

Chapter 56

A Shift to the Right Under Reagan

Was the Reagan Revolution good for the nation?

56.1 Introduction

When Ronald Reagan took office on January 20, 1981, he was almost 70 years old—the oldest man ever to become president of the United States. A little over two months later, his presidency—and his life—almost came to an abrupt end. As he emerged from a Washington, D.C., hotel, a gunman attempted to assassinate him. The would-be killer was 25-year-old John Hinckley Jr.

Timothy McCarthy was one of the Secret Service agents guarding Reagan. He had thought it would be a routine day. Everything was going as planned until Reagan left the hotel and headed for the presidential motorcade. “Just before the president got to the car,” McCarthy recalled, “Hinckley pushed himself forward and fired six rounds in about one and a half seconds.” McCarthy threw himself in front of Reagan, taking one of the bullets himself. But another bullet hit Reagan in the chest.

Hinckley also shot Reagan’s press secretary, James Brady, and a police officer. Reagan and the other injured men were immediately transported to the hospital, while police grabbed Hinckley and took him to jail. Hinckley later confessed that he had shot the president to get the attention of a famous movie actress. At his trial, he was declared not guilty by reason of insanity and sent to a mental institution for life.

At the hospital, Reagan joked with the doctors before going into surgery. As they wheeled him into the operating room, he looked around, smiled, and said, “I hope you are all Republicans.”

When Reagan was elected president, some people wondered whether he had the energy and stamina to carry out such a demanding job. However, he survived the shooting and went on to lead the country for two terms as president. His conservative agenda calling for lower taxes, reduced government regulation of business, and cuts in spending on social programs ushered in an era of political and economic change known as the **Reagan Revolution**.



Press Secretary James Brady and police officer Thomas Delahaney lie wounded on the sidewalk after the attempt on Reagan’s life. The president made a full recovery, but Brady was permanently paralyzed.



Ronald Reagan, a former movie actor and Republican governor of California, made an appealing presidential candidate. His friendly manner and positive, "can-do" attitude won the support of voters across the country, including some moderate Democrats.

56.2 The Triumph of the Conservative Coalition

Two years after the assassination attempt, Ronald Reagan appeared before a gathering of conservative Christian organizations. They were part of a broad coalition of diverse groups of Americans who favored traditional social values. In his speech, Reagan touched on many of the points that had helped him win the support of conservatives. He also spoke of the importance of religion in the founding of the nation. "Freedom prospers when religion is vibrant and the rule of law under God is acknowledged," he said.

Evangelical Christians Gain a Political Voice Reagan's audience that day was made up of evangelical Christians, or **evangelicals**. These are Christians who emphasize the authority of the Bible, believe strongly in spreading their faith, and seek a direct, personal experience of God. Many describe their conversion to evangelical faith as being "born again." By the late 1970s, evangelicals had become a significant force in both religion and politics.

Many evangelicals, particularly conservative fundamentalists, were upset by what they saw as declining moral and religious values in American society. They were distressed by rising divorce rates, drug use, gay rights, and feminism. They were also angered by Supreme Court decisions legalizing abortion and banning prayer in public schools. They feared that the nation was turning away from religion and becoming a "godless culture."

In 1979, evangelical leaders joined forces to form the **Moral Majority**, a political lobbying group led by the Reverend Jerry Falwell. Falwell wanted to train Christian activists who could make their voices "heard in the halls of Congress." He also called on Christians to elect public officials who were "pro-life, pro-family, pro-moral, and pro-America." The Moral Majority was succeeded by an even larger group, the Christian Coalition, led by the Reverend Pat Robertson.

These groups formed part of a political movement known as the **New Right**. This movement comprised various special-interest groups and activists who worked for conservative causes. New Right groups lobbied Congress and raised money for political campaigns. They also supported the growth of conservative "think tanks" like the Heritage Foundation, where scholars wrote policy papers and opinion pieces for newspapers and journals. The New Right influenced the public debate on many issues and helped bring about the Reagan Revolution of the 1980s.

