fiscal years 1984, 1985, 1987, and 1989 were never attempted. As a result, an inconsistent pattern for seeking support via major televised messages was established.

Summary

It has been demonstrated that Reagan certainly utilized major public messages to promote his desire for less government spending. The topic was advanced in Reagan's inaugural address and every State of the Union message he delivered. In addition, six major televised speeches concerning this topic succeeded his initial budget victories.

Reagan's State of the Union messages, like his proposed budgets, reflect a commitment to spending reduction. This is evidenced by the consistent appearance in both of proposals to shrink expenditures throughout his presidency. While the strength of the suggested cuts varied in his budgets, they were always present. Similarly, while objectives from enterprise zones to education reform to a renewed commitment to space exploration appeared in State of the Unions, none of these maintained the resilience of budget reduction. Reducing expenditures was present in every State of the Union and was mentioned ahead of every other objective in five of the seven addresses. Only tax reform was a close competitor, being

mentioned in three addresses. Of the three messages, it was mentioned first only once.

While the President's commitment to spending reduction appears to have been solid, his selection of means to achieve the cuts was inconsistent. Reagan's proposed budget cuts varied in intensity, and many functions received his approval for proposed increases after he endorsed their reduction the previous year. Reagan's State of the Union messages followed an inconsistent "course of action" as well. Strong substantive reduction proposals were in only three of the seven messages. By his second term, Reagan placed more emphasis on the procedural tools of a balanced budget amendment and a line-item veto as the means to confront deficit spending. In 1987, these tools comprised 50% of the President's reduction proposals. In his final two State of the Union messages, they were the only proposals Reagan offered. It would seem that Reagan was never willing to request consistently solid means to achieve the principle to which he was committed. Such a circumstance, in turn, resurrects an observation by Reagan's budget director, David Stockman. Stockman said, "it will take three, or four, or five years to subdue it [federal spending]. Whether anyone can maintain the political momentum to fight the beast for that long, I don't know." (Budgeting for America, p. 4)

Chapter IV: Principle Affirmed - Action Deferred

John L. Palmer and Isabel V. Sawhill (1984) wrote: "More than any U.S. president, Reagan used the federal budget to articulate and pursue his policies." (p. 107) Without question, President Reagan consistently proposed budget reductions throughout his tenure. The principle of limiting government was rooted in Reagan's first proposed budget and appeared annually until his 1989 departure. The principle of limiting government through budget reduction was also present in Reagan's State of the Union messages. All of these speeches contained passages concerning the need for spending reduction. In each early-year message, the President's desire to reduce the budget, therefore, was consistently made known to the public.

However the fact that every Reagan budget proposed cuts or that every Reagan State of the Union contained several paragraphs concerning cuts does not speak to the consistency of his effort to balance the budget. To remain consistent, according to the word's meaning, one must "keep to the same principle, course of action." Both "principle" and "course of action" are germane to this study. The President, through his rhetoric and overall annual budgets, was able to uphold a consistent principle - limiting domestic federal spending, but

he did not consistently pursue a course of action to obtain that principle.

As presented previously, the strength of the President's budget cuts varied yearly. In each year of his administration, Reagan consistently singled out only two budget functions (Commerce and Housing Credit, Community and Regional Development) for reduction. Other functions Reagan selected for cuts in one year were recommended for spending increases in other years. The substantive reduction proposals offered in Reagan's State of the Union addresses often disappeared after only one year. The President, through special nationally televised messages, sought support for several of his budget plans. However, this approach was not taken for every budget cycle.

The erratic Reagan pattern previously described may have been unavoidable. It, however, did exist. Some observers may offer such behavior as evidence of Reagan's pragmatism - a virtue in the divided government setting he faced. Others may assert that Reagan's inconsistent course of action represented a lack of diligence to shrink government. The body of evidence drawn from examining Reagan's selected speeches and proposed budgets leads to the following conclusion: the President was committed to budget reduction, however, the inconsistency of his actions defined that commitment as weak.

The two measures utilized for this thesis, the presidential budgets and State of the Union addresses, shared some similarities regarding Reagan's use of them. Both were utilized, in essence, to communicate an adherence to the longstanding Reagan principle of limiting the federal government's domestic role. The two presidential vehicles displayed evidence of Reagan's consistent commitment to principle, if not always substance.

