



## How Reagan Created Reaganomics

Since there has been so much talk among Tea Partiers of returning to the good old, pre-trillion-dollar days of Ronald Reagan's administration, I thought it would be a good idea to go back to that inspiring time to see what has been happening to the growth of the federal government and how the Great Communicator sought to deal with that problem.



In 1960, Uncle Sam, (better known these days as Uncle Sap), spent \$76.5 billion to run the federal government. In 1970, a mere ten years later, that figure almost tripled to \$194.9 billion. And ten years later, in 1980, federal spending tripled again to \$579 billion.

By then Congress had lost complete control over federal spending. It had enacted so many entitlement programs that the budget had become a locomotive going full-speed down-hill with no brakes. By the time Ronald Reagan became President, the spending momentum was so great that the most a fiscally conservative president could do immediately was to slow down the rate of growth just a little. Momentum is a powerful force, and even a fiscal conservative cannot stop a locomotive on a dime. And that is why Reagan's 1983 budget reached a new high of \$757 billion, with a projected deficit of \$98.6 billion.

When you consider that the federal budget in 1939-40 was a piddling \$9 billion, you wonder how it was able to reach 84 times that amount in 1983. Of course, some of it was due to inflation. In 1939, a hotdog cost 5 cents and so did a phone call. Today, the same hotdog costs \$2.50 or more, depending on where you buy it. Phone calls, particularly international calls, are amazingly cheaper today, due to advances in technology, a benefit of free enterprise.

And yet, today, with a budget in the trillions of dollars, our socialist president is unable to find anything he can cut without endangering his socialist agenda. Indeed, by increasing the debt limit, Congress gave him even more money to squander.

The question that any concerned citizen must ask is how did we ever get into this endless spending spiral? It was President Johnson who thought that America was rich enough to solve all of its social problems by passing laws authorizing a flood of spending. The liberals called it The Great Society, and a Democratic Congress went along with the scheme. After all, the plan called for a War on Poverty. And so, in four short years, LBJ's budget went from \$97.9 billion in 1964 to \$186 billion in 1968. Of course, there was also the disastrous Vietnam War to pay for. In the end we lost both the War on Poverty and the War in Vietnam.

The result of all this spending was a burgeoning bureaucracy in Washington, inflation, growing deficits, increased regulation of the economy, and higher taxes. The federal government had grown much too big, much too expensive, and Ronald Reagan won the presidency in 1980 on the pledge that he would



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bring the runaway federal locomotive under control and slow it down to a reasonable rate of growth.

Reagan's Supply-Side economics advocated reducing tax rates to spur economic growth, reducing inflation by controlling the money supply, and deregulating the economy. When, in the summer of 1981, PATCO, the air-traffic controllers union went on strike illegally and refused to return to work, Reagan fired all 11,345 members. It was the boldest anti-union move by an American president in history. He significantly cut income-tax rates. The top margin rate of 70% was lowered to 50%, and the lowest tax bracket saw its rate drop from 14% to 11%. Despite these cuts, federal Income tax receipts increased from \$308.7 billion in 1980 to \$549.0 billion in 1989, all due to growth in economic activity and the resultant increase in wealth.

In 1986, an additional tax reform was enacted, which reduced the rate of the top bracket further to 28%, but increased the bottom bracket from 11% to 15%. It also reduced the number of brackets to 4. Thus, unemployment, which had peaked at 10.8% in December 1982 — higher than at any time since the Great Depression — dropped during the rest of Reagan's presidency. Sixteen million new jobs were created, while inflation significantly decreased. In other words, Reaganomics worked.

Reagan also raised the spirits of the American people by constantly referring to the greatness of the Founding Fathers and the idea of individual freedom that set this nation in motion. He described the Soviet Union as an "evil empire," and urged Communist leader Gorbachev to "tear down this wall." Indeed, it was Reagan's policy of peace through strength that finally brought an end to the Cold War and the liberation of Eastern Europe from totalitarianism.

Reagan also tried to reduce the size of government by advocating the closing of the Department of Education, which had been created by Jimmy Carter. But he was sabotaged by his own inner circle, including his Vice President, George H. W. Bush. Many conservatives have wondered why victorious Reagan chose Bush as his running mate. The reason is that he was probably promised the full support of the highly influential Skull and Bones secret society alumni, represented by Bonesman Bush. The Society's members would enthusiastically support Reagan if they made Bush his Vice President, because that would put Bush in a position to become President after the end of Reagan's eight years in office. And, of course, that is what actually happened. Indeed, Bush could have served two terms had he not reneged on his pledge: "Read my lips, no new taxes."

In 1980, few people knew anything about the Secret Society, also known as *The Order*, of which Bush was a member. [America's Secret Establishment: The Order of Skull & Bones](#), Anthony Sutton's expose of The Order, was first published in 1983. And even today, few people are aware of the extent of the Society's influence on our federal government. The Society's long-range agenda is to lead the United States into a utopian New World Order governed by the elite.

Some of the world's most famous and powerful men are "bonesmen," including George H.W. Bush and his son George W. Bush, Senator John Kerry, Austan Goolsbee (the highly regarded Chairman of President Obama's Council of Economic Advisers), Nicholas Brady, and the late William F. Buckley. Other bonesmen include U.S. President William Howard Taft, McGeorge Bundy (National Security Assistant to Presidents Kennedy and Johnson), Morrison R. Waite (Chief Justice of the Supreme Court), Henry Luce (Time-Life), Harold Stanley (founder of Morgan Stanley), Frederick W. Smith (founder of Fedex), John Daniels (founder of Archer Daniels Midland, producer of Ethanol), Henry P. Davison (senior partner Morgan Guaranty Trust), W. Averell Harriman (Brown Brothers Harriman & Co., investment bankers), Pierre Jay (first chairman of the Federal Reserve Bank of New York), Artemus Gates (President of New York Trust Company, Union Pacific, TIME, Boeing Company), Senator John



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Chaffee, Russell W. Davenport (editor Fortune Magazine), the first presidents of the University of California, Johns Hopkins University, and Cornell University, and many others.

In September of 1990, President Bush called the Gulf War an opportunity for the New World Order. In an address to Congress, Toward a New World Order, he said:

"The crisis in the Persian Gulf offers a rare opportunity to move toward an historic period of cooperation. Out of these troubled times... a new world order can emerge in which the nations of the world, east and west, north and south, can prosper and live in harmony.... Today the new world is struggling to be born."

And on October 1, 1990, Bush told the U.N. General Assembly:

... collective strength of the world community expressed by the U.N. ... an historic movement towards a new world order... a new partnership of nations... a time when humankind came into its own... to bring about a revolution of the spirit and the mind and begin a journey into a... new age.

The Tea Party movement wants no part of the New World Order. It wants a return to our basic American heritage as spelled out in the Declaration of Independence and the United States Constitution. And that is why it must prevent any Republican who is beholden to the Yale Secret Society from gaining the presidency or vice presidency. In fact, it should be illegal for a member of a secret society to be eligible for any position of power in our federal government, including the presidency. When an initiate into The Order takes as oath to promote the society's political agenda, he (or now she) is in conflict with the oath to defend the Constitution of the United States.

And that is why the present struggle going on in the Republican Party between genuine conservatives and Bonesmen-type Republicans will determine the nature of the Party in the decades to come. As for Skull and Bones, its exposure by Anthony Sutton has led to a decline in its influence. And now that they admit women, no secrets will likely be kept.



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