Reagan Wins the 1980 Election As the 1980 election drew near, conditions at home and abroad were prompting many Americans to look for a change in leadership. The nation faced high inflation, high unemployment, and soaring energy prices. Overseas, the Iran hostage crisis continued, and the Cold War showed no signs of ending.

For many voters, Ronald Reagan offered an appealing alternative to President Jimmy Carter. Before starting his political career, Reagan had been a movie actor and the host of a popular TV show. He had served two terms as governor of California before running for president. On the campaign trail, he showed a natural gift for public speaking, a skill that earned him the nickname "the Great Communicator." He knew how to make a point or gently attack his

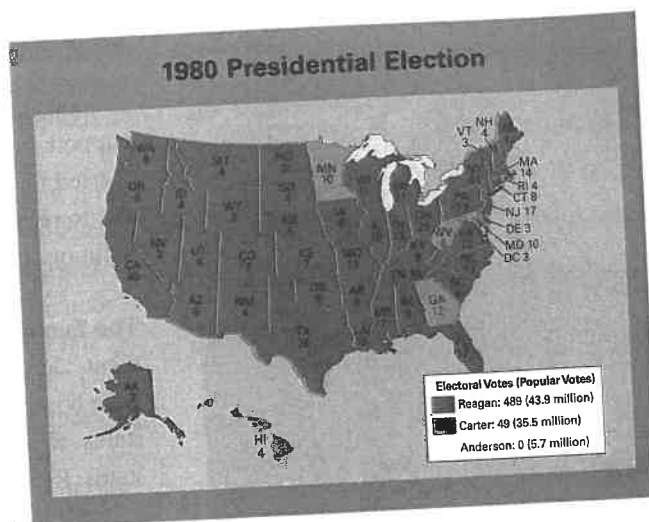
opponent with a joke. One of his most memorable jabs came when he poked fun at Carter's handling of the economy. "A recession is when your neighbor loses his job," Reagan said. "A depression is when you lose yours. And recovery is when Jimmy Carter loses his."

During a TV debate with Carter in October 1980, Reagan delivered the most famous line of the campaign when he asked viewers, "Are you better off than you were four years ago?" For millions of Americans, the answer was no. Reagan promised to pull the nation out of its slump and restore its standing in the world. His optimism appealed to many Americans, making them feel more confident about the nation's future.

On election day, Reagan defeated Carter by more than 8 million votes. Part of his success was due to the Republican Party's effective use of databases to identify potential supporters and get out the vote. Reagan won the support of the religious right, most Republicans, many business leaders, and many moderate Democrats. Republicans also won control of the Senate for the first time since 1955. Democrats managed to retain their majority within the House of Representatives, but Republicans made significant gains there, too.

Reagan in the White House In his inaugural speech, Reagan introduced many of the themes he would return to as president. Recognizing that many Americans had become disillusioned with government in the aftermath of the Vietnam War and the Watergate scandal, he called on his listeners to have faith in themselves and in their ability to solve the country's problems. "After all," he said, "why shouldn't we believe that? We are Americans." Minutes after Reagan took the oath of office, Iran freed the American hostages as a result of previous negotiations. Across the country, Americans celebrated their release. Reagan's first term was off to a good start.

As president, Reagan used speeches on television and in public to build support for his programs. He sometimes recalled scenes from old movies to explain his ideas in ways that made sense to his listeners. Charming and friendly, he was often liked even by those who disagreed with his policies. Reagan's advisers soon learned, however, that the president rarely involved himself with policy details or the day-to-day tasks of governing. He provided a general overview of what he wanted done and relied on his advisers and staff to carry out his wishes.

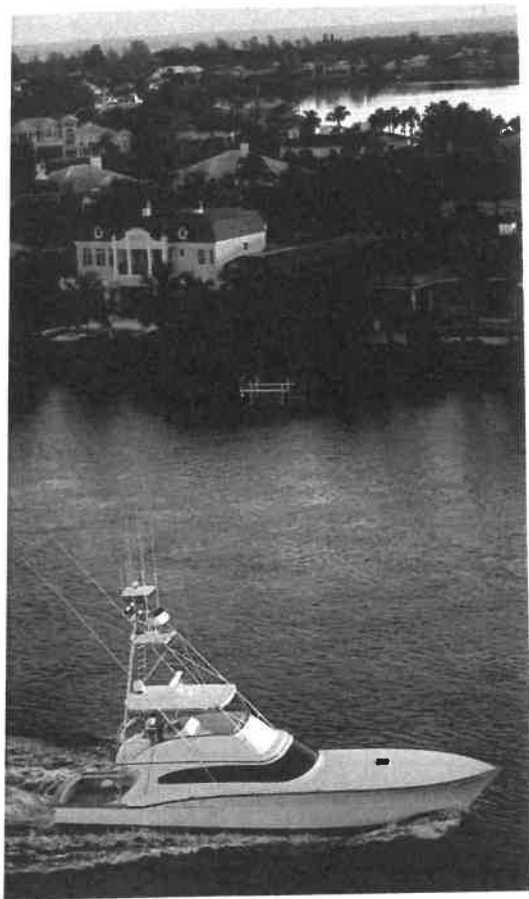


Reagan carried nearly every state in the 1980 election and won the Electoral College vote by a landslide. He also claimed the popular vote by a wide margin. This overwhelming victory gave the new president a strong mandate to carry out his policies.

This cartoon shows the effects of the conservative triumph in the 1980 election. Reagan's victory gave Republicans control of the White House. The election also boosted their influence in Congress. They won control of the Senate and gained allies among conservative Democrats in the House.



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An economic boom in the 1980s boosted incomes and raised the standard of living for many Americans. These gains were most evident among the wealthy, who prospered from Reagan's pro-business policies. Affluent Americans, like the residents of this coastal community in Florida, spent lavishly on homes and luxury goods.

56.3 Reagan's Economic Policies

Ronald Reagan came into office promising to change government. He had won support from voters who believed that government taxed them too much and wasted their tax dollars. Pledging to get government "off their backs," he set out to reduce the power of the federal government. "Government is not the solution to our problem," he said. "Government is the problem."

The Evolution of the New Federalism As part of his assault on "big government," Reagan expanded the policy of New Federalism begun by Richard Nixon. Like Nixon, Reagan wanted to shift power from the federal government to the states. Nixon had used revenue sharing to distribute federal tax dollars to the states. Reagan went a step further by handing responsibility for many programs in health, education, and welfare to the states themselves.

Reagan helped states pay for these social programs with **block grants** from the federal treasury. These were lump-sum payments that states could use as they wished. This system gave the states more flexibility, allowing them to design programs and allocate resources to suit their needs. However, these block grants generally provided less funding than the federal programs they replaced. Some liberal critics charged that the block grant system was really a way to reduce federal spending on social programs.

Supply-Side Economics Leads to Tax Cuts When Reagan took office, the economy was burdened by inflation. According to the law of supply and demand, inflation occurs when demand exceeds supply. Inflation often occurs in times of low unemployment, when more workers are trying to buy goods and services. However, when Reagan took office, he faced both inflation and high unemployment, partly as a result of soaring oil prices. To meet this challenge, he promised to stimulate the economy by cutting taxes and promoting private enterprise. His economic plan quickly became known as Reaganomics.

Much of Reagan's plan was based on a theory called **supply-side economics**. According to this theory, economic growth depends on increasing the supply of goods and services. The way to increase supply is to cut taxes. Lower tax rates will leave more money in the hands of individuals and businesses, providing an incentive for them to save and invest. Individuals will then work harder, save more, and spend more. Companies can hire more workers and increase the supply of goods and services. As businesses create more jobs, new workers will pay taxes, which will replace the revenues lost through lower tax rates.

Critics called this theory "voodoo economics," saying it was unrealistic to believe that lowering tax rates would increase revenues. But Reagan and his advisers believed it was the route to economic growth. In August 1981, Reagan signed a bill that cut federal taxes by 25 percent over a three-year period. However, the economy continued to lag for another two years, with even greater unemployment.

Gradually, though, the inflation picture began to improve. By the end of 1983, the economy was making a strong comeback. The following year, the gross national product grew by 7.1 percent. The stock market also rose.

The recovery created 18.4 million new jobs. Economists still debate what role the tax cuts played in the resurgence. However, many agree that a major factor was a large increase in defense spending. Military purchases pumped billions of dollars into the economy.

Not everyone fared equally well, though. While personal income grew at all levels of society in the 1980s, the income gap between rich and poor widened. The rich saw their incomes rise, while those with lower incomes saw fewer benefits. Liberals charged that Reaganomics helped the rich and hurt the poor. One economist noted that tax cuts had redistributed "income, wealth and power—from government to private enterprise, . . . from poor to rich." One Reagan official acknowledged that the tax cuts were intended to produce wealth at the upper levels that would "trickle down" to all Americans.

The economic boom made Reagan an even more popular candidate in the 1984 election. He built his campaign around the theme "It's Morning Again in America," suggesting a new era of pride and prosperity. A Reagan adviser noted the difficulties that the Democratic challenger, Walter Mondale, faced. "It's like running against America," he said. Reagan won by a landslide.

Reagan Calls for Deregulation Another key element of Reagan's economic plan was **deregulation**. Deregulation is the reduction or removal of government controls on business in order to promote economic efficiency and stimulate free enterprise. Reagan saw deregulation as another way to limit the power of government. Like many conservatives, he believed that deregulation would make businesses more efficient and competitive, thereby allowing them to pass the savings on to consumers. In the 1970s, under President Carter, Congress had lifted many regulations on the airline and trucking industries. Reagan felt that further deregulation would increase business activity in other industries and boost the economy even more.

Some deregulation efforts focused on getting rid of laws designed to curb pollution and ensure safety in the workplace. Many companies found such regulations a costly obstacle. A Reagan task force on deregulation delayed or blocked rules on the handling of hazardous waste and the exposure of workers to toxic chemicals. Under Reagan's guidelines, the Environmental Protection Agency also began to lower federal standards on air and water quality.

Reagan chose officials to lead government agencies who shared his belief in deregulation. For example, Secretary of the Interior James Watt removed many environmental regulations, arguing that these laws prevented industry from creating jobs and expanding the economy. He opened up more national forest land to logging operations and gave oil and gas companies offshore drilling rights. He also approved the sale of public lands at low prices to oil and mining companies.

Many public-interest groups fought efforts to revise environmental laws and workplace safety rules. They charged that the proposed changes endangered workers and the general public. In some cases, court decisions and actions by Congress slowed efforts by Reagan officials to drop environmental regulations. In 1987, Congress overrode Reagan's veto of a bill to renew funding for the 1972 Clean Water Act.



Supporters claimed that Reagan's tax cuts would promote economic growth and create more jobs. Critics charged that the cuts helped only the rich, while poor and middle-class Americans had to wait for the benefits to "trickle down" from above.

Deficits and Debt Grow Under Reagan Despite Reagan's efforts to control government spending, **federal budget deficits** soared during his two terms in office. A budget deficit is the shortfall that results when government spending exceeds government revenues in a given year. Before Reagan, budget deficits remained below \$75 billion. From 1982 to the end of Reagan's second term, however, annual deficits exceeded \$100 billion. In 1986, the annual deficit reached a new record of \$221 billion.

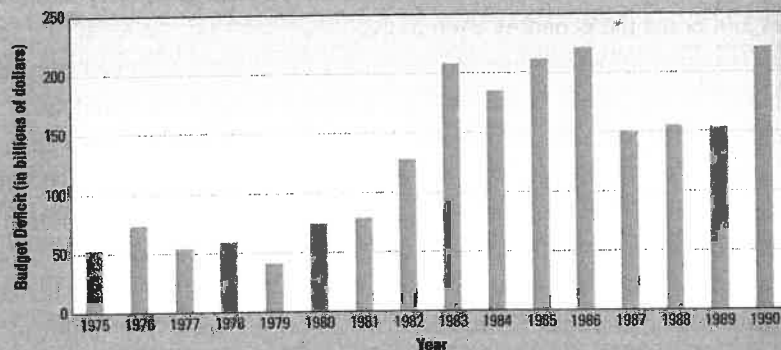
One reason for these soaring deficits was tax cuts and the resulting fall in government revenues. Another was high military spending. During Reagan's first term, the annual budget of the Department of Defense increased nearly 85 percent. Budget deficits also grew as the cost of Social Security and Medicare rose.

