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Seven Years of Accomplishment 1981-1988 Master

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Series V: Alphabetical File

File Folder Title/Casefile #/NSC # Seven Years of Accomplishment
1981-1988 Master

Box Number Box 61

Description of Material:

Color master boards

TO:

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Series: Same

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COLLECTIONS

The U.S. has achieved a greater degree of security cooperation with our friends in the effort to defend freedom of navigation in the Persian Gulf — and this effort is proving successful.

Arab-Israeli Peace Process

The Egyptian-Israeli peace treaty was finalized and the dispute over Taba, a piece of territory between Egypt and Israel, was successfully moved to arbitration for resolution.

Economic Reform in Africa

The U.S. has been in the forefront of Western nations helping Africa to alleviate food shortages due to drought, war, and inappropriate economic policies. We have been successful in promoting economic policy reforms which are now bringing the benefits of investment incentives and free markets to a number of countries that began their independence with Marxist or other forms of centralized regimes.

Our Men and Women in Uniform

Since 1980, total active duty strength in our Armed Forces has increased over 5 percent. Recruitment goals are being met with record high quality recruits. Applications to the service academies are at record or near-record levels.

President Reagan has played a prominent role in making the 1980s a time of peace, prosperity and hope. His accomplishments during his seven years in office are among the most significant of any of our forty presidents. Perhaps the President's greatest accomplishment is helping restore America's faith in itself and its future.

Some may have forgotten the situation America faced in 1980. Double-digit inflation and record-high interest rates were choking economic growth and lowering our standard of living. An ever-rising Federal tax and regulatory burden was strangling individuals and businesses alike. Declining American prestige and military preparedness were undermining our national security and that of our allies.

The election of Ronald Reagan marked the beginning of a dramatic turnaround for America that continues to this day.

- The President guided our economy through a record peacetime expansion — now in its sixth year — while keeping inflation under control.
- He led the battle to enact the most extensive reform of our tax code ever — and greatly reduced tax rates.
- He focused public attention on such domestic problems as crime and the quality of education and helped develop solutions which have brought real results.
- He restored the Constitution to its central place in our system of government and has insisted on the observance of its principles, such as separation of powers and federalism.
- The President restored American influence and deterrent power, and broadened the horizons of democracy, freedom, and enterprise throughout the world.
- The INF Treaty, achieved with the solid support of our allies, is the first arms control agreement in history to reduce — not simply limit — the number of nuclear weapons.

- The Strategic Defense Initiative (SDI) offers new hope of a safer world — where our security and that of our allies no longer rests on the threat of nuclear retaliation.

The following highlights many of the significant accomplishments of the Reagan era.

Swift Action Against State-Sponsored Terrorism

In April 1986, the U.S. attacked and destroyed several terrorist support facilities in Libya, in response to clear evidence of Libyan involvement in terrorist activity.

In 1987, we joined with our European allies in imposing political and economic sanctions against Syria, in response to evidence of Syrian involvement in the failed attempt to destroy an Israeli El Al airliner at London's Heathrow airport — an important step in allied cooperation.

Grenada Set Free

In October 1983, at the request of the Organization of Eastern and Caribbean States, combined forces led by the U.S. liberated the Caribbean nation of Grenada from a brutal Marxist dictatorship.

Support for Freedom Fighters

President Reagan has been firm in his commitment to assist those who are fighting for freedom and democracy in their homelands. The U.S. has supported freedom fighters in Afghanistan, Nicaragua, Angola, Cambodia and other places around the globe.

Promoting Democracy

The U.S. has consistently supported and encouraged the turn to democracy throughout Latin America, in the Philippines and in South Korea. Presidents were elected in free, democratic elections for the first time in years in El Salvador (1984), Honduras (1985), the Philippines (1986), and South Korea (1987).

The Persian Gulf

The U.S. has pursued a policy of seeking a peaceful settlement to the Iran-Iraq War and defending freedom of navigation in the Persian Gulf.

