



Reagan Centennial: Facts are Stubborn Things

As political commentator for the Concerned Women for American's Legislative Action Committee and former speechwriter for former President George H. W. Bush, Janice Shaw Crouse celebrated Ronald Reagan's 100th birthday with a paean of praise for the former President's skills as "The Great Communicator" which perfectly illustrates the perception of Reagan as a good conservative, at least when he spoke.

The ten keys to his effectiveness as a communicator included his optimism, his ability to inspire, his faith, his intelligence, his humor, and his principles. Nothing was mentioned in her short article about his impact on history for the cause of freedom.



Born on February 6, 1911, Reagan's first major step towards the presidency occurred in October of 1964 when he gave his "A Time for Choosing" endorsement for the presidency of Barry Goldwater at the Republican National Convention. He reminded his audience that no nation in history has ever survived a tax burden that reached a third of its national income. He added:

We're at war with the most dangerous enemy that has ever faced mankind — and it's been said that if we lose that war, and in so doing lose this way of freedom of ours, history will record with great astonishment that those who had the most to lose did the least to prevent its happening.

In that brief juxtaposition, Reagan pointed out the inherent conflict that would follow him all the way through two terms in the White House from 1981 to 1989.

He certainly sounded like he understood the temper of the times, as they remain so familiar to patriots today. He quoted several statists of the time: "The profit motive has become outmoded. It must be replaced by the incentives of the welfare state," and "Our traditional system of individual freedom is incapable of solving the complex problems of the 20th century." He quoted liberal Senator Clark of Pennsylvania who said that liberalism is the "meeting of the material needs of the masses through the full power of the centralized government." Reagan quoted then-Senator J. William Fulbright who said that the President is "our moral teacher and our leader — [who is] hobbled in his task by the restrictions of power imposed on him by this antiquated document [the Constitution]."

He reminded his audience that a government cannot control the economy without controlling people. And they know when a government sets out to do that, it must use force and coercion to achieve its purpose.

But buried in his otherwise memorable talk were the same conflicts between individual freedom and government power. When speaking of Social Security, he emphasized that while "We're for a provision that destitution should not follow unemployment by reason of old age, and to that end we've accepted Social Security as a step toward meeting the problem — we're [also] against those entrusted with this



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program [by calling it] insurance [when] there is no fund."

He then decried the coercive nature of Social Security because it has the power to tax and "could always take away from the people whatever they needed to bail [the fund] out of trouble."

The same conflict between principle and pragmatism appeared when he spoke about medical care: "I think we're for telling our senior citizens that no one in this country should be denied medical care because of a lack of funds. But I think we're against forcing all citizens, regardless of need, into a compulsory government program."

He also supported foreign aid while being against it:

I think we're for aiding our allies by sharing our material blessings with those nations which share our fundamental beliefs, but we're against doling out money to governments, creating bureaucracy, if not socialism, all over the world. We set out to help 19 countries. [Today] we're helping 107.

And then he inserted one of his famous Reaganisms: "Actually, a government bureau is the nearest thing to eternal life we'll ever see on this earth."

As he was reaching the climax of his talk in supporting Goldwater, Reagan had the opportunity to remind his audience of the glories of the limitations placed on government by the Constitution, and instead pleaded: