

Inaugural Address (1981)¹

Ronald Reagan

To a few of us here today this is a solemn and most momentous occasion. And, yet, in the history of our nation it is a commonplace occurrence.

The orderly transfer of authority as called for in the Constitution routinely takes place as it has for almost two centuries and few of us stop to think how unique we really are.

In the eyes of many in the world, this every-four-year ceremony we accept as normal is nothing less than a miracle....

The business of our nation goes forward.

These United States are confronted with an economic affliction of great proportions.

We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.

Idle industries have cast workers into unemployment, human misery and personal indignity.

Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present.

To continue this long trend is to guarantee tremendous social, cultural, political and economic upheavals.

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why then should we think that collectively, as a nation, we are not bound by that same limitation?

We must act today in order to preserve tomorrow. And let there be no misunderstanding—we're going to begin to act beginning today.

The economic ills we suffer have come upon us over several decades.

They will not go away in days, weeks or months, but they will go away. They will go away because we as Americans have the capacity now, as we have had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom.

In this present crisis, government is not the solution to our problem; government is the problem....

Our Government has no power except that granted it by the people. It is time to check and reverse the growth of government which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the states or to the people.

All of us—all of us need to be reminded that the Federal Government did not create the states; the states created the Federal Government.

¹ Ronald Reagan, "Inaugural Address" in Paul Boyer, ed., *Reagan as President: Contemporary Views of the Man, His Politics, and His Policies* (Chicago: Ivan R. Dee, 1990), 31-34.

Now, so there will be no misunderstanding, it's not my intention to do away with government.

It is rather to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

If we look to the answer as to why for so many years we achieved so much, prospered as no other people on earth, it was because here in this land we unleashed the energy and individual genius of man to a greater extent than has ever been done before.

Freedom and the dignity of the individual have been more available and assured here than in any other place on earth. The price for this freedom at times has been high, but we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel and are proportionate to the intervention and intrusion in our lives that result from unnecessary and excessive growth of Government.

It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We're not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So, with all the creative energy at our command let us begin an era of national renewal. Let us renew our determination, our courage and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams....

Can we solve the problems confronting us? Well, the answer is a unequivocal and emphatic yes.

To paraphrase Winston Churchill, I did not take the oath I've just taken with the intention of presiding over the dissolution of the world's strongest economy.

In the days ahead I will propose removing the roadblocks that have slowed our economy and reduced productivity.

Steps will be taken aimed at restoring the balance between the various levels of government—progress may be slow—measured in inches and feet, not miles—but we will progress.

It is time to reawaken this industrial giant, to get government back within its means and to lighten our punitive tax burden.

And these will be our first priorities, and on these principles there will be no compromise....

And as we renew ourselves here in our own land we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom.

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment.

We will match loyalty with loyalty. We will strive for mutually beneficial relations. We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries, they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it—now or ever.

Our forbearance should never be misunderstood. Our reluctance for conflict should not be misjudged as a failure of will.

When action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail if need be, knowing that if we do we have the best chance of never having to use that strength.

Above all we must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women.

It is a weapon our adversaries in today's world do not have.

It is a weapon that we as Americans do have.

Let that be understood by those who practice terrorism and prey upon their neighbors.

I am told that tens of thousands of prayer meetings are being held on this day; for that I am deeply grateful. We are a nation under God, and I believe God intended for us to be free. It would be fitting and good, I think, if on each inaugural day in future years it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you've been told, on this West Front of the Capitol.

Standing here, one faces a magnificent vista, opening up on this city's special beauty and history.

At the end of this open mall are those shrines to the giants on whose shoulders we stand.

Directly in front of me, the monument to a monumental man. George Washington, father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood.

Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the Reflecting Pool, the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

Beyond dim monuments, monuments to heroism, is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row upon row of simple white markers bearing crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monument to the kind of hero I spoke of earlier.

Their lives ended in places called Belleau Wood, the Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, the Chosin Reservoir, and in a hundred rice paddies and jungles of a place called Vietnam.

Under such a marker lies a young man, Martin Treptow, who left his job in a small town barber shop in 1917 to go to France with the famed Rainbow Division.

There, on the Western front, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary.

On the flyleaf under the heading, "My Pledge," he had written these words:

"America must win this war. Therefore I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make.

It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together with God's help we can and will resolve the problems which now confront us.

And after all, why shouldn't we believe that? We are Americans.

God bless you and thank you. Thank you very much.

Ronald Reagan

Five-year Economic Program for the U.S.

[Speech Delivered Before the international Business Council, Chicago, September 9, 1980]

I'd like to speak to you today about a new concept of leadership...based on faith in the American people, confidence in the American economy, and a firm commitment to see to it that the Federal Government is once more responsive to the people.

That concept is rooted in a strategy for growth, a program that sees the American economic system as it is—a huge, complex, dynamic system which demands not piecemeal Federal packages, or pious hopes wrapped in soothing words, but the hard work and concerted programs necessary for real growth.

We must first recognize that the problem with the U.S. economy is swollen, inefficient government, needless regulation, too much taxation, too much printing-press money....

Our country is in a downward cycle of progressive economic deterioration that must be broken if the economy is to recover and move into a vigorous growth cycle in the 1980's.

We must move boldly, decisively and quickly to control the runaway growth of Federal spending, to remove the tax disincentives that are throttling the economy, and to reform the regulatory web that is smothering it.

We must have and I am proposing a new strategy for the 1980's.

Only a series of well-planned economic actions, taken so that they complement and reinforce one another, can move our economy forward again.

We must keep the rate of growth of government spending at reasonable and prudent levels.

We must reduce personal income tax rates and accelerate and simplify depreciation schedules in an orderly, systematic way to remove disincentives to work, savings, investment and productivity.

We must review regulations that affect the economy and change them to encourage economic growth.

We must establish a stable, sound and predictable monetary policy.

And we must restore confidence by following a consistent national economic policy that does not change from month to month.... We must balance the budget, reduce tax rates and restore our defenses....

Let us look at how we can meet this challenge.

One of the most critical elements of my economic program is the control of government spending. Waste, extravagance, abuse and outright fraud in Federal agencies and programs must be stopped. Billions of the taxpayers' dollars are wasted every year throughout hundreds of Federal programs, and it will take a major, sustained effort over time to effectively counter this.

Federal spending is now projected to increase to over \$900 billion a year by fiscal year 1985. But, through a comprehensive assault on waste and inefficiency, I am confident that we

can squeeze and trim 2 percent out of the budget in fiscal year 1981, and that we will be able to increase this gradually to 7 percent of what otherwise would have been spent in fiscal year 1985.

Now this is based on projections that have been made by groups in the government. Actually I believe we can do even better. My goal will be to bring about spending reductions of 10 percent by fiscal year 1984....

I already have as part of my advisory staff a Spending Control Task Force, headed by my good friend and former director of the Office of Management and Budget, Caspar Weinberger, that will report on additional ways and techniques to search out and eliminate waste, extravagance, fraud and abuse in Federal programs.

This strategy for growth does not require altering or taking back necessary entitlements already granted to the American people. The integrity of the Social Security System will be defended by my administration and its benefits will once again be made meaningful.

This strategy does require restraining the Congressional desire to "add-on" to every old program and to create new programs funded by deficits.

This strategy does require that the way Federal programs are administered will be changed so that we can benefit from the savings that will come about when, in some instances, administrative authority can be moved back to the states.

The second major element of my economic program is a tax rate reduction plan. This plan calls for an across-the-board, three-year reduction in personal income tax rates—10 percent in 1981, 10 percent in 1982 and 10 percent in 1983. My goal is to implement three reductions in a systematic and planned manner.

More than any single thing, high rates of taxation destroy incentive to earn, to save, to invest. And they cripple productivity, lead to deficit financing and inflation, and create unemployment.

We can go a long way toward restoring the economic health of this country by establishing reasonable, fair levels of taxation.

But even the extended tax rate cuts which I am recommending still leave too high a tax burden on the American people. In the second half of the decade ahead we are going to need, and we must have, additional tax rate reductions....

Another vital part of this strategy concerns government regulation. The subject is so important and so complex that it deserves a speech in itself—and I plan to make one soon. For the moment, however, let me say this:

Government regulation, like fire, makes a good servant but a bad master. No one can argue with the intent of this regulation—to improve health and safety and to give us cleaner air and water—but too often regulations work against rather than for the interests of the people. When the real take-home pay of the average American worker is declining steadily, and 9 million Americans are out of work, we must carefully re-examine our regulatory structure to assess to what degree regulations have contributed to this situation. In my administration there should and will be a thorough and systematic review of the thousands of Federal regulations that affect the economy.

Along with spending control, tax reform and deregulation, a sound, stable and predictable monetary policy is essential to restoring economic health. The Federal Reserve Board is, and should remain, independent of the Executive Branch of government. But the President must nominate those who serve on the Federal Reserve Board. My appointees will share my commitment to restoring the value and stability of the American dollar.

A fundamental part of my strategy for economic growth is the restoration of confidence. If our business community is going to invest and build and create new, well-paying jobs, they must have a future free from arbitrary government action. They must have confidence that the economic "rules-of-the-game" won't be changed suddenly or capriciously.

In my administration, a national economic policy will be established, and we will begin to implement it, within the first 90 days.

Thus, I envision a strategy encompassing many elements—none of which can do the job alone, but all of which together can get it done. This strategy depends for its success more than anything else on the will of the people to regain control of their government.

It depends on the capacity of the American people for work, their willingness to do the job, their energy and their imagination.

This strategy of economic growth includes the growth that will come from the cooperation of business and labor based on their knowledge that government policy is directed toward jobs, toward opportunity, toward growth.

We are not talking here about some static, lifeless econometric model—we are talking about the greatest productive economy in human history, an economy that is historically revitalized not by government but by people free of government interference, needless regulations, crippling inflation, high taxes and unemployment....

When such a strategy is put into practice, our national defense needs can be met because the productive capacity of the American people will provide the revenues needed to do what must be done.

All of this demands a vision. It demands looking at government and the economy as they exist and not as words on paper, but as institutions guided by our will and knowledge toward growth, restraint and effective action....

The time has come for the American people to reclaim their dream. Things don't have to be this way. We can change them. We must change them. Mr. Carter's American tragedy must and can be transcended by the spirit of the American people, working together. Let's get America working again. The time is now.