Federal budget deficits caused the **national debt** to soar. The national debt is the sum of all loans taken out by the government to finance its annual deficits. During the Reagan years, the national debt nearly tripled from \$908 billion in 1980 to \$2.6 trillion in 1988. This sum was far greater than the debt accumulated by all former presidents combined. The government had to borrow hundreds of billions of dollars each year just to pay the interest on this debt.

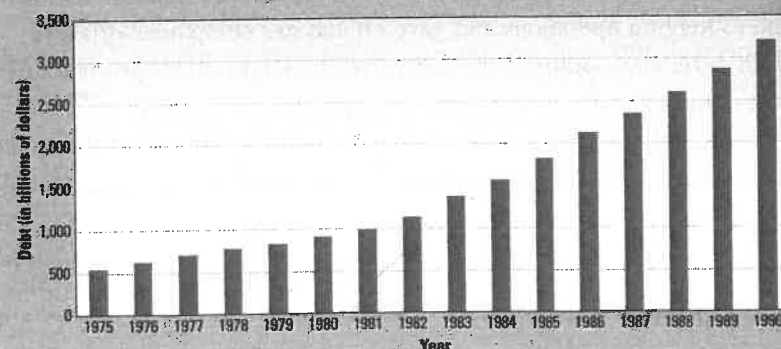
Conservatives and liberals held different views on the problem of deficits and debt. Although both favored a balanced budget, each said debt could be justified for the right reasons. Conservatives believed that low taxes and a strong defense were good reasons. Liberals argued that debt was acceptable if it came from investing in transportation, education, health care, and other social and economic improvements. Analysts called this the "guns or butter" debate, with conservatives favoring "guns" and liberals favoring "butter."

Under Reagan, federal budget deficits skyrocketed. These annual deficits, in turn, caused the national debt to swell. In less than a decade, the United States went from being the world's largest creditor, or lending, nation to one of the world's biggest debtor nations. Democrats had often been called "tax-and-spend liberals." Now liberals called Republicans "borrow-and-spend conservatives."

U.S. Federal Budget Deficit, 1975–1990



U.S. National Debt, 1975–1990



56.4 Reagan's Social Policies

Ronald Reagan liked to compare the United States to a “shining city upon a hill.” This phrase was adapted from a sermon by John Winthrop, a founder of the Massachusetts Bay Colony. Winthrop hoped the new colony would become a model Christian society, a “city upon a hill” that would serve as an example to the world. In his farewell address, Reagan said,

The past few days, I've thought a bit of the “shining city upon a hill.” . . . In my mind it was a tall, proud city . . . God-blessed and teeming with people of all kinds living in harmony and peace, open to anyone with the will and the heart to get here.

—Ronald Reagan, Farewell Address, January 11, 1989

Had Reagan's social policies helped to create such a model society? His admirers and critics disagree.

Social Welfare Spending Is Reduced Reagan and other conservatives opposed most government spending on social welfare. They believed that social programs stifled personal initiative and produced a dependence on government aid, thus trapping people in a cycle of poverty. At Reagan's urging, Congress slashed funds for many of Lyndon Johnson's antipoverty programs, including food stamps and aid to the elderly, poor, and disabled. Other cuts targeted student loans and subsidized-housing programs that helped low-income families pay their rent.

Liberals protested that these cuts harmed the poor and forced cities to reduce services to those in need. Cuts fell most heavily on single women with young children and on young adults with few job skills and little education. In the 1980s, the number of children living in poverty grew by 25 percent. The number of homeless people also increased dramatically.

HIV/AIDS Emerges In the 1980s, the United States also faced a grim health crisis brought on by a previously unknown disease called **HIV/AIDS**. This disease attacks the immune system, making it much harder for the body to fight illness. Many AIDS patients die from infections, such as pneumonia, that their weakened immune systems cannot fight.

In the United States, many of the first AIDS cases were among gay men, which led to the mistaken belief that AIDS was largely a “gay disease.” In the mid-1980s, however, AIDS began to appear in patients who had received blood transfusions. This led to the discovery that AIDS was transmitted mainly through contact with the blood or other bodily fluids of an infected person. This type of transmission also explained why many drug users who shared needles got AIDS.

At the end of Reagan's first term, statistics showed over 8,700 confirmed U.S. deaths from AIDS. Four years later, that number had grown to over 46,000. AIDS activists urged Reagan to speak out on AIDS and fund AIDS research. At first he resisted, but by the end of his second term he had declared AIDS “public health enemy number one.” Still, he put little effort into fighting the epidemic.



Panels of the AIDS Memorial Quilt, which honors those who have died from AIDS, were displayed in New York City in 1988. The quilt had around 2,000 panels at its first exhibit, in Washington, D.C., the year before. Thousands more have since been added in the quilt's various tours of the country. These tours have helped raise millions of dollars for AIDS organizations.

First Lady Nancy Reagan promoted drug and alcohol prevention programs, such as the DARE (Drug Abuse Resistance Education) program, whose slogan was "Just Say No." The program was designed to educate students on the dangers of drug use. Some critics felt that funds for DARE might have been better spent on drug treatment programs or on efforts to combat drug-related crime.



The Reagans Urge Americans to "Just Say No" to Drugs Like AIDS, drug-related violence in inner-city neighborhoods was also a concern in the 1980s. With his wife, Nancy, the president initiated a "Just Say No" media campaign that urged youths to "just say no to drugs." The Reagan administration also funded a drug education program known as DARE. This program sent police officers into schools to teach students about the dangers of drug use.

Reagan advisers labeled DARE a success, citing studies that showed reduced drug use among high school seniors. By the mid-1990s, however, longer-term studies showed little or no effect from the program. In addition, critics of Reagan's drug-intervention policy pointed to studies showing increased use of cocaine among the urban poor and minority youths.

Although many conservatives favored teaching students about the dangers of drug use, they opposed government programs to provide treatment for drug addicts. Critics of this approach argued that helping people overcome addiction is also an essential part of the effort to reduce drug-related crime and unemployment.



The Supreme Court took a turn to the right under Ronald Reagan, who appointed conservative justices Sandra Day O'Connor, Antonin Scalia, and Anthony Kennedy. Presidential appointments can have a great influence on Court rulings.

Conservatism Dominates the Supreme Court In the legal arena, Reagan's judicial appointments helped move the Supreme Court in a more conservative direction. He appointed three new justices to the Court. Sandra Day O'Connor, the first female justice, was followed by two more conservatives, Antonin Scalia and Anthony Kennedy.

The Court's more conservative makeup was evident in a 1985 case, *New Jersey v. T.L.O.*, which considered the privacy rights of high school students. The case focused on a 14-year-old girl, identified as T.L.O., whose purse was searched at school and found to contain marijuana. As a result, she was charged with delinquency and sent to juvenile court. Her lawyers argued that the evidence against T.L.O. was gained in violation of the Fourth Amendment's protection against unreasonable search and seizure. The Supreme Court disagreed. It ruled that a search without a warrant by school officials did not violate the Fourth Amendment as long as "there are reasonable grounds for suspecting that the search will turn up evidence that the student has violated or is violating either the law or the rules of the school."

A decade later, the Court—still dominated by Reagan-era conservatives—ruled against privacy rights again in *Vernonia School District v. Acton*. In that case, the Court said that schools have a right to impose random drug testing on student athletes, despite objections that such tests violate the students' rights.

