



# House Republican Research Committee

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December 18, 1987

President Ronald Reagan  
The White House  
Washington, D.C. 20515

Dear Mr. President:

As you enter the final year of your presidency and prepare for your last State of the Union address to the American people, we, as members of the HRRC Task Force on Budgeting and Federal Financial Management, want to commend you for the outstanding accomplishments you have achieved during your first seven years in office. Through your strong leadership and resolve, we have reduced taxes, decreased the growth rate of government and restored the American peoples' confidence that we as a nation can accomplish anything we set our sights on. In this context, we believe your presidency has been one of the most successful in history.

Unfortunately, we fear that your critics, the people who do not share your vision for America and the people who have fought you tooth and nail every step of the way as you tried to carry out your mandate, will move to deny you the legacy you deserve.

The legacy your opponents want to leave you with is that of the biggest deficit spender in history and as the man responsible for plunging our economy into a sea of never ending red ink. Mr. President, you know as well as we do that this characterization is a gross misreading of your record. The fact is most government spending during your administration is based upon decisions made long before you assumed office, many of which you tried to reverse, but were sustained by the Democrats in Congress.

We want to let you know that there is a way to dispel these falsehoods! The current budgeting and accounting systems we use

in Washington are the most primitive scoring systems imaginable to man. They are the same systems the Federal Government took New York City off of as a condition for the Federal bailout and that the Federal Government rejects for use by publicly traded companies. By changing our current "mickey mouse" credit card "smoke and mirrors" budget process to a more meaningful one, you can actually show that deficit spending has been reduced during your administration.

The enclosed op-ed piece published in The Wall Street Journal provides the figures that present the case. In addition, we have enclosed a copy of The Wall Street Journal's lead editorial for November 20 which calls for taking a closer look at reforming the current budget and accounting systems used by the Federal Government today.


Mr. President, these proposals for a new Federal budget process and accounting system reforms are not a new or radical idea for government. Canada operates on a budget based on generally accepted accounting principles as does the State of New York. We believe it's time the Federal Government did likewise, including implementing a capital budget to finally bring accountability to the American people.

We believe the issue of Truth in Budgeting and government accountability should be one of your administration's major themes during your last year in office. Accountability and Truth in Budgeting fit hand-in-hand with your call for a Balanced Budget Amendment and a line-item veto. As The Wall Street Journal states, this is the technical budget reform we need to complement the political and intellectual reforms you have already championed.

Finally, we believe your next and last State of the Union address provides you with a perfect opportunity to expand on the theme of government accountability and to ask for the necessary reforms to get our fiscal house in order. By going those final nine yards and demanding the adoption of budget and accounting reforms that no other president has dared ask for before you, you will guarantee your place in history as the man who restored the public's confidence in our budget process, by putting truth and economic reality back on our books so we can all know the true cost of government now and effectively plan for the fiscal health and economic direction of our great country in the future.

Sincerely,

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Joseph J. DiGuardi