The U.S. spearheaded United Nations Security Council Resolution 598, which called for a ceasefire in the Iran-Iraq War, and we are now leading efforts to pass an enforcement resolution to implement Resolution 598.

The INF Treaty

The historic INF Treaty eliminates an entire class of U.S. and Soviet intermediate-range nuclear force (INF) weapons. This treaty is the first arms control agreement in history to reduce, not simply limit, the buildup of nuclear weapons.

Under the INF Treaty, the Soviets will be required to remove almost four times as many deployed nuclear warheads as will the U.S. This agreement will provide the most stringent verification regime in the history of arms control negotiations, including several kinds of on-site inspection.

Strategic Modernization

To redress the dangerous imbalance created by the unprecedented Soviet buildup of the 1970s, the President announced in 1981 a comprehensive five-part strategic modernization program which included modernization of our intercontinental and submarine-launched ballistic missiles and strategic bombers, improvement in command and control communications systems, and investigation of the feasibility of effective strategic defenses — now being conducted through SDI.

Conventional Modernization and Readiness

The introduction of modern weapons and equipment has added significantly to the readiness of our land and air forces. The war-fighting capability of our naval forces has improved markedly with the increase in the quantity and quality of U.S. ships.

Strategic Defense Initiative (SDI)

SDI is a research and development program to demonstrate, by the early 1990s, the feasibility of effective defenses against ballistic missiles for the U.S. and our allies. SDI offers our best hope of a safer world — where our security and that of our allies would no longer rest on deterrence through the threat of retaliation with nuclear weapons.

The potential benefits of SDI far outweigh the dollar costs. Expenditures for SDI from fiscal years 1984 through 1988 will amount to about \$12 billion, or approximately \$13.00 per year for each American citizen — a small price to pay for a safer future.

I. THE ECONOMY

The goal of President Reagan's economic policy has been to enhance the strength and vitality of the free market, and to provide a supportive climate for private initiative and individual enterprise, free from intrusive and excessive government tax and regulatory burdens.

Record Peacetime Expansion

The U.S. is in the midst of the longest peacetime economic expansion in history — five full years and still going strong. Real GNP (the value, after inflation, of goods and services produced in the U.S.) has risen more than 21 percent during this expansion. Real GNP growth for the first three quarters of 1987 (annual rate of 3.5 percent) was significantly higher than most private forecasters had predicted.

Interest Rates

The prime rate was down from a record 21.5 percent in January 1981 to 8.75 percent in December 1987.

Inflation

The crippling, double-digit inflation rates of 1979 and 1980 have been slashed. The 1.9 percent inflation increase in 1986 was the smallest annual increase in over 20 years. The average annual increase in inflation from 1982 through 1986 was 3.3 percent.

Job Creation

Since the beginning of the current expansion in November 1982, more than 14.5 million new jobs have been created. The percentage of working-age Americans employed is at a record level. The civilian unemployment rate has declined almost 5 percentage points since November 1982 and in November 1987 was at its lowest level since November 1979.

Minority and Women's Employment

All demographic groups have shared the benefits of the "Great American Job Machine." Employment of blacks has risen 26 percent since November 1982, more than twice the job gain rate of

whites. The unemployment rate of black youth has declined dramatically. Over half of the new jobs created have gone to women. More than 50 percent of American women now hold jobs outside the home, compared with one in three in the 1950s. More Hispanics are now employed than at any time since such record keeping began in 1973.

Job Quality

More than 90 percent of the jobs created during the current expansion have been full-time jobs. Over 60 percent of these newly created jobs are in the highest paying job categories — managerial and professional, technical professions, finance and business services, supervisors and proprietors, precision production, and craft and repair.

Tax Reform

The Tax Reform Act of 1986 has given the U.S. the lowest individual and corporate income tax rates of any major industrialized nation in the world and one of the fairest and most economically favorable tax systems. More than 4 million lower-income families will be relieved of their Federal income tax burden entirely. The top personal tax rate has dropped from 70 percent in 1981 to between 28 and 33 percent for 1988, the lowest since 1931. The top corporate tax rate will drop to 34 percent in 1988, the lowest since 1941.