Civil Rights Groups Feel Alienated With respect to civil rights, Reagan believed the federal government should be less involved in enforcement. He was reluctant to support an extension of the 1965 Voting Rights Act and was against the use of school busing as a means to achieve integration. He also called for an end to affirmative action, which he considered a form of reverse discrimination that was unfair to the majority white population.

Reagan and most conservatives argued that federal efforts to enforce civil rights actually hindered the cause of equality by arousing resentment. They also claimed that such efforts infringed on the rights of state and local governments. But civil rights groups contended that Reagan was simply trying to appeal to southern white voters by turning back the clock on civil rights.

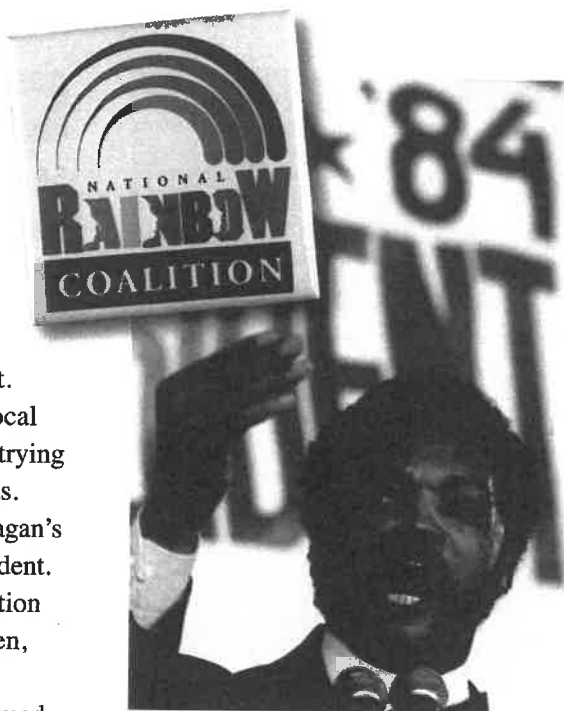
Civil rights activist Jesse Jackson was one of the strongest critics of Reagan's policies. In the 1980s, he twice sought the Democratic nomination for president. In 1984, he formed the **National Rainbow Coalition**, a political organization that advocated social progress and equal rights for people of color, women, and gays and lesbians.

In a speech at the 1984 Democratic National Convention, Jackson blamed worsening conditions in the inner cities on cuts in social programs for the poor and elderly. Quoting a common saying in economics that "a rising tide lifts all boats," Jackson disputed the claim that the economic expansion under Reagan would eventually benefit all Americans. "Rising tides don't lift all boats," he said, "particularly those stuck at the bottom. For the boats stuck at the bottom there's a misery index . . . Under Mr. Reagan, the misery index has risen for the poor." Jackson called for renewed efforts to advance civil rights and help the poor.

Reagan Supports Immigration Reform Immigration laws were another focus of domestic policy during the Reagan years. The last major immigration reform, the Immigration Act of 1965, had opened the doors to a new wave of immigration. By the 1980s, large numbers of immigrants from Asia and Latin America had come to the United States. Some of these were **undocumented immigrants** who entered the country illegally, without a visa. Many of these undocumented immigrants were Latin Americans who crossed the U.S.-Mexico border. As a result, the impact of illegal immigration was most keenly felt in the southwestern border states, from Texas to California.

Some Americans showed their opposition to increased immigration by joining the "English-only movement." Members of this group advocated laws to make English the official language of the United States and to limit the use of other languages by government agencies. Most English-only supporters opposed bilingual education in schools, believing that it kept immigrants from learning English. In the 1980s, several states passed laws making English the official language.

In 1986, Reagan signed the Immigration Reform and Control Act. This act called for increased immigration controls on the U.S.-Mexico border and provided stiff penalties for employers who hire undocumented workers. At the same time, it offered amnesty for 2.8 million immigrants who had entered the country illegally, thus putting them on the road to citizenship.



Civil rights leader Jesse Jackson ran for president twice, in 1984 and 1988. Jackson strongly criticized Reagan-era policies that he believed harmed the poor and disadvantaged. He formed the National Rainbow Coalition to fight for progressive reform.