The budgets and State of the Union messages were also similar in another respect. The messages delivered in 1984, 1986, 1987, and 1988 were without strong substantive recommendations and Reagan's budgets released during the same period were relatively weak regarding spending reductions. In addition, the 1982 State of the Union complimented Reagan's fiscal 1983 budget proposals, but in a different fashion. The 1982 address devoted substantial attention to budget cuts. Reagan's proposed budget released in January of 1982 offered the second largest cuts of his presidency. A similar relationship exists for the 1985 State of the Union and the fiscal 1986 Reagan budget proposals.

However, this is an exception to the correlation between substantive addresses and strong budget cutting proposals. The President's 1983 State of the Union address was quite forthcoming regarding spending reduction proposals. Reagan

requested that COLAs on federal retirement programs be frozen for six months, spending on many domestic programs and federal salaries be frozen, certain entitlements be contained, and defense be pared by \$55 billion over three years. Despite the substance of the address, Reagan's budget released in early 1983 (fiscal year 1984) proposed reductions of 1.8% of total outlays. This represented only the fifth largest reduction proposal of Reagan's presidency. Therefore, Reagan did not always correlate his proposed cuts to the perceived strength of his State of the Union messages. The President further enhanced the perception of his seriousness on budget cuts, for example, by using a warning rarely uttered in a State of the Union address. He remarked in the 1983 message, "we will leave an unconscionable burden of national debt to our children" if spending was not arrested (Reagan, 1983, p. 104). Yet the cuts that accompanied this call of impending danger would rank only fifth in strength among Reagan's eight budgets.

The President's budgets and State of the Union messages were comparable in their broad adherence to limiting government. In some years, they complimented each other by offering limited options to reduce spending. Occasionally, they complimented each other by offering substantive options. However, as shown, the two measures did not always share a

correlation between strength of rhetorical substance and strength of dollar amounts reduced.

This thesis supplements the findings of Light, Pfiffner, Edwards, and Wayne regarding agenda setting. These scholars argue that a president should act quickly to advance his objectives for the reasons cited in Chapter I. Table 3 verifies that Reagan did so. The first budget that he submitted, though offering the third largest reduction proposals of his tenure, was nevertheless strong relative to most others. Furthermore, Paul Light's assertion that a presidency may regain momentum during the early period of a second term is applicable to Reagan. He did, in fact, use the opening of his second term to advance the greatest budget reductions of his presidency.

Reagan's inaugural address seems to verify the President's recognition of the need for early action. The President wasted no time in proclaiming an intention to curtail the federal government and strongly emphasized the need to contract the deficit. Light's second term renewal observation also applies to other Reagan speeches. The President's 1985 State of the Union must be regarded as one of the leading such messages for substance in budget reduction requests. Reagan used a separate speech at the beginning of the second term to make his strongest public appeal for

deficit reduction. In his August 24, 1985 message, the President sought support and national unity behind \$300 billion in cuts over a three-year period.

Furthermore, Light noted that the twenty-second Amendment limiting a president's term has a significant impact beyond the early months of a second term. Table 5 seemingly confirms Light's observation. By 1986, Reagan offered only two non-procedural proposals (welfare reform and the Grace Commission recommendations) to confront deficit spending. Neither proposal received any specificity in his address. Beyond 1986, the final two early-year messages contained only the procedural requests of a balanced budget amendment and a line-item veto. Absent were all other requests of substance offered over Reagan's presidency.

In addition, major televised speeches devoted to deficit reduction followed a similar second-term pattern. Table 6 indicates that no address on this subject occurred in 1986. Two significant messages were given in 1987, however deficit spending was not the exclusive topic of the speech as had been the case in previous special budget addresses. The focus and specificity of the earlier major addresses is clearly missing after 1985. Light's assertion concerning the lame duck phenomenon of an aging presidency may have been at work.

Some observations made in the first year of the Reagan

presidency proved to hold throughout both terms. In 1981, the publication Setting National Priorities: The 1982 Budget observed that Reagan's first budget protected some of the major domestic programs from reductions. The work noted that such protection had a humanitarian appeal and was certainly understandable for political reasons. Yet, the authors felt this practice had "no consistent rationale." (p. 7) They wrote: "some Social Security benefits are terminated and eligibility for disability is restricted. Yet overadjustment for inflation that was made in the basic benefits during the past three years (because of a flaw in the price index) would not be corrected. The proposed budget cuts federal outlays for Medicaid while Medicare, which pays benefits to the aged regardless of income, is spared." (p. 7) The authors suggested correcting the overadjustment of Social Security benefits for inflation and implementing cost sharing for Medicare. They concluded, "It would be more in line with the Reagan administration's principles to raise premiums or to cut Medicare outlays substantially by introducing more cost sharing." (p. 71)

Setting National Priorities made its observations in Reagan's first year. Tables 1 and 2 disclose that Reagan continued to protect the Social Security and Medicare programs from serious reduction throughout his presidency. The Social

Security benefits Reagan did propose to end in 1981, alluded to by Priorities, were extremely small. As indicated in Table 1, this change was so small that funding for the overall function does not disclose a reduction. Income Security for fiscal 1982 actually reveals a 4.2% increase. The benefit termination mentioned in Priorities concerned the minimum monthly Social Security payment of \$122. Reagan contended that many of the 3 million people receiving this benefit were not in need (Budgeting for America, pp. 91-92). However, only two months after passage, Reagan proposed restoring this benefit for lower-income beneficiaries (Budgeting for America, p. 93).

As Table 1 shows, the Social Security/Medicare function was rivaled only in size by national defense. In his fiscal 1986 budget, which has been identified as the high-water mark in reducing spending, Reagan requested Medicare "savings" of about \$18 billion over three years (CQ Almanac 1985, p. 434). Again, this reduction was not significant enough to make the Social Security/Medicare function appear to be reduced. While Reagan did propose trimming at the margin of Medicare in 1985 (and later Social Security COLAs), this was never done in the "substantial" manner suggested in the 1981 Setting National Priorities publication. Despite the size of Social Security and Medicare, as well as the rationale pointed to by

Priorities, these programs were never seriously reduced in Reagan's proposed budgets.

Reagan biographer Lou Cannon asserted in his book, President Reagan: The Role of a Lifetime (1991), that the President never asked Americans to sacrifice for the welfare of the country (p. 829). Reagan would probably disagree. In his April 24, 1985 address to the nation, he spoke of the need to contain the deficit through substantive spending cuts. The President appealed for national unity in support of his proposed reductions. Reagan insinuated sacrifice, but he proclaimed that the burdens would not be great "if all of us help carry the load." (Reagan, 1985, p. 496) He advocated reducing or eliminating Amtrak, the export-import bank, the Small Business Administration, and certain farm subsidies. Reagan also proposed that federal retirement, Social Security, and veterans' benefits receive a 2% increase over three years instead of the existing COLA. He stated, however, that if inflation rose over 4%, the amount of the increase would be added to the 2% benefit raise.

Not mentioned in the address were proposals reducing student aid, Medicare, urban mass transit assistance, revenue sharing to states and localities, and air-carrier subsidies (CO Almanac 1985, p. 434). Therefore, Reagan would be correct in claiming that the reductions were broadly based across the

budget. However, any claim of broadly based sacrifice from the citizenry would be questionable. While both Social Security and Medicare would have been affected by Reagan's 1985 request, the dollar amounts reduced were quite minimal. Social Security, for example, would still expand beyond the previous year's funding.

Lou Cannon's claim that Reagan never publicly requested sacrifice for the common good appears valid. This thesis has discovered no Reagan State of the Union message where a call for sacrifice could be claimed. Of the six major televised addresses devoted to budget reduction, only the April 24, 1985 message could be an exception. As presented earlier, though, any claim of sacrifice through this message is dubious. The fact remains that the two entitlement programs from which more citizens received federal benefits (one in six Americans were beneficiaries of these programs) were not substantially affected, even in this effort (The United States Budget in Brief: Fiscal Year 1986, p. 45). The President remained unwilling to take the necessary risk that a genuine call for sacrifice would require.

This thesis also provides supportive evidence to David Stockman's contentions made in his work The Triumph of Politics (1986). Stockman wrote: "He [Reagan] leaned to the right, there was no doubt about that. Yet his conservative

vision was only a vision. He had a sense of ultimate values and a feel for long-term directions, but he had no blueprint for radical governance. He had no concrete program to dislocate and traumatize the here-and-now of American society." (Stockman, p. 9) While Reagan did not propose such restructuring, the dislocation and trauma of which Stockman writes may yet arrive. As this thesis is being written, the interest function will soon compete with National Defense and Social Security/Medicare as the most expensive item of the federal budget. Indeed, while Reagan appeared committed in principle to the goal of downsizing government, a rigorous analysis of his budget proposals and major speeches indicates that he lacked the "concrete program" needed to realize his goals. Ironically, the legacy of Reagan's pursuit of a balanced budget may be the fiscal burden of generations to come.

Table 1 - President Reagan's Annual Budget Proposals by Function

Column 1: Estimate of current fiscal year.
 Column 2: President's proposal for the next fiscal year.
 Column 3: Difference in dollars between columns 1 and 2.
 Column 4: Percentage change of column 2 from column 1.

	FY Estimate				FY Estimate				FY Estimate				FY Estimate			
	1981	1982	\$	%	1982	1983	\$	%	1983	1984	\$	%	1984	1985	\$	%
Defense	161.1	188.8	27.7	17.1	187.5	221.1	33.6	17.9	214.8	245.3	30.5	14.1	237.5	272.0	34.5	14.5
Int. Affairs	11.3	11.2	-0.1	-0.8	11.1	12.0	0.9	8.1	11.9	13.2	1.3	10.9	13.5	17.5	4.0	29.6
Gen. Sci./Space/Tech.	6.3	6.9	0.6	9.5	6.9	7.6	0.7	10.1	7.8	8.2	0.4	5.1	8.3	8.8	0.5	6.0
Energy	8.7	8.7	0	0	6.4	4.2	-2.2	-34.3	4.5	3.3	-1.2	-26.6	3.5	3.1	-0.4	-11.4
Natural Resources	14.1	11.9	-2.2	-15.6	12.6	9.9	-2.7	-21.4	12.1	9.8	-2.3	-19.0	12.3	11.3	-1.0	-8.1
Agriculture	1.1	4.4	3.3	300	8.6	4.5	-4.1	-47.6	21.1	12.1	-9.0	-42.6	10.7	14.3	3.6	33.6
Commerce/Housing credit	3.5	3.1	-0.4	-11.4	3.3	1.6	-1.7	-51.5	1.9	0.4	-1.5	-78.9	3.8	1.1	-2.7	-71.0
Transportation	24.1	19.9	-4.2	-17.4	21.2	19.6	-1.6	-7.5	21.9	25.1	3.2	14.6	26.1	27.1	1.0	3.8
Community development	11.1	8.1	-3.0	27.0	8.4	7.3	-1.1	-13.0	7.4	7.0	-.4	-5.4	7.6	7.6	0	0
Education	31.8	25.8	-6.0	-18.8	27.8	21.6	-6.2	-22.3	26.7	25.3	-1.4	-5.2	28.7	27.9	-0.8	-2.7
Health	66.0	73.4	7.4	11.2	73.4	78.1	4.7	6.4	82.4	90.6	8.2	9.9	30.7	32.9	2.2	7.1
Income Security*	231.6	241.4	9.8	4.2	250.9	261.7	10.8	4.3	282.5	282.4	-0.1	-0.03	96.0	114.4	18.4	19.1
Veterans' Bens./Servs.	22.6	23.4	1.0	4.4	24.7	24.4	0.2	0.8	24.4	25.7	1.3	5.3	25.8	26.7	0.9	3.4
Justice	4.8	4.4	-0.4	-8.3	4.5	4.6	0.1	2.2	5.3	5.5	0.2	3.7	6.0	6.1	0.1	1.6
General government	5.2	5.0	-0.2	-3.8	5.1	5.0	-0.1	-1.9	5.8	6.0	0.2	3.4	5.7	5.7	0	0
General purpose	6.9	6.4	-0.5	-7.2	6.4	6.7	0.3	4.6	6.4	7.0	0.6	9.3	6.7	6.7	0	0
Interest	80.4	82.5	2.1	2.6	99.1	112.5	13.4	13.5	88.9	103.2	14.3	16.0	108.2	116.1	7.9	7.3
Allow.		1.7			-0.6	-1.3							0.9			0.9
Social Security/Medicare*													240.2	260.3	20.1	8.3
Total dollar reductions: (in billions)**			\$17.0				\$19.7				\$15.9				\$5.7	
Outlay totals:	\$662.7	\$695.3			\$725.3	\$757.6			\$805.2	\$848.5			\$853.8	\$925.5		
Deficit total:	\$55.2	\$45.0			\$98.6	\$91.5			\$207.7	\$188.8			\$183.7	\$180.4		

*Until fiscal 1985, Medicare was included with the health function and Social Security was included in Income Security.

**Amount does not reflect additional savings in interest or inflation adjustments.

Source: The United States Budget in Brief: Fiscal Years 1982-1985 and Congressional Quarterly Weekly Report, Jan.- Mar. 1981

Table 1 (continued)

Column 1: Estimate of current fiscal year.

Column 2: President's proposal for the next fiscal year.

Column 3: Difference in dollars between columns 1 and 2.

Column 4: Percentage change of column 2 from column 1.

	FY Estimate				FY Estimate				FY Estimate				FY Estimate			
	1985	1986	\$	%	1986	1987	\$	%	1987	1988	\$	%	1988	1989	\$	%
Defense	253.8	285.7	31.9	12.5	265.8	282.2	16.4	6.1	282.2	297.6	15.4	5.4	285.4	294.0	8.6	3.0
Int. Affairs	19.6	18.3	-1.3	-6.6	17.1	18.6	1.5	8.8	14.6	15.2	0.6	4.1	9.9	13.3	3.4	34.3
Gen. Sci./Space/Tech.	8.7	9.3	0.6	6.8	8.9	9.2	0.3	3.3	9.5	11.4	1.9	20.0	10.9	13.1	2.2	20.1
Energy	8.2	4.7	-3.5	-42.6	4.4	4.0	-0.4	-9.0	3.8	3.3	-0.5	-13.1	2.7	3.1	0.4	14.8
Natural Resources	13.0	11.9	-1.1	-8.4	12.9	12.0	-0.9	-6.9	13.9	14.2	0.3	2.1	15.1	16.0	0.9	5.9
Agriculture	20.2	12.6	-7.6	-37.6	25.9	19.5	-6.4	-24.7	31.1	26.3	-4.8	-15.4	22.4	21.7	-0.7	-3.1
Commerce/Housing credit	6.0	2.2	-3.8	-63.3	3.8	1.4	-2.4	-63.1	9.3	2.5	-6.8	-73.1	12.4	7.9	-4.5	-36.2
Transportation	27.0	25.9	-1.1	-4.0	27.1	25.5	-1.6	-5.9	27.0	25.5	-1.5	-5.5	27.2	27.3	0.1	0.3
Community development	8.6	7.3	-1.3	-15.1	7.9	6.5	-1.4	-17.7	6.2	5.5	-0.7	-11.2	6.3	5.9	-0.4	-6.3
Education	30.4	29.3	-1.1	-3.6	30.7	27.4	-3.3	-10.7	29.8	28.4	-1.4	-4.6	33.7	37.4	3.7	10.9
Health	33.9	34.9	1.0	2.9	35.7	35.0	-0.7	-1.9	39.7	38.9	-0.8	-2.0	44.5	47.8	3.3	7.4
Social Sec./Medicare	257.4	269.4	12.0	4.6	268.8	282.4	13.6	5.0	279.5	292.4	12.9	4.6	298.6	317.8	19.2	6.4
Income Security	127.2	115.8	-11.4	-8.9	118.1	118.4	0.3	0.2	124.9	124.8	-0.1	-0.08	129.6	135.6	6.0	4.6
Veterans' Bens./Servs.	26.8	26.8	0.	0.	26.6	26.4	-0.2	-0.7	26.7	27.2	0.5	1.8	27.7	29.6	1.9	6.8
Justice	6.7	6.6	-0.1	-1.4	6.8	6.9	0.1	1.4	8.3	9.2	0.9	10.8	9.0	9.9	0.9	10.
General government	5.8	4.8	-1.0	-17.2	6.3	6.1	-0.2	-3.1	6.8	7.5	0.7	10.2	7.0	7.7	0.7	10.
General purpose	6.6	2.8	-3.8	-57.5	6.2	1.7	-4.5	-72.5	1.9	1.5	-0.4	-21.0	1.8	1.8	0	0
Interest	130.4	142.5	12.1	9.2	142.7	148	5.3	3.7	137.5	139.0	1.5	1.0	147.9	151.8	3.9	2.6
Allow.	1.1	0.4				0.8				-0.8						

Total dollar reductions:			\$37.1			\$22.0			\$17.0			\$5.6
(in billions)												

Outlay totals:	\$959.1	\$973.7		\$979.9	\$994.0		\$1,015.6	\$1,024.3		\$1,055.9	\$1,094.2
----------------	---------	---------	--	---------	---------	--	-----------	-----------	--	-----------	-----------

Deficit totals:	\$222.2	\$180.0		\$202.8	\$143.6		\$173.2	\$107.2		\$146.7	\$129.5
-----------------	---------	---------	--	---------	---------	--	---------	---------	--	---------	---------

*\$50 million or less

**Amount does not reflect additional savings in interest or inflation adjustments.

The figures for fiscal 1988 are results of the autumn 1987 budget agreement.

Table 2

X - Indicates a reduction in that function for the given fiscal year.

F - Indicates a freeze in spending (no change from current spending in proposal for next fiscal year).

Percentages are the amount reduced in the given fiscal year relative to current spending.

	FY '82	FY '83	FY '84	FY '85	FY '86	FY '87	FY '88	FY '89
National Defense								
International Affairs	x0.8%					x6.6%		
Gen. Science/Space/Technology								
Energy	F	x34.3%	x26.6%	x11.4%	x42.6%	x9.0%	x13.1%	
Natural Resources/Environment	x15.6%	x21.4%	x19.0%	x8.1%	x8.4%	x6.9%		
Agriculture		x47.6%	x42.6%		x37.6%	x24.7%	x15.4%	x3.1%
Commerce/Housing credit	x11.4%	x51.5%	x78.9%	x71.0%	x63.3%	x63.1%	x73.1%	x36.2%
Transportation	x17.4%	x7.5%			x4.0%	x5.9%	x5.5%	
Community/regional development	x27.0%	x13.0%	x5.4%	F	x15.1%	x17.7%	x11.2%	x6.3%
Education, Training, Employ- ment, Social Services	x18.8%	x22.3%	x5.2%	x2.7%	x3.6%	x10.7%	x4.6%	
Health						x1.9%	x2.0%	
Social Security/Medicare								
Income Security			x0.03%		x8.9%		x0.08%	
Veterans' Bens./Servs.					F	x0.7%		
Administration of Justice	x8.3%				x1.4%			
General Government	x3.8%	x1.9%		F	x17.2%	x3.1%		
General Purpose Fiscal Assistance	x7.2%			F	x57.5%	x72.5%	x21.0%	F
Net interest								
Total number of functions reduced and frozen:	10	8	7	7	13	12	9	4
Total dollar reductions (in billions)*	\$17.0	\$19.7	\$15.9	\$5.7	\$37.1	\$22.0	\$17.0	\$5.6

*Amount does not reflect additional savings in interest or inflation adjustments

Source: Table 1

Table 3

Fiscal year	1982	1983	1984	1985	1986	1987	1988	1989
Total dollar reductions	\$17.0	19.7	15.9	5.7	37.1	22.0	17.0	5.6
Reduction as percentage of total outlays	2.4%	2.6%	1.8%	0.6%	3.8%	2.2%	1.6%	0.5%
Reagan projected deficit	\$45.0	91.5	188.8	180.4	180.0	143.6	107.2	129.5

Source: Table 1

Table 4: Reagan Proposed Reductions

<p>1. <u>Reduction Each Year</u></p> <p>Comm. & Hous. Credit (78-11.4%) Comm. & Reg. Dev. (27%-freeze)</p>	<p>4. <u>Reduction 3 Years</u></p> <p>Inc. Secur. (8.9-<1%)</p>
<p>2. <u>Reduction 7 Years</u></p> <p>Energy (42.6%-freeze) Education (22.3-2.7%)</p>	<p>5. <u>Reduction 2 Years</u></p> <p>Int. Aff. (6.6-<1%) Health (2.0-1.9%) Vet. (<1%-freeze) Justice (8.3-1.4%)</p>
<p>3. <u>Reduction 5 or 6 Years</u></p> <p>Nat. Res. (21.4-6.9%) 6 yrs. Ag. (47.6-3.1%) 6 yrs. Gen. Pur. Ass. (72.5%-freeze) 6 yrs. Trans. (17.4-4.0%) 5 yrs. Gen. Govt. (17.2%-freeze) 5 yrs.</p>	

The five categories indicate the number of years Reagan proposed reductions in that function. The percentages indicated represent the range of proposed reductions.

Source: Table 2

Table 5

Reagan State of the Union Addresses

This table indicates the spending reduction proposals included in an address. The percentage of paragraphs devoted to spending reduction is located at the bottom of each column.

1982	1983	1984	1985	1986	1987	1988
Abolish departments of Energy & Education	6-month freeze on gov't.-related retirement progs.	Grace Commission recommendations	Reduce growth in Medicare/Medicaid	Welfare refm.	Balanced budget amend-ment	Balanced budget amend-ment
Cut federal employment by 75,000	1-year freeze on many domestic progs.	Bipartisan coopera-tion on a \$100 billion reduction plan over 3 years.	Reduce defense spending	Grace Commis-sion recomms.	Line item veto	Line item veto
Remove "more non-essential gov't. spending and rout out more waste"	1-year freeze on federal salaries, pensions	Line item veto	Reduce gov't subsidies	Line item veto		
Cut "ineffective subsidies for business"	Contain growth of entitlement programs	Balanced budget amendment	Grace Commission recommendations	Balanced budget amendment		
Cut entitlement costs (not Social Security)	Reduce defense spending by \$55 billion over 5 years		Balanced budget amendment			
Reduce welfare costs by transferring programs to states and localities			Line item veto			
28%	5%	9%	6%	6%	6%	4%

Source: Public Papers of the Presidents of the United States: Ronald Reagan 1982-1988

Table 6 Major Reagan Spending Reduction Addresses

(Does not include messages prior to enactment of 1981 Reagan economic program.)

1. Address to the Nation on Program for Economic Recovery
September 24, 1981

Reagan proposes \$6 billion in additional reductions for fiscal 1982 and \$80 billion over 3 years.

2. Address to the Nation on Fiscal Year 1983 Federal Budget
April 29, 1982

Reagan urges the public to contact their Congressional representatives in support of his budget views.

3. Address to the Nation on the Economy
October 13, 1982

Reagan argues that federal deficit spending is responsible for the country's economic problems. He requests the public's support and states that Congress must act to restrain spending and pass a balanced budget amendment.

4. Address to the Nation on Federal Budget and Deficit Reduction
April 24, 1985

Reagan requests sacrifice and national unity in support of his plan to reduce spending by \$300 billion over 3 years.

5. Address to the Nation on Venice Summit, Arms Control, and the Deficit
June 15, 1987

Reagan requests public support for a balanced budget amendment and line-item veto authority. The President encourages the public to contact their Congressional representatives in support of spending restraint.

6. Address to the Nation on Iran Arms and Administration Goals
August 12, 1987

Reagan announces that if Congress will arrange a vote on the balanced budget amendment in 1987, he will offer to negotiate on all spending items.

Source: Kernell, Samuel. Going Public, p. 90.
Public Papers of the Presidents: Ronald Reagan

List of Functions Reagan Slated for Reduction

1. International Affairs: This function includes funding for foreign economic and financial assistance, international security assistance, the conduct of foreign affairs, foreign information and exchange activities, and international financial programs. The President proposed reductions in this function for fiscal years 1982 and 1986.
2. Energy: Funding for this function supports federal energy research, purchases for the Strategic Petroleum Reserve, and government production of uranium, oil, and electricity. The Energy function was frozen by Reagan in fiscal year 1982 and reduced every year thereafter except fiscal year 1989.
3. National Resources: Pollution control, water resource projects, such as recreation and wildlife preservation, and conservation and land management programs for federal lands are some of the activities of this function. Reagan proposed reductions in Natural Resources for the first six years of his presidency.
4. Agriculture: Price support, crop insurance, agricultural loan programs, research, and animal and plant health inspection programs are the primary activities of Agriculture. The President proposed reductions in this area every year except fiscal 1982 and fiscal 1985.
5. Commerce and Housing Credit: Federal funding is available to insure and guarantee home mortgages for some individuals unable to obtain services in the private sphere; make direct housing loans available for rural areas, the handicapped and elderly; insure bank, credit union, and savings and loan deposits; provide guaranteed loans to small businesses; and support the Postal Service. Reagan proposed reductions in this area every year of his tenure.
6. Transportation: Transportation primarily funds the interstate highway system, national air space

system, Amtrak, Conrail, mass transit programs, and the Coast Guard. Reductions were proposed in this function for fiscal years 1982, 1983, 1986, 1987, and 1988.

7. Community and regional development: This function funds public housing for low and moderate income families, provides for urban assistance, supports rural water and waste disposal projects, and assists Indian reservations with economic development. The President proposed reductions in this area every year except fiscal 1985 when he suggested a freeze in funding.
8. Education, training, employment, social services: Funding for college loans, assistance to vocational education, educational research, programs for disadvantaged public school students, job training, and social service programs are activities within this function. The Administration reduced this area every year except fiscal 1989.
9. Health: In fiscal year 1985, Medicare was removed from Health and placed in a separate function. With that exception, Health includes: Medicaid, nutrition programs, black lung clinics, migrant health programs, family planning programs, Indian health services, Government-employee health insurance, health research, regulation of occupational and consumer safety, and programs funding the training and education of health professionals. The President reduced Health in his fiscal 1987 and 1988 budgets.
10. Income Security: (From fiscal 1982 through fiscal 1984, Income Security included Social Security. Beginning with fiscal 1985, Social Security became a separate function with Medicare.) Income Security provides unemployment compensation, benefits for federal retirees, food stamps, and housing assistance. Aid to Families with Dependent Children, Supplemental Security Income assisting the elderly, blind, and disabled, and low-income energy assistance are also included in this function. President Reagan proposed to reduce Income Security in fiscal 1984, 1986, and 1988.