Tax Cuts

Through 1986, the President's tax cuts of 1981 saved the average American family nearly \$4,500 in taxes from what could have been expected under the 1980 tax laws, given the actual rates of inflation. Indexing of tax rates to the rate of inflation, effective in 1985, has eliminated "bracket creep," whereby a cost-of-living increase in wages could push a taxpayer into a higher tax bracket.

Competitiveness

U.S. competitiveness is sharply on the rise, promising to help us gain international market shares and reduce our trade deficit. There was significant improvement in manufacturing output and employment in 1987 resulting from the realignment of internat-

IV. PEACE AND FREEDOM

President Reagan's overall goals for U.S. national security policy are a safer peace and greater opportunity for freedom and enterprise. He understands that progress toward these goals can be achieved only by pursuing a policy of strength, realism, and dialogue. The President established clear objectives for U.S. national security and has remained true to them throughout his term in office.

The President's defense strategy has had three key elements:

1. Rebuilding and modernizing our defenses, conventional as well as nuclear and chemical. To keep peace, we must still rely on the threat of retaliation with nuclear weapons;
2. Pursuing deep, equitable, and effectively verifiable reductions in U.S. and Soviet nuclear arms and redressing imbalances favoring the Soviet Union in conventional forces and chemical weapons; and
3. Seeking, through his Strategic Defense Initiative (SDI), a safer and morally preferable means to deter nuclear war by increasing reliance on defenses to enhance U.S. and allied security.

A Firmer Basis for Relations With the Soviet Union

President Reagan's resolve in holding fast to his national security strategy has created a firmer basis for relations with the Soviet Union. It brought the Soviets to the negotiating and Summit tables and has provided the foundation for significant progress in arms reduction.

Beginning in 1985, President Reagan has had three meetings with Soviet General Secretary Mikhail Gorbachev, the third of which was held in Washington in December 1987. The highlight of the Washington Summit was the signing of the INF Treaty, which the President has described as the most important step taken since World War II to slow down the arms buildup. In addition, the President and Mr. Gorbachev engaged in meaningful discussion of an agreement to reduce strategic nuclear weapons (START) by 50 percent.

ional currencies and the rapid rise of productivity improvements by the industrial sectors of the economy.

Productivity

Growth in manufacturing productivity has rebounded in recent years, averaging an annual growth rate of almost 5 percent since 1982, more than one and one-half times the average of the post-war period. An indicator of the Nation's ability to meet the challenge of international competition, productivity in 1986 increased at a rate greater than that of any of the other nine major industrialized nations.

Family Income

Real (after inflation) median family income increased in each of the four years ending with 1986. The 4.2 percent increase in 1986 was the largest in 14 years. In 1986, real per capita disposable income was up 10.2 percent over 1983, while increasing at a 3.3 percent average annual rate. The share of black families in the highest income bracket (\$50,000 and over) has increased by some 96 percent during the current expansion.

Home Affordability

The latest National Association of Realtors "Housing Affordability Index" (October 1987) shows that a family earning the median income had 115 percent of the income necessary to buy the median-priced American home. As recently as August 1982, the median-income family had only about 67 percent of the income needed to fulfill the American dream of owning a home.

Misery Index

The Democratic Party's measure of poor economic conditions of the 1970s — the unemployment rate added to the inflation rate — has been slashed by almost half since its peak in 1980 of over 20 percent.

Deregulation

The increasing burden of Federal regulation in the 1970s added about \$1,800 a year to the cost of goods and services bought by the typical American family. The President's success in accelerating

deregulation will result in dollar savings exceeding \$150 billion over the course of the decade.

Energy

Within a few days of taking office, the President ordered immediate decontrol of prices for crude oil and refined products. Since decontrol, gasoline prices (all types, adjusted for inflation) have fallen about 40 percent and home heating oil prices (adjusted for inflation, excluding taxes) are down about 46 percent. It is estimated that decontrol has saved consumers over \$46.2 billion since 1981.

Expanding Trade

Because economic growth and rising opportunities follow from trade expansion, President Reagan has sought to eliminate trade barriers wherever possible. In 1984, the Administration entered into a free trade agreement with Israel. In 1986, the Administration played a leading role in launching the Uruguay Round of multilateral trade negotiations which hold the promise of new opportunities for U.S. exporters, including better rules governing trade in agriculture and services. In 1987, negotiations were completed for a free trade agreement with Canada, our largest trading partner.

Unprecedented Steps Against Unfair Trade

The Reagan Administration is the first formally to investigate unfair trade cases on its own initiative. Most cases have been resolved without the need for retaliation. The President has retaliated when necessary, however, as in the case of Japanese semiconductors. Active presidential exercise of laws against unfair trade has led to a record number of market-opening settlements, moving the world closer to free and fair trade.

pay at least part of the costs. With local beneficiaries required to pay a fair share of Federal water project costs, many proposed projects are shrinking in size and becoming more cost-effective, allowing limited Federal resources to support more projects and resulting in less adverse impact on the environment.

Job Training Partnership Act

JTPA, enacted in 1982, represented a complete overhaul of Federal job training activities formerly administered under the Comprehensive Employment Training Act (CETA). JTPA is devoting at least 70 percent of its funds to actual training compared to less than 20 percent under CETA.

Federal Retirement Reform

The President signed a new plan for Federal civilian employees hired after December 1983. Conversion to the new system will save about \$3 billion annually after complete phase-out of the old system.

attack on waste and fraud, along with management reforms, have made it possible to put some \$92 billion to better use since 1981.

Defense Department Waste

Since 1981, the Department of Defense has conducted over 60,000 audits, which have permitted more than \$10 billion to be put to better use. The President's Packard Commission recommendations for additional Pentagon management efficiencies are now being implemented.

Federalism Initiatives

President Reagan proposed that all legislation and regulations be accompanied by a financial impact statement outlining the probable economic impact on State and local governments. Following up, the President issued an Executive Order on Federalism in 1987, requiring Executive departments and agencies to consult with State and local governments and to give them maximum flexibility to implement Federal programs.

Block Grants

Consolidating some 60 Federal categorical grant programs into 9 block grants has increased flexibility for the States, enabling them better to meet the needs of intended program beneficiaries. It has also reduced the paperwork burdens imposed by these programs from about 6.5 million man-hours per year to about 600,000.

Privatization

Through divestiture, contracting out, vouchers, loan asset sales, and other methods, the Reagan Administration is working to restore the Federal government to its proper role by returning certain functions to the private sector.

President Reagan has encouraged State and local governments to utilize similar methods. A recent survey by the accounting firm of Touche Ross estimated that privatization of State and local government services and facilities may triple to reach a value of more than \$3 billion in the next two years.

Beneficiary Pay Concept

In Federal programs and projects where local beneficiaries are identifiable and benefits clearly quantifiable, beneficiaries should

II. THE DOMESTIC AGENDA

President Reagan's domestic agenda has been marked by his firm commitment to the Constitution and traditional American values as guidelines for Federal policy.

Education Reform

In 1983, the President's National Commission on Excellence in Education found our "Nation at Risk" from declining educational quality. The President rallied the country behind what has proved to be the most far-reaching reform of our educational system in this century. Most states have education reform commissions, test scores have risen, and the high school graduation rate has risen nationally.

Federal Judiciary

In appointing Supreme Court Chief Justice William Rehnquist, Associate Justices Sandra Day O'Connor and Antonin Scalia, and in nominating Judge Anthony M. Kennedy to the Nation's highest court, President Reagan has selected jurists who share his deep commitment to the principle of judicial restraint. Adherence to this principle has also guided the President in appointing nearly one-half of the Federal judiciary to date, ensuring a judicial legacy reaching far beyond his term of office.

