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**RADIO ADDRESSES OF  
PRESIDENT RONALD W. REAGAN  
TO THE NATION  
NOVEMBER 22, 1986 – FEBRUARY 14, 1987**



**Volume XVI**

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**THE WHITE HOUSE  
WASHINGTON, D.C.**

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**Thanksgiving**  
**November 22, 1986**  
**Camp David**

*My fellow Americans:*

This coming Thursday we'll celebrate a holiday that belongs uniquely to our nation – Thanksgiving Day. Millions of us will travel from all parts of the country to gather in family homes, observing the holiday according to longstanding tradition: turkey with all the fixings, pumpkin pie, laughter, the warmth of family, love and yes, a moment of prayer to give thanks.

Yet, at the same time, many among us will be less fortunate. and just as Thanksgiving Day has always been an occasion for counting our blessings, so too, it's always been a time for making life better among our fellow Americans. In churches and synagogues across the country, for example, food will be collected in the next few days for distribution to the needy, or on Thanksgiving Day itself. And with this spirit of Thanksgiving in mind, I thought I'd speak with you for a moment this afternoon about the goodness of the American people and our willingness to give each other a helping hand.

The spirit of voluntarism is deeply ingrained in us as a nation. Maybe it has something to do with our history and a frontier land. Those early Americans who gave us Thanksgiving Day itself had to help each other in order to survive – joining together to plant crops, build houses and raise barns. And perhaps they discovered that, in helping others, their own lives were enriched.

In our own day, a poll showed most Americans believe that no matter how big government gets, and no matter how many



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services it provides, it can never take the place of volunteers. In other words, we Americans understand that there are no substitutes for gifts of service given from the heart.

In our recent history, there was time not long ago when this spirit seemed endangered, when philanthropy and personal involvement were giving away to bureaucratic plans and Federal programs. So, when our administration took office, we made it one of our main aims to encourage private sector initiatives, to reinvigorate the American tradition of voluntarism. And, I have to admit, our success in this area is one of the accomplishments of which I'm most proud. For in the past few years, we've witnessed an unprecedented outpouring of the volunteer spirit, a tremendous reassertion of good will and neighborliness.

Last year alone, individuals, corporations, bequests and foundations gave nearly \$80 billion to good causes – a record high. You can see these volunteer efforts all around. Consider the United Way, founded a century ago next year. Today, there are more than 2,200 local United Ways in communities throughout the country. Just last year, the United Way raised more than \$2.3 billion, supported more than 3,700 health and human care agencies and programs, and served millions of families.

In 1958 for example, Dr. William Walsh asked President Dwight Eisenhower for the use of an old hospital ship, mothballed after World War II. Ike provided that ship, charging rent of just \$1.00 year. And Dr. Walsh turned the old ship into Project HOPE, a seaborne hospital and medical school that traveled the world. Today, Project HOPE has been modernized and medical volunteers traveled by plane recently to El Salvador to help with the after effects of the devastating earthquake.

Then there's Just Say No, a largely volunteer organization that's teaching children around the world to say no to drugs. This organization got started when Nancy was visiting an elementary school in California. A little girl

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asked what to do if someone offered her drugs, and Nancy's answer was simple: "Just Say No."

Well, not long ago, Nancy hosted a Just Say No rally here at the White House. More than 2,300 children attended. Although Just Say No requires school officials, teachers, and especially parents to devote to it a great deal of time, Nancy told me that everyone she spoke to at the rally was convinced that it's not only worth it, but of vital importance for the future.

Local efforts may be less well-known than major undertakings like Just Say No and project HOPE, but to the very heart and soul of the American volunteer spirit, many of you'll be able to think of good works being performed in your own communities. I think of a house for the homeless, here in Washington, founded by a young priest, Father Jack Pfannenstiel, and sustained by his own hard work and that of volunteers. McKenna House offers shelter, food and human concern for the homeless men right here in our Nation's Capital.

Of course we must do more, striving always to give of ourselves to those less fortunate. But it's good to reflect that here in America, perhaps more than in any other nation on Earth, we have a tradition of giving – of neighbor helping neighbor – that makes life better for tens of thousands every day. And for this too, on Thanksgiving Day, let us give thanks.

Until next week, thanks for listening and God bless you.



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**Federal Deficit  
November 29, 1986**

**Rancho del Cielo  
Santa Barbara, California**

*My fellow Americans:*

When Nancy and I celebrate Thanksgiving weekend each year in California's Santa Ynez Mountains, we find it a wonderful opportunity to be together with family and friends, and like so many Americans, a chance to reflect on all the Lord's blessings to our country.

We have been particularly conscious this year of one blessing that has made this holiday season a happy one for countless more Americans – Americans who in years past were trapped in want and poverty. Only four years ago, as our economic policies were just taking effect, we began what became the second-longest peacetime expansion since World War II.

This year the stock market has hit all-time highs while inflation continues near all-time lows. Only this week new figures show inflation running at less than one percent in 1986, the trade deficit continues its substantial decline, and above all, today more Americans are working than ever before.

So contrary to those many predictions over the last four years, some of them still being heard as late as last August, there is no recession. Our expansion is not only with us, but continues gaining momentum and, of course, that means more jobs for more Americans. It's this last development we should be especially grateful for. In the past four years we've

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created more than 12 million payroll jobs, and that means 2.2 million people have lifted themselves out of poverty since 1983.

As perhaps you know, it is budget preparation time in Washington and recently, in reviewing these statistics, I reflected back on some of the solutions suggested a few years ago to our economic problems – they have been the worst since the Great Depression. I can especially remember one make-work jobs program that Congress came up with – a \$5.4 billion extravaganza that would have helped a relatively tiny number of people. Because it was just this sort of marketplace intrusion and government boondoggle that had put our economy in trouble in the first place, I decided that Thanksgiving or not, this was one turkey we didn't need. And, to resounding criticism from Congress and the media, I put a stop to it.

Well, instead, we continued with an economic policy that lowered tax rates, cut spending, and abolished unnecessary regulations. And what a jobs program that turned out to be.

We've averaged over 250,000 people finding jobs each and every month. And last month alone, close to 300,000 Americans went to work. So, I think there's a lesson never to be forgotten here: It's people, not government, who create wealth, provide growth and insure prosperity. That may sound elementary enough, but the history of our economic difficulties, especially the terribly big deficits we run each year stem directly from our failure to remember that government consumes wealth, it doesn't create it.

You see, it's a kind of legacy from a period when I was back in college studying economics. Following the theories of a noted English economist of the period, John Maynard Keynes, Economists and politicians used to say that when bad times occur, the only way to restore prosperity is to spend our way out of it with massive new government programs paid for by borrowing. "We owe it to ourselves", they used to chant. But everybody knows you can't spend yourself rich anymore than you can drink yourself sober.

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And you can't prime the pump without pumping the prime. And that's why the automatic recourse to government spending sent interest rates and inflation skyrocketing, slowed the economy, caused unemployment and gave us what they call today "structural deficit." – that's a deficit that goes up automatically each year because of a vast array of Federal programs that Congress refuses to reduce, and under the law, the President can't cut back by himself.

Since our first day in office, we've been going after this structural deficit by first asking for major spending cuts, and second, asking for reforms like the line-item veto and balanced budget amendment that would, well, unstructure the structured deficit. So, while we've been occupied with the Iranian issue over the past two weeks, let's not forget that there are many other issues that concern us. And this deficit problem remains a major priority.

In order to pursue this issue and all other others like it on our domestic and foreign agenda, we must be certain to maintain peace in the world and keep our defenses strong while, of course, sparking our domestic economy to even greater growth.

As Jefferson once said, his one fear about our Constitution was that it permitted government to borrow. Well, government has borrowed too much and spent too much. So believe me, I'll be back in Washington next week, determined to work with the Congress to get deficit spending under control and keep America growing with record numbers of jobs for American people.

Until next week, thanks for listening and God bless you.

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## Iran Arms and Contra Aid Controversy December 6, 1986

Camp David

*My fellow Americans:*

I'm speaking to you today from Camp David, and because the atmosphere here is a bit more informal than everyday Washington, I thought it would be a good opportunity to think and reflect with you about those crucial foreign policy matters so much in the news lately. It's also a chance to do something I've wanted to do throughout the course of these events – and that's share some personal thoughts with you – to speak to you, the American people, from the heart.

I realize you must be disappointed and probably confused with all the furor of the last couple of weeks. You must be asking: What were we doing in the Middle East? What was our policy? Where was it wrong? Were we engaged in some kind of shenanigans that blew up in our face? I can understand if these are the questions you're asking, and I'd like to provide some answers.

First of all, the Middle East is critically important to our nation's security. Right now it's a major trouble spot that could easily set off the sparks of a wider conflict. Much of our effort has been aimed at stopping terrorism; putting an end to bombing of innocent civilians and the kidnapping of hostages, especially our own citizens; and bringing about an end to the bloody war between Iran and Iraq.

When word came to me that individuals in Iran including some members of the government there had asked through an intermediary in a third country for a meeting with a



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representative of our government, I said yes. And even though these were responsible elements in Iran that might be able to assist us in stopping the violence and possibly helping us get back the hostages being held in Lebanon, there was a risk involved. But I believed then and believe now there was a greater risk in doing nothing – of not trying.

So I gave the order to proceed. We had some notable success: there was some reduction in terrorism and three of our hostages were released – one at a time – and others were about to follow. Then, someone in the government of Iran leaked information about our contacts with Iran to a newspaper in Lebanon. You know the rest – this effort to establish a relationship with responsible moderates in Iran came to light and was broken off. But I think you can see the purposes behind our policy: to end the war in the Middle East, to prevent Soviet expansionism, to halt terrorism, and to help gain release of American hostages.

But now I want to speak to you about something else – not the policies themselves, but how they were carried out. And while we are still seeking all the facts, it's obvious that the execution of these policies was flawed and mistakes were made. Let me just say it not my intent to do business with Khomeini, to trade weapons for hostages, nor to undercut our policy of anti-terrorism.

And let me say again, I know the stories of the past few weeks have been distressing. I'm deeply disappointed this initiative has resulted in such a controversy and I regret it's caused such concern and consternation. But I pledge to you I will set things right.

That's what I am doing now. When our Iranian initiative came to light, I spoke to you from the Oval Office and explained it. When revelations regarding a transfer of money from Iran to those attempting to fight the Sandinista government were reported to me, they were immediately shared with you and the Congress. I then appointed a distinguished, independent board chaired by former Senator

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and Ambassador, John Tower, to review our National Security Council staff apparatus. And, to insure a complete legal inquiry, I urged the appointment of an independent counsel. They used to be called special prosecutors and that's what they are; they just changed the title. And finally I have stated we will cooperate fully with the Congress as they undertake their proper review.

If illegal acts were undertaken in the implementation of our policy, those who did so will be brought to justice. If actions in implementing my policy were taken without my authorization, knowledge, or concurrence, this will be posed and appropriate corrective steps will be implemented. I will continue to make all the facts known surrounding this matter. We live in a country that requires we operate within rules and laws – all of us. Just cause and deep concern and noble ends can never be reason enough to justify improper actions or excessive means.

In these past six years, we have done much together to restore the faith and confidence and respect of our people and our country. We've done so not by avoiding challenges or denying problems but when confronted with these problems dealing with them directly and honestly. We will continue to do so.

Until next week, thanks for listening and God bless you.



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## Economic Growth and the 100th Congress December 13, 1986

The Oval Office

*My fellow Americans:*

With the New Year just a few weeks away, Washington is starting to get ready for the 100th Congress, which will be sworn in this January. The most important challenge facing that Congress will be joining with us in keeping a growing America on the road to a brighter future, the road that you and I and all Americans started on just six years ago.

That was when we said that the way to make America grow was not by feeding government more of your tax dollars, but by the way that America has always grown, through the ingenuity, energy, and determination of the American people. Together we set out to cut your taxes and cut the growth of government spending so that you could get on with the important work of building a better future for yourself, your family, and all America.

We first cut tax rates with our 1981 tax cut. Since the lower tax rates in that bill took effect, America has created over 12 million new jobs. We've had 48 straight months of economic growth and one of the longest periods of uninterrupted growth in the last 50 years. And after a decade-long decline, the American family's real income has been rising again and rising faster. Yes, thanks to our first tax cut, there are more and better jobs, more new businesses, and more new opportunities in America today than ever before in our history.

But that's just the beginning — because earlier this year, with our help, Congress pushed aside the special interests and the tax and spend crowd, rolled up its sleeves, and shaped the

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tools that will help you and all Americans build on that record. That's when Congress passed the new tax reform bill which will cut the top tax rate from 50 percent to 28 percent and, for eight out of ten Americans, will mean a top rate of no more than 15 percent. For the four years since our first tax cut found its footing, the American economy has been climbing to the mountain top. With tax reform, America is going to shoot for the stars.

That's why I was disappointed this week to hear some talk from the new Congress that we should stop the climb, turn around and start back in the direction we've come from. Even before they take their oath of office, some in the new Congress are talking about breaking faith with the American people and taking back part of tax reform before it has taken effect. Yes, they say that to reduce the deficit, they want to keep some people's tax rates high. Well, we know where that road leads. First, they take one step towards raising taxes, and then another, and then another, and pretty soon every family in America is paying more to the government again and we're back to the days of high taxes and no economic growth. Well, you can be sure I'm not going to let that happen.

I hope that instead of trying to return to the tax and spend policies of the past, the new Congress will work with us in getting the growth of Federal spending under control. We've begun to make progress here, too. The figures are coming in now for the spending the government is actually doing this year, and the news is good. When this year is ended, the deficit will be down by \$50 billion. Yes, this year, for the first time in two decades, the Federal government will spend less, after taking out inflation, than it did last year. That's an historic step on the road to a balanced budget, and it couldn't have happened without the Gramm-Rudman legislation.

Now, it's time to take a second step. On January 5th we will send next year's budget up to Capitol Hill. It will be the Federal government's first trillion-dollar budget request. It

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will be lean enough to meet the Gramm-Rudman deficit targets, but it will also meet the government's commitments. We will be spending more than ever before in such areas as support for America's elderly, law and drug enforcement to protect America's young people, and health care for America's finest for our veterans, and Yet, in the coming budget, after taking out inflation, the Federal government will spend less in the coming year than it will this year. That will be two years of real falling spending.

We in the administration have worked hard to meet the new, earlier deadline for sending this budget to Congress. I hope Congress will work just as hard to meet its required deadlines, and not let them slip by, as has happened too many times in the past. And I hope the new Congress will take a constructive approach to this firm but fair budget. We're bound to disagree here and there, but let's work together for the good of the country to iron out our differences.

The leadership of the outgoing 99th Congress gave America lower tax rates and began the process of putting the lid on spending. As we look to the New Year, this is the challenge for the leadership of the incoming 100th Congress: to build on that record and help lead America into the future. I hope they'll accept that challenge.

Until next week, thanks for listening and God bless you.

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## The American Family December 20, 1986

### Camp David

#### *My fellow Americans:*

The holiday season is a time of gift-giving and merry-making, a time when millions help churches, synagogues, and organizations like the Salvation Army and Toys for Tots provide for the less fortunate among us, a time when huge turkey dinners are cooked, parents find themselves staying up late wrapping toys, and children's eyes are filled with more and more excitement every day — a time, indeed, when all the world seems taken up with plans and celebrations and family.

That last word, "family," is one that I'd like to consider for a moment. To be sure, family is very much on our minds during the holidays, as children and grandchildren, parents and grandparents, gather to share the happiness of the season. We know how good it feels to be with our families — how it warms and comforts us, how it gives us strength and joy. But I wonder whether we always give our families all the appreciation they deserve.

Consider, for example, that the philosopher-historians Will and Ariel Durant called the family "the nucleus of civilization." They understood that all those aspects of civilized life that we most deeply cherish — freedom, the rule of law, economic prosperity and opportunity — that all these depend upon the strength and integrity of the family.

If you think about it you'll see that it's in the family that we must all learn the fundamental lesson of life — right and wrong, respect for others, self-discipline, the importance of knowledge, and yes, a sense of our own self-worth. All of our lives, it is the love of our families that sustains us when times are hard. And it is perhaps above all to provide for our children that we work and save.



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Some have suggested that in today's world, the family has somehow become less important. Well, I can't help thinking just the opposite — that when so much around us is whispering the little lie that we should live only for the moment and for ourselves, it's more important than ever for our families to affirm an older and more lasting set of values. Yet for all that, in recent decades the American family has come under virtual attack. It has lost authority to government rule-writers. It has seen its central role in the education of young people narrowed and distorted. And it has been forced to turn over to big government far too many of its own resources in the form of taxation.

Even so, the family today remains the fundamental unit of American life. But statistics show that it has lost ground, and I don't believe there's much doubt that the American family could be, and should, be, much, stronger. Just last month, I received a report on this from my Working Group on the Family, providing recommendations for giving the family new strength. Our administration will be giving these recommendations serious consideration in the days ahead. But for now, we might all do well to keep our families in mind, to make certain that we don't take them for granted. For perhaps at no other time of the year are we able to enjoy our families so thoroughly, or see so clearly their importance to ourselves and our country.

And let us remember that in the midst of all the happy bustle of the season, there is a certain quietness, a certain calm — the calm of one still night long ago and of a family — father, mother, and newborn child. Listen for a moment to the words of the Scriptures:

"And there were in the same country shepherds abiding in the field, keeping watch over their flock by night. And, lo, the angel of the Lord came upon them, and the glory of the Lord shone round about them. And they were sore afraid. And the angel said unto them, 'Fear not, for behold, I bring you good tidings of great joy, which shall be to all people. For unto you is born this day in the city of David a Savior, which

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is Christ the Lord. And this shall be a sign unto you. Ye shall find the babe wrapped in swaddling clothes, lying in a manger.' And suddenly there was with the angel a multitude of the heavenly host praising God and saying, 'Glory to God in the highest, and on earth peace, good will toward men.'"

Now some revere Christ as just a great prophet. Others worship Him as the Son of God. But to all, this season in which we mark His birth is indeed a time of glad tidings. So in the midst of our celebrations, let us remember that one holy family in a manger on that still night in Bethlehem so long ago, and give renewed thanks for the blessings for own families. And, yes, let us pray for "peace on earth, good will toward men."

Until next week, thanks for listening, God bless, and from the Reagan family to your family, Merry Christmas!



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1986  
December 27, 1986

The Oval Office

*My fellow Americans:*

Nancy and I sincerely hope that you and your family have been enjoying this holiday season. Christmas and Hanukkah provide all of us with special moments to cherish and remember. The new year, which will be with us in just a few days, offers us a chance to reflect on the year we've been through and to set our sights for the year ahead.

Having been blessed with long life, my perspective on 1986 is different than that of many of the commentators. I believe this year, 1986, will be remembered by you for some important and long-lasting events that the political pundits don't remember or may not have noticed. 1986, for example, may have been the year when you, someone in our family, or someone you know started a small business. It is estimated that over 600,000 new businesses were incorporated this year, most of them small operations headed by men and women with a dream. With our recovery in its fourth year, economists may well point to 1986 as a year of steady growth and low inflation. To you perhaps that meant your take-home pay was going further, or it might have meant that in 1986 someone in your family found a job. So far this year, more than 2 million jobs have been created. In 1986 a higher percentage of our population has been employed than ever before.

Looking ahead, the forecasters are projecting that next year we'll enjoy even stronger economic growth. They suggest that the gross national product will rise by a healthy 3.2 percent, which should translate into lower unemployment,

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more jobs, and higher take-home pay. Some other positive economic news portends good things ahead. We are turning the corner on the trade deficit problem. This is also the year Congress, with a little prodding from the rest of us, finally got its act together and reformed the tax system and lowered the rates. It was widely reported that tax reform was an impossible dream. Working together, we showed the cynics our system still works.

And also this year we've made some tangible progress on some other things I know you are personally concerned about. Our battle against the evil of drug and alcohol abuse, for example, has scored some impressive victories. Record amounts of illegal drugs have been intercepted before reaching the street; local state and Federal agencies are cooperating as never before. And beyond enforcement, people from every walk of life are joining our crusade to help others achieve a drug-free life. You could well remember 1986 as the year when a friend or loved one, with all of us doing what we could to help, straightened up his or her life and got off illegal drugs or alcohol.

One thing history will certainly record is that this was the year that Americans brought some of the top leaders of organized crime to justice. We began our offensive against the mob early in the administration, and it's taken time, patience and hard work. But this year, after long arduous preparation, we moved against the kingpins of racketeering. Last month, after a dramatic ten-week trial, eight crime leaders – heads of what is called "The Commission" – were convicted. We can all be proud of those law enforcement professionals responsible for this major defeat of the underworld.

A fine writer and social commentator from the American Enterprise Institute named Ben Wattenberg has written a book entitled, "The Good News Is the Bad News Is wrong." Well, in it he pointed out that while daily news reports in recent years have focused on negative events and predictions of gloom and doom, our country and our people actually have been moving forward, problems solved, opportunity opening.



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Living in a time of great change as we do, it is easy to be apprehensive, especially about events on the international scene. The Iran controversy has certainly been a disappointment for all of us. Nonetheless, I am committed to getting all the facts and fixing whatever went wrong. And 1986 has been a good year for the cause of human freedom and good for the cause of world peace.

This year, relations between the United States and the Soviet Union advanced. When I met with General Secretary Gorbachev in Reykjavik, it was clear the differences between our positions on arms reduction had narrowed considerably. In the year ahead, both sides are in a good position to build on what has been accomplished. As the song puts it, "it was a very good year". Well, Nancy and I hope 1986 was a very good year for you and wish you an even better 1987.

Until next week, thanks for listening and God bless you.

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## Federal Budget January 3, 1987

The Oval Office

*My fellow Americans:*

Now that the new year is here and the holidays are just about over, Nancy and I, like you, are getting ready to return to work, and for me that means that in just a few days I'll be sending Congress my proposal for next year's Federal budget.

You know, when you look at a budget all you see are long rows of numbers. They go on for pages and they're not very exciting. But those numbers always add up to something, and it's not just a surplus or a deficit. No, it's also a plan, a hope, a vision of what America is and of where America is going.

Six years ago we began our country on the path to greater growth and opportunity. We said it was time to put the days of tax and spend in the past and trust less in government and more in America's families, communities, and values. Some called the values we talked about radical and even revolutionary. Well, you know, I had to smile when they called it the Reagan Revolution, because, yes, those values may have been revolutionary, but they were from a revolution much older than me, — the revolution that started with the Declaration of Independence and the Constitution — the revolution continued by every American who ever plowed the land or worked in a factory, an office, or a store, or built a business or stayed home and built a family. Those have been the values that shaped this budget as well. What are they?

Well, one is that government shouldn't tax away a man or woman's incentives to work, save, and invest and that taxes should begin only after a family has earned enough to live on. That's why this is a "no-tax-increase" budget. Last year America pushed aside the special interests and passed a tax

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reform bill that was pro-savings, pro-investment, pro-family. By next year, as a result of tax reform, the top tax rate will be 28 percent; the standard deduction and personal exemptions for your family will have gone up by 60 percent; and most families will pay a rate of no more than 15 percent. But now some in Congress are saying they'd like to take part of this away, even before it goes into effect. They'd rather raise your taxes than cut their spending. Well, not if I have anything to say about it. This budget cuts spending and leaves your family's paycheck alone, and that's another important value. Like your family, the Federal government should live within its means. This year we're taking an historic step toward that goal, because the Federal government is doing less real spending than last year, something that hasn't happened since 1973. That's right — not in almost 14 years. And with the coming year's budget we plan to make it two years in a row. By the way, Congress wouldn't have achieved these spending cuts without the discipline of the Gramm-Rudman law. That's why those who say do away with Gramm-Rudman are just plain wrong. Gramm-Rudman has begun to put the monster of big spending into a cage, and we won't let that monster out.

The budget I'm proposing will meet the Gramm-Rudman target. It will bring the Federal deficit within the range of our normal peacetime experience, and it will do this without shortchanging important commitments. We will spend more than ever for America's elderly, for law and drug enforcement, for AIDS research, for health care and for air traffic safety. And in one vital area, defense, we'll be stopping a dangerous slide. For the last two years defense spending, after inflation, has dropped, even while our adversaries spent more. To let this decline continue would endanger every family in America and world peace as well. With this budget, we will give defense a modest but important boost, the minimum I believe is necessary to ensure America's peace and security.

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But while we'll be spending more in many areas, we'll also be looking at the invoices more carefully than ever. In defense, in health care and many areas, we've asked, are we getting what we think we're paying for. And where the answer is no, we plan to make changes to those and those changes are reflected in this budget.

All of this will require the help of Congress. That's why I was disappointed to hear that the new Democratic leadership had declared that their first priority is to pass the budget-busting Clean Water Bill that I vetoed last year. Well, now, I'm in favor of clean water, but the only thing clean in this bill is its name. It spends billions more than is needed. If the Democratic leadership decides to push this bill, they'll be sending a clear signal that they've sided with those who want to raise your taxes and take the lid off spending. I am willing to work with Congressional leaders for a reasonable bill. But I have a special message to the new Congress: You can't have it both ways. You cannot decry deficits and then pass budget-busting legislation. The American people expect us to work together to eliminate the deficit. I remain ready to do so.

Until next week, thanks for listening and God bless you.



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**Federal Budget  
January 10, 1986**

**The Map Room**

*My fellow Americans:*

As you may have heard, earlier this week I paid a visit to the hospital for minor surgery. Now my doctor tells me that I'm coming along just fine, and that's exactly how I feel – just fine. Come to think of it, with the approach of the Superbowl, I can't resist telling you that it won't be long before I'm suited up and back on the playing field. With just two years to go in our administration, that makes this the beginning of the fourth quarter. So take it from an old sportscaster – don't leave your seats, the game ain't over.

Soon I'll appear before Congress to give my State of the Union Address, outlining our agenda for 1987 and beyond. We saw earlier this week that one part of our agenda, continued economic growth, is already well underway. On Thursday, the Dow Jones Industrial Index closed above 2,000 for the first time in history; indeed the Dow has gone up more in the past four years than it did in the previous twenty. New figures showed that the Producer Price Index is at an excellent zero percent; while unemployment dropped to just 6.6 percent, the lowest level in nearly seven years. And with Congress back in town, another part of the agenda, the Federal budget, has already become an important piece of business here in Washington.

Just this week – a full month earlier than usual – our administration submitted to Congress our proposed budget for 1988. This budget reflects sound policy, both foreign and domestic. Mindful of America's world role on behalf of freedom, the budget calls for a strong and innovative national defense,

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defense, including full funding for our historic Strategic Defense Initiative. After all, it was our strength, not talk, that led to my meetings with Mr. Gorbachev in Geneva and Reykjavik.

In an effort to make our economy more competitive with those of other nations, our budget sets out important steps including training for dislocated workers, the return to the private sector of certain institutions now owned by the government, and more funding for research and development. And to set an example for the entire country, I've asked Federal agencies to continue to improve their own productivity. This budget also reflects what accountants might refer to as sound financial management, but what you and I would call common sense. To begin with, the American people understand that it's hard enough to support a family and make ends meet without the government constantly raising taxes. So this budget contains no tax increase whatsoever. None. Regarding the Federal deficit, our budget calls for prudent cuts in programs that have proven wasteful or are no longer needed – cuts that can be made without harming the poor or elderly. In this way, our budget meets the deficit-reduction goal set out last year in the Gramm-Rudman-Hollings legislation. In other words, this budget will keep the government on a path of shrinking deficits that would see the Federal budget balanced in just four years.

In the less than one week since we submitted this budget, some in Congress have already begun fumbling in the backfield. There are constant charges that the Federal deficits are somehow the fault of our administration. If Congress had approved reductions we have asked for, the deficit today would be dramatically smaller. During the past five years, Congress appropriated almost \$67 billion more than I requested for domestic discretionary programs.

Now, there's another point to be made here, perhaps even more important. In the past two decades, defense spending – the Federal government's first responsibility – has fallen as a proportion of our gross national product,

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while domestic spending in real terms has nearly doubled, pushing total Federal spending as a proportion of the gross national product from under 20 percent in 1967, to almost 24 percent today. In other words, a big government has been claiming more and more of the goods and services produced by your own hard work.

In the words of a recent Wall Street Journal article, those in Congress who want big government to get even bigger "are asking the public to ratify, finally and conclusively, the rising domestic spending levels Congress has legislated..., a process that every Reagan budget has attempted to reverse." Almost as if to illustrate this point, in the four days that Congress has been in session, it has already considered a huge budget-busting water and sewage treatment bill that would cost \$18 billion.

Our administration remains ready to work with Congress in fashioning this budget – in particular to consider any budget proposal that meets the three basic requirements on a strong national defense, a shrinking Federal deficit, and no tax increase. But I have to be frank: If the big spenders want to fight on the budget, they'd better strap on their helmets and shoulder pads. In this fourth and final quarter, I'm determined to go out there and win one for the American people and, yes – and one for the Gipper.

Until next week, thanks for listening and God bless you.

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## Defense Budget January 17, 1987

Camp David, Maryland

### *My fellow Americans:*

Today I'd like to begin with an expression of gratitude to all who sent "get well" cards and letters after my brief hospital stay nine days ago. Of course, some of my favorites came from young people. Eight-year-old Colin MacDonald, of Holbrook, New York, told me that he liked my speeches – except when they pre-empted his favorite TV shows. And second-grader Jennifer Carl, of Canton, Ohio, was kind enough to draw a picture of me in bed, Nancy standing at my side, serving me a bowl of – well, of purple soup. Nancy wants the recipe. Jennifer, it's true that my doctors insist I stay home and take it easy for the next several weeks – which I will – but I want you to know that I'm out of bed, feeling fine, and looking forward to getting back on a full schedule. Jennifer, Colin, and to all of you, Nancy and I extend our heartfelt thanks.

But to get down to business, this week, I met our arms negotiating team, headed by Max Kampelman, before they returned to Geneva to begin a new round of talks with the Soviets. We discovered that all of us shared a sense of anticipation; a feeling that after Reykjavik, where Mr. Gorbachev and I found new areas of agreement, the prospects for genuine arms reductions were better than at any time in years. And we agreed that underlying these hopes for progress toward a lasting world peace – underlying, indeed, the Soviets' return to the bargaining table – was the knowledge that, at last, the United States could once again deal with the Soviet Union from a position of strength.



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Think back just six years, our Navy had dwindled from more than 1,000 ships to less than 500. Many of our planes couldn't fly for lack of spare parts. And our men and women in uniform were seeing their pay in real terms shrink while pay in the private sector rose. Well, I believed on first taking office, as I do today, that the defense of this Republic is not just one of the duties of the Federal government, it is the first duty. So with bipartisan Congressional support, we took action at once on the rebuilding of our nation's defenses.

Since 1980, we've increased the number of Army divisions from 16 to 18. We've reactivated four battleships and purchased 124 new ships for the Navy, including two new aircraft carriers and 21 high-technology Aegis Class cruisers and destroyers. We've purchased over 2,500 new tactical fighter aircraft. And just as important, we've more than double our vital stocks of spare parts and munitions stocks that were dangerously low in 1981. Pay and benefits for our Armed Forces has increased substantially. And perhaps most heartening, the proportion of recruits holding high school diplomas has risen from less than 70 percent in 1980 to more than 90 percent today.

At the same time we've been spending the needed funds, we've found important new ways to spend that money better. The Defense Department for example, has greatly expanded competitive bidding and is this year submitting to Congress the first-ever two-year defense budget to replace the old, inefficient year-by-year process. Add to these the changes contained in last year's Goldwater-Nichols legislation, and those set in place at the recommendation of the Packard Commission, and you have perhaps the most dramatic defense reforms since the formation of the Department of Defense itself.

All of this is having a profound effect. Morale in our Armed Forces has soared. All the world has taken note that the United States has reasserted its role on behalf of freedom. And in the past six years, not one inch of territory has fallen to Communist aggression; while one nation, Grenada, has been set free.

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Now Congress and our administration have the opportunity to continue the vital work of rebuilding our defenses, already so well begun. But I must tell you that we cannot take continued progress for granted. In 1985 and '86, Congress' cut the defense budget sharply. Needless to say, we hope that won't happen again. But with up-down, up-down funding, it does look as though some want to turn the Congress defense budget into a kind of crazy roller coaster. Yet this up-down funding is inefficient and costly, taking money out of the taxpayers' pockets. And there could be no thrill in going downhill very fast when what would be going down would be our ability to defend ourselves.

So, I appeal to Congress: In the days ahead, let's work together to provide two-year defense funding that is both adequate and steady. And I appeal to you, the American people: Join me in letting Congress know that nothing matters more than our freedom and peace. And, therefore, the new strength America has achieved in recent years must not be undermined, but built upon.

Until next week, thanks for listening and God bless you.



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**State of the Union Address  
January 24, 1987**

**Camp David, Maryland**

*My fellow Americans:*

This coming Tuesday I'll travel up Constitution Avenue from the White House to the Capitol to deliver my State of the Union Address. The House chamber that night'll be crowded. Members of the House itself, Members of the Senate, the Justices of the Supreme Court, Cabinet officials, the diplomatic corps – all will have come. Television lights will flood the rostrum from which I will speak, providing added moment, a reminder that the audience will extend far beyond the chamber, to you, the American people, and indeed to much of the world.

In a moment, I'd like to share with you some thoughts about the agenda I'll outline to the 100th Congress on the historic night. But if you'll permit me, first I'd like you to join me in considering the State of the Union Address as an important American tradition – a tradition that on Tuesday night will represent the first great public event marking this, the bicentennial year of our Constitution.

It's the Constitution itself, Article II, Section 3 that mandates the President to inform Congress regarding the state of the American Union, and to recommend measures that he considers, in the Constitution's words, "necessary and expedient." President Washington appeared before Congress personally each year to offer his account of national problems and prospects. In 1801, President Jefferson was eager to show how different America was from Britain, where Parliament

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was opened by the monarch, so he put the practice of appearing in person to an end, substituting instead a written message. Presidents continued to send Congress written messages for more than a century, until in 1913 Woodrow Wilson revived the practice of delivering the message in person. Since Franklin Roosevelt seized upon the idea with his customary relish, no President has missed the opportunity to present his proposals before Congress, face – to – face.

But whether delivered in person or in writing, these annual messages represent one of our nation's basic historical texts – a body of writings that show our development from a fledgling republic to a great bastion of freedom; that present our Presidents as individual men, struggling as best they could with the issues of their day; that in our time – our own time – provide continuity, a sense of the proud history that we as Americans have inherited.

In 198 Presidential message to Congress, certain themes reappear. National security – there is Washington's urging that the Republic remain strong; for, in his words, "To be prepared for war is one of the most effectual means of preserving peace." Economic growth – there is President Filmore's satisfaction in 1852 at all that we as a free people had accomplished: "The population has almost quadrupled. Our boundaries have been extended. Our territory is checkered over with railroads and furrowed with canals." And then the great theme, the national experiment in human liberty. President Monroe wrote in his final message that, "Our institutions form an important epoch in the history of civilized world." And in President Lincoln's second message, we read of America as "the last best hope of Earth." Freedom, Lincoln stated, is a way that is "plain, peaceful, generous, just – a way which if followed the world will forever applaud and God must forever bless."

On Tuesday night, I'll follow the men who preceded me in office by addressing each of these themes. Of our national security, I will once again stress that no duty of Federal



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government is more important than the defense of this Republic. I will reassert the importance of the American virtues of boldness and innovation – virtues embodied in our Strategic Defense Initiative.

In addressing economic matters, I will announce initiatives regarding jobs, education, and continued economic growth – measures designed to keep America competitive throughout the world and provide new jobs and opportunities here at home. And yes, I will address the urgent need for the Federal government to control its own spending – and to do so permanently by amending the Constitution.

And in speaking about the great theme liberty, I will state that our national experiment remains proud and successful. Now we must extend liberty to others, providing in particular steady and substantial aid to freedom fighters in Nicaragua and elsewhere around the globe.

All this we must do, I will argue, to live up to the best within ourselves and our history, to take our place beside those who have gone before in keeping this Republic “the last best hope of Earth.”

Until next week, thanks for listening and until Tuesday night, God bless you.

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**Legislative Agenda  
for the 100th Congress  
January 31, 1987**

**The Oval Office**

*My fellow Americans:*

A few days ago when I arrived in the House Chamber for the State of the Union Address, I also hand delivered a formal legislative message. Today, I thought I would share with you some of our goals and objectives for this Congress.

In the State of the Union Address, I spoke of our quest for excellence, especially in education. To achieve this, I've suggested to Congress that we target our Federal resources on the neediest schools and youngsters; that we set a goal of dramatically raising the literacy levels in America by the year 2000; and that we permit greater flexibility and innovation in Federally funded, bilingual education programs.

Education of course, is not just schooling and it is not just for the young. We'll be proposing to Congress a new program to help workers displaced by the rapid changes going on in our economy. Our \$1 billion effort will provide the education and training needed to help an estimated 700,000 additional workers each year restructure their lives to keep them and America competitive in world markets.

For less fortunate families, we're also proposing a new emphasis on employment and training through a program we call Greater Opportunities through Work, or GROW for short. Complementary to that, we are asking that \$800 million be spent for improving the skills of children from welfare families, giving these youngsters a road map to a life out of poverty.

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To keep our country on the cutting edge of change, I am proposing to Congress that we double the budget of the National Science Foundation over the next five years, and that we establish a number of new science and technology centers based at U.S. universities, centers that would reflect a partnership in basic research between government, business, and the academic community. Since 1981, our budgetary support for basic research has grown 47 percent in real terms. We are committed to keeping our country leading the way in the era of science and technology.

Meeting the competitive challenges of today and tomorrow won't be easy. Vice President Bush, who led the deregulation drive early in the administration, is taking a fresh look to see what can be done, from a competitiveness standpoint, to clear away unnecessary Federal regulation and paperwork burdens. One thing that will help is coming to grips with the costly liability insurance spiral. Legislation to do that, while still providing the necessary protections for consumer and health safety, will soon be proposed.

One of our greatest challenges is to accomplish our goals while still reducing the level of deficit spending that so threatens our future. Now is the time for discipline and restraint in the halls of power. You might remember, in the State of the Union, I asked Congress for a line-item veto, ratification of a balanced budget amendment, and reform of the budget process. If we are to put our fiscal house in order – and that's essential – it requires fundamental, structural change. And I'm willing to work with Congress to get it done.

One of our priorities – one of the top – continues to be the fight against drug abuse. There have been claims that we've backed off our commitment this year. Nothing could be further from the truth. With all due respect to those who suggest otherwise, our commitment to the battle against drugs is stronger than ever. Since 1981, the funds budgeted for this effort have been tripled and some of the funds already appropriated will actually be spent next year. So, even though next year's anti-drug budget request is a bit lower, more funds will actually be spent in the battle than ever before.

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On another point, you should also be aware that the amount spent on education in America has increased every year of our administration. Instead of taxing it away from local people and giving it back to them along with Federal guidelines and controls, we've left that revenue in local coffers and in your hands, so you the people, working with your local school boards, can determine how your children will be educated. As for higher education, the Federal government will be spending less, but the changes we've proposed, fewer dollars are needed to help the same number of students.

The changes we've made in these last six years have kept us on a steady course, have maintained the peace, and promoted healthy growth in our economy. The State of the Union is good, and together we're going to keep it that way.

Until next week, thanks for listening and God bless you.



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**Welfare Reform**  
**February 7, 1987**

**The Oval Office**

*My fellow Americans:*

This week I wrote to the nation's governors, asking them to come to the White House to discuss welfare reform when they visit Washington later this month. On Monday, I'll be speaking to a group of concerned citizens about our welfare reform ideas. And later in the coming week, I'll be releasing the Domestic Policy Council's report, a study and series of proposals entitled, "Up From Dependency." All these initiatives are based upon my conviction that welfare reform is not just important, but vital – vital to our economic well-being, vital indeed to our self-respect as a nation. Permit me to take a few moments this afternoon to share with you why I believe this is so.

The sad truth is that our welfare system represents one long and sorry tale of disappointment. From the 1950's on, poverty in America was on the decline as economic growth led millions up toward prosperity. Then, as the Federal government began to spend billions on welfare programs, poverty stopped shrinking and actually began to grow worse. For the first time in our nation's history, millions of Americans became vital wards of the state, trapped in a cycle of welfare dependency that robs them of dignity and opportunity. With our economic success of the 1980's, the poverty rate has again begun to shrink, but the problem of welfare dependency remains. No one doubts that welfare programs were designed with the best of intentions, but neither can anyone doubt that they've failed – failed to boost people out of dependency.