11. Veterans' Benefits and Services: Funding for veterans' hospitals, medical care, compensation benefits, pensions, education, training, rehabilitation programs, and housing loan guarantees are some of the activities of this function. A freeze was proposed for veterans' benefits and services in fiscal 1986 and a reduction in fiscal 1987.
12. Administration of Justice: Funding of this function supports federal law enforcement activities, the federal court system, the federal prison system, and criminal justice assistance to State and local governments. Reagan proposed reductions in funding for Administration of Justice in fiscal 1982 and 1986.
13. General Government: General government includes funding for the legislative branch, executive branch, and tax collection activities. This function was reduced in the President's budget for fiscal years 1982, 1983, 1986, and 1987. A freeze in funding was proposed in fiscal 1985.
14. General Purpose Fiscal Assistance: This function provides federal aid to State and local governments. The President wanted to reduce expenditures in this area in fiscal years 1982, 1986, 1987, and 1988. He proposed freezing the budget of this function in fiscal 1985 and 1989.

BIBLIOGRAPHY

- Bernstein, Amy. Interview with Senator Warren Rudman. U.S. News and World Report, April 6, 1992, p. 19.
- Budget of the U.S. Government - Fiscal Year 1993 Supplement. 1992. Washington, D.C., Office of Management and Budget.
- Budgeting for America: The Politics and Process of Federal Spending. 1982. Washington, D.C: Congressional Quarterly Inc.
- Cannon, Lou. 1991. President Reagan: The Role of a Lifetime. New York: Simon and Schuster.
- Congressional Quarterly Almanac 1985. 1986. Washington, D.C.: Congressional Quarterly, Inc.
- Edwards, George C., III and Stephen J. Wayne. 1985. Presidential Leadership: Politics and Policy Making. New York: St. Martin's Press, Inc.
- Greenstein, Fred I. 1988. "Toward a Modern Presidency." Leadership in the Modern Presidency. Ed. Fred I. Greenstein. Cambridge, MA: Harvard University Press.
- Jones, Charles O. 1988. "Ronald Reagan and the U.S. Congress: Visible-Hand Politics." The Reagan Legacy: Promise and Performance. Chatham, NJ: Chatham House Publishers, Inc.
- Kernell, Samuel. 1986. Going Public: New Strategies of Presidential Leadership. Washington, D.C.: CQ Press.
- Light, Paul C. 1991. The President's Agenda: Domestic Policy Choice from Kennedy to Reagan. Baltimore: The Johns Hopkins University Press.
- Palmer, John L., and Isabel V. Sawhill. 1984. The Reagan Record: An Assessment of America's Changing Domestic Priorities. Washington, D.C.: The Urban Institute.
- Pfiffner, James P. 1988. The Strategic Presidency: Hitting the Ground Running. Belmont, CA: The Dorsey Press.
- President Reagan. 1981. Washington, D.C.: Congressional Quarterly, Inc.

Public Papers of the Presidents of the United States: Ronald Reagan - 1981. 1982. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1982. 1983. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1983. 1984. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1984. 1986. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1985. 1988. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1986. 1988. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1987. 1989. Washington, D.C.: U.S. Government Printing Office.

Public Papers of the Presidents of the United States: Ronald Reagan - 1988. 1990. Washington, D.C.: U.S. Government Printing Office.

Reagan, Ronald. 1990. Ronald Reagan: An American Life. New York: Simon and Schuster, Inc.

Setting National Priorities: The 1982 Budget. 1981. Ed. Joseph A. Pechman. Washington, D.C.: The Brookings Institution.

Smith, Hedrick. 1988. The Power Game: How Washington Works. New York: Ballentine Books.

Stockman, David A. 1986. The Triumph of Politics: Why the Reagan Revolution Failed. New York: Harper and Row.

The United States Budget in Brief: Fiscal Year 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989. Washington, D.C.: Executive Office of the President - Office of Management and Budget.

Webster's New World Dictionary. 1960. World Press.

Wildavsky, Aaron. 1984. The Politics of The Budgetary
Process: 4th Ed. Boston: Little, Brown, & Co.

World Book Dictionary. 1968. Chicago: Field Enterprises
Education Corp.

E. David Adams teaches history, government, and Advanced Placement American history in the Thomas Jefferson magnet program in Richmond, Virginia. He graduated second among Virginia Tech's prospective history-government teachers in 1984. In 1992, he was inducted into Who's Who Among America's Teachers: The Best Teachers in America Selected by the Best Students. David Adams has supervised and instructed student teachers. While teaching in Henrico County, his colleagues selected him as their representative on the Teacher Advisory Committee to the Superintendent of Schools. He is a member of Phi Alpha Theta, the national honorary historical society, as well as Pi Sigma Alpha, the national honorary political science society. David Adams and his wife, Christi Hughes Adams, live on a Hanover County farm which comprises a portion of the Cold Harbor battlefield.