Radio Address to the Nation on Federal Budget Legislation and Unemployment Figures

May 8, 1982

My fellow Americans:

It's just possible that you may have heard or read that there's some talk in Washington about a budget. If so, you've also heard a few things that aren't true.

For openers, it's just a plain falsehood to say, as our opponents in Congress and much of the press are saying, that the budget the Senate Budget Committee approved last Wednesday night is going to reduce social security payments. It does nothing of the kind. That budget specifically states that the 7.4-percent cost-of-living increase in social security benefits due July 1st will be added to the checks beginning July 1st, and that increase will be the only change in those checks.

Those who've rushed to face the TV cameras or get their names in newsprint by frightening our social security recipients should be ashamed of themselves. Let me repeat what I've said before. I will protect the benefits of social security recipients now and in the future.

The second thing, not quite so urgent, that needs correcting is some misinformation about our original budget proposal, which I submitted in February, and the projected budget deficits for the next 3 years. For some reason or lack of reason, the news media and some Congressmen have repeatedly declared that my February budget proposal contained a $182 billion deficit. Budgets don't contain deficits. Deficits are the difference between expected tax revenues and proposed spending. A budget either adds to it or reduces it. We plan to do the latter.

Both my February proposal, which the Congress refused to act on, and the one approved by the committee Wednesday night would, if adopted, drastically reduce the deficits. The $182 billion projected for 1983 will be reduced to $106 billion by the Senate budget. The deficits projected for 1984 and '85 will be reduced from $216 billion and $233 billion to $69 billion and in 1985 only $39 billion. That is a $417 billion cut in the deficits over 3 years.

In plain language, the budget which I worked out with the Republican members of the Senate committee reverses an ongoing increase in deficits and sets us on a sure road to a balanced budget in just a very few years.

You remember, of course, the great to-do and the hysteria about our budget a year ago, the talk of budget cuts that would punish the needy and helpless. You're hearing the same thing now about the new budget for 1983 and whether we can afford further budget cuts without doing harm to our social programs. Well, what budget cuts? Where do the cuts come from?

The 1981 budget we inherited was 657.2 billion. Our first budget, the one we had all the fuss about last year, was $728.9 billion. That's an increase of $71.7 billion over the preceding year -- hardly what you'd call a cut. Yes, there were reductions of $35.2 billion, but they were
reductions only in what had been assumed would be the annual increase in spending. We thought a $71.7 billion increase was enough. Without those $35 billion cuts, the present 1982 budget would be nearly as big as the budget we've proposed for next year.

The 1983 budget, approved by the Senate committee last Wednesday, calls for spending $779 billion. That's an increase over this year of $50.2 billion. Back in 1980 budgets were increasing by 17 percent. When it is passed, the 1983 budget increase will be a little less than 7 percent. This reduction in the rate of government growth, we think, is what you sent us here to do.

Now, I know it's hard hearing all these numbers to keep things straight, but the bottom line is that all the so-called budget cuts have been reductions only in the rate of increase usually in what Congress refers to as the "uncontrollables." Our proposed budget for next year, the one passed by the Senate committee, is $122 billion more than was spent in 1981. Those who've been opposing our budgets -- this one and the one last year -- would have had an increase of more than 170 billion if they'd have their way.

There've been no cuts in the budgets. There have only been smaller increases than some of our big spenders would have preferred, coupled with what we've done, our tax cuts, to allow you to keep more of what you earn.

Another subject: Yesterday we awoke to the news that unemployment had gone to the highest levels since 1941 -- 9.4 percent. Well, let me just first tell you how I feel about unemployment. This is the problem above all which must be solved.

Maybe those of us who went through the Great Depression have some kind of complex, but to me as long as there is one single person able and willing to work but unable to find work, that is too high an unemployment rate. I wonder though if the news media couldn't serve us better if they would give us more of the statistical information on unemployment provided by the Bureau of Labor Statistics.

Let me explain. The rise in the unemployment rate from 9 to 9.4 percent is in what are called the seasonally adjusted figures. Now, I'm not sure that we live in a seasonally adjusted world. Every month, the Bureau also publishes the unadjusted figures. I feel these latter figures should not be buried or ignored by the press. If they weren't of some importance, the Bureau wouldn't release them along with the seasonally adjusted.

Now, what's this all about? Well, the adjusted figures are given for what should be the rate of unemployment and employment for each month, based on the figures for previous years. Now, I know I'm running the risk of oversimplifying, but I'm also running out of time. The unadjusted figures are simply the actual count of how many are employed and how many are unemployed in a certain month.

Under the seasonally adjusted figures, unemployment, as we know, went up to 9.4 percent in April, higher than the March figure of 9 percent. And that, of course, is bad news. But according to the unadjusted figures, there were 400,000 more people actually working in April than in March and 300,000 fewer unemployed. Likewise, when the figures were announced a month
ago, unemployment increased from March over February, according to the adjusted figures. And yet by the actual count, there were 525,000 more people working in March than February and 88,000 fewer unemployed.

Now, I'm sure that next month when 750,000 or more young people are suddenly out of school, the adjusted figures might look better than the unadjusted. But shouldn't we be allowed to see both?

Regardless, the figures are sad. And something must be done and can be done about unemployment if Congress will get off the dime and adopt the deficit-reducing budget it now has before it. Interest rates will come down when it does, and so will unemployment.

This is no time for politics as usual. There are too many people hurting.

Thanks for listening, and God bless you.

Note: The President spoke at 12:05 p.m. from the Oval Office at the White House.