Comparing U.S. District Court judges appointed by President Reagan and former President Carter, a recent independent study found the Reagan appointees far less lenient toward criminal defendants than the Carter appointees.

Crime: A Safer America

In 1984, after three years of delay, Congress passed the President's Comprehensive Crime Control Act, which achieves major reform in our criminal justice system. The aggressive anti-crime policies of the Reagan Administration have helped foster a safer America.

The Bureau of Justice Statistics reported that the rate of violent crime dropped 6.3 percent in 1986 and has fallen 20 percent since 1981. Some 7 million fewer personal and household crimes occurred in 1986 than in the peak crime year of 1981.

National Crusade Against Drug Abuse

The President and the First Lady launched a national crusade with six major goals to eliminate drug abuse. More than 10,000 "Just Say No" clubs have been established nationwide since 1984. While drug abuse remains unacceptably high, the current trend is down after years of increase.

Drug Enforcement

Federal spending to combat illegal drugs has tripled under President Reagan. Drug eradication efforts are now ongoing in over 21 countries, up from just two in 1980. The National Drug Policy Board now oversees major initiatives like Operation Hattrick in the Southeast, Operation Alliance on the Southwest border, and the 13 organized crime and drug enforcement task forces. All have yielded significant results.

Convictions have doubled and drug seizures have risen sharply since 1981. New asset forfeiture laws now permit the seized gains of drug trafficking to be shared with State and local authorities who help in Federal law enforcement activities.

Poverty Reduction

The percentage of Americans living in poverty grew alarmingly from 1978 to 1981, from just over 11 percent to 14 percent. Since 1983, nearly 3 million Americans have escaped poverty and the poverty rate in 1986 was the lowest since 1980.

The most dramatic reductions have been among Black Americans. From 1983-1986, almost 900,000 blacks escaped poverty, the largest three-year decline in black poverty in over a decade and a half. The poverty rate for Americans over 65 in 1986 equaled the record low achieved in 1984.

Social Safety Net

The Reagan Administration has been firmly committed to preserving and strengthening the programs which assist the truly needy such as Aid to Families with Dependent Children (AFDC), Women, Infants and Children (WIC), Medicaid, Medicare, food stamps, Child Nutrition and Supplemental Security Income (SSI).

Despite all the talk of "cuts," safety net spending in 1987 was almost \$70 billion higher than it was in 1980. Extensive reforms

III. A GOVERNMENT THAT WORKS

Two basic principles have guided President Reagan in his role as Chief Executive of the Federal government: Federalism, or the restoration of the division of governmental responsibilities between the Federal government and the States that was intended by the Framers of the Constitution; and political, fiscal and administrative accountability to the American people who pay the bills.

Social Security Rescued

For many of our elderly, trust in our Federal government is determined by its ability to honor its Social Security commitment. In 1982, Social Security faced bankruptcy — despite the huge payroll tax increases enacted in 1977.

President Reagan's bipartisan commission recommended a solution. Social Security's Old Age and Survivors and Disability programs are now running a healthy reserve of \$67 billion which will grow another \$38 billion in 1988, and will remain solvent until well into the next century.

Better Government Management

The President inherited a government that was losing billions of dollars to ancient and sloppy management practices, including a hodgepodge of 150 different personnel and payroll systems.

His Management Improvement Program has resulted in reforms that have reduced costs. A new cash management system, for example, reduced funding costs to taxpayers by \$2.3 billion from 1983-1986. Federal managers have begun to take control of over a trillion dollars worth of Federal credit programs including loans outstanding, guaranteed commitments, and loans from government enterprises. The entire receivables life cycle, from credit extension to account write-offs, has been subjected to renewed scrutiny and manifest improvement.

Crackdown on Waste and Fraud

In 1981, President Reagan created the President's Council on Integrity and Efficiency (PCIE), made up of the Inspectors General of the major Federal departments and agencies. Their aggressive

have ensured that Federal assistance is targeted to those who really need our help

Civil Rights

The Reagan Administration has returned the Federal government to its proper role of assuring that no person is denied opportunities because of his or her race, sex, religion, national origin, or other factors irrelevant to character and ability. The Administration has opposed quotas, which merely constitute new forms of discrimination.

This Administration has equaled or surpassed the number of civil rights cases filed by any prior administration in virtually every enforcement category. Funding levels for the principal civil rights enforcement agencies are about 18 percent higher than they were in 1980.

Legal and Economic Equity for Women

The record of this Administration is one of results — not rhetoric. The President appointed a Task Force on Legal Equity to identify Federal laws and regulations that contained gender-discriminatory language. Over 120 changes in these laws and regulations were made as a result.

Child support is another area where the President's efforts have yielded results for the benefit of women. A 1984 Administration-proposed law provided for more stringent steps for the collection of child support payments. Child support enforcement agencies collected nearly \$3 billion in overdue payments in 1986, twice the amount collected in 1980.

Health Care

America has the best health care delivery system in the world, but spiraling costs threaten its availability for many. The Reagan Administration introduced the prospective payment system for Medicare payments to hospitals which, for the first time, gave them incentives for keeping costs down. This and other reforms have helped to reduce significantly the rate of health care inflation in the hospital industry, which was running in double digits in the early 1980s. Similarly, the Administration is considering reforms to reduce the rate of inflation in physician expenditures.

In the fight against the frightening AIDS epidemic, the Nation's blood supply was made safe again. President Reagan proposed boosting AIDS research funding by nearly 70 percent, established a national commission on AIDS, and has moved to tear down regulatory barriers which impede the expeditious movement of AIDS drugs, such as AZT, from laboratory to patient.

Environment

Under the Superfund legislation signed in 1986, the Federal government will spend \$8.5 billion to clean up hazardous waste sites. The Superfund program has already achieved significant results. More than 1,000 cleanup actions have been completed. Work is underway at more than 700 long-term sites. Private cleanup agreements worth more than \$740 million have been achieved with responsible parties at 473 sites.

Stratospheric ozone depletion is another major concern. The U.S. played a leadership role in negotiating an international protocol to reduce by 50 percent the production and use of chemicals known to harm the earth's stratospheric ozone layer.

Immigration Reform

With the strong support of President Reagan, Congress passed the Immigration Reform Act of 1986. The bill provided the most sweeping changes in our immigration laws in 34 years. It provides the means to control illegal immigration and legalize the status of millions of persons who are contributing to our economy and our society.

Transportation

In 1982, the Reagan Administration proposed, and Congress enacted, a 5-cent per gallon increase in the gasoline tax to finance needed highway construction and repair. The Administration has begun a \$16 billion program to modernize the Nation's air traffic control system by the year 2000. At the President's urging, Congress passed legislation allowing States to raise the speed limit to 65 mph on rural interstate highways.

Housing

By emphasizing housing vouchers and other efficient programs, the Reagan Administration has increased the number of poor

households receiving assistance by over one million, while reducing annual Federal spending for housing programs.

Sanctity of Human Life

President Reagan is firm in his opposition to abortion. He has called for a Human Life Amendment to the Constitution and for a comprehensive medical report on the health effects, both physical and emotional, of abortion on women. Under this Administration, the U.S. has moved to cut off funding of international organizations which use abortions as a means of family planning. The President has called for regulations protecting handicapped newborns against discrimination in receiving medical treatment.

Adoption

In 1987, the President established the Interagency Task Force on Adoption, which submitted recommendations designed to encourage and support adoption, in particular infant adoptions, as an alternative for pregnant women; and the adoption of "special needs" children.

The Family

In 1987, the President signed an Executive Order with the purpose of ensuring that the autonomy and rights of the family are considered in the formulation and implementation of policies by Executive departments and agencies.