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In the fight against poverty, we know, it's essential to have strong families – families that teach children the skills and values they will need in the wider world. How many self-made men and women in America owe their success to the strength of character given to them by hard-working, loving parents?

Yet when we ask whether our welfare system has encouraged family life, we must answer; far from it. Among the welfare poor today, families as we've always thought of them are often not being formed. Since 1960, the percentage of babies born to unmarried mothers has more than tripled. And too often the mothers themselves are only children – 15, 16, 17 years old – who, with the birth of their babies, find all the responsibilities of grown-ups thrust upon them. As for the fathers, much of the time they're nowhere to be found.

We're also coming to understand that our welfare system weakens community values and self-esteem. As a lack of skills prevents our young people from obtaining the jobs and careers they want, their hope for themselves and their neighbors disappears. To reverse this terrible cycle of despair, we must build on the vitality and strength in our communities. We must work with our young people as they strive to achieve the basic educational and work skills they need for a bright future. To do this, we must make dramatic changes in the old, unworkable government programs. With less than half of the billions now spent on welfare, we could give every poor man, woman, and child enough money to lift them above the poverty line. My friends, I believe we're too great a nation too generous of heart, too bold in finding solutions, to permit this waste of lives and money to continue.

In seeking solutions, we should return to the basic values that helped build this nation: faith in families; faith in individual dignity and work; and faith in our federal system of government. During my meetings and speeches this coming week, I'll be setting out our proposal for welfare strategies that tap that faith. Washington may have failed to

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find solutions to poverty and welfare dependency, but many of our states and hundreds of community leaders are already making progress, due in part to the new leeway we've given them in the last six years. Now, they're ready with many more promising anti-poverty ideas – if only our complex welfare system will allow them greater freedom to succeed. I will ask Congress to approve a process that gives them that freedom.

We know the solutions to welfare dependency must come from states and communities, and those of us here in Washington must have the courage to let them try. Our welfare system will continue to help those who can't help themselves. We have learned that we must provide the pathways and tools that allow our needy to escape dependency and create a better life. As I've said before, the only true measure of a welfare program's success is how many people it makes independent of welfare

Until next week, thanks for listening and God bless you.

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## Catastrophic Health Insurance February 14, 1987

Camp David, Maryland

### *My fellow Americans:*

This afternoon I'd like to spend a few moments discussing a decision I made this week a major decision that's likely to affect virtually every family in America. Our administration will propose to Congress a comprehensive plan to cover catastrophic illnesses. A catastrophic illness can strike anyone – the young, the old, the middle-aged. The single distinguishing characteristic is simply this: whatever form it takes, a catastrophic illness costs money – lots of it.

The problem has grown in recent years as we've achieved medical breakthroughs enabling Americans to live longer lives. Come to think of it, I myself have already lived some 22 years longer than the life expectancy at the time of my birth. But longer lives for Americans involves the challenge of seeing to it that our older citizens have the financial security they need. With our new proposals, I'll be asking the Congress to join our administration in meeting that challenge.

In brief, this is how the proposals break down: First, we're asking Congress to legislate acute catastrophic illness insurance for Medicare beneficiaries, most of whom are 65 and over. Under this proposal, Medicare itself would be amended to provide unlimited Medicare coverage. Moreover, our proposal would establish a limit of just \$2,000 for out-of-pocket Medicare expenses that can presently run into the many thousands. And we can do this by adding just \$4.92 to the Medicare monthly premium. This is a pay-as-you-go program – a program that requires no tax dollars.



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Now, what does this mean in practical terms? Well, the answer is simple: peace of mind for some 30 million older Americans. Suppose, for example, that someone over 65 fell and broke a hip. And then suppose that, while still recovering, she contracted pneumonia. A broken hip and pneumonia – that could mean two acute care hospitalizations within the same year, care that would cost thousands. Under Medicare as it stands today, the patient herself would have to pay a significant portion of these costs – and all but the very wealthy would be wiped out. But under our proposal, Medicare itself would pay most costs above \$2,000, giving the patient financial security.

Regarding the cost of long-term care for older Americans, there are no easy answers. But in its second part of our initiative, our proposal calls for the Treasury Department and others to find ways of helping families meet these costs. Options we will examine include, for example, favorable tax treatment for savings accounts established to meet the costs of long-term care. Of course it's too early to predict what will work best, but the important point is that our proposal calls on the government to start working. I'm confident that, working with Congress and private insurers, we can find a new and innovative way to ease the financial burden of long-term care.

But our proposal isn't just aimed at older Americans. In part three of our initiative, we will take steps to improve catastrophic illness coverage for all Americans, regardless of age.

Under our plan, the Federal and state governments would work together to promote the formation of what are known as "risk pools" within the states, helping to provide insurance for those who could not otherwise obtain insurance. We will encourage the states to use their authority to require catastrophic coverage as part of the health insurance available through employers. And we'll work with Congress to change certain requirements, giving the states more flexibility in the management of Medicaid programs.

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And as in many matters related to health care, education is important. Under our plan, the Federal government would work with the private sector to make widely available information about the risks, costs, and financing options of various forms of catastrophic illness insurance – and to encourage every American to plan for his health care in the future.

All of us have family, friends, or neighbors who have suffered devastating illnesses that threatened their financial security. For too long, older Americans, in particular, have faced the possibility of sicknesses that might not only wipe out their own savings, but those of their families. Our proposal would make available catastrophic medical insurance for every American eligible for Medicare. It would take steps to provide catastrophic illness coverage for Americans of all ages. And it would begin the search for ways to meet the costs of long-term care. As I said a moment ago, what it all comes down to is peace of mind. And I think you will agree – it's worth it.

Until next week, thanks for listening and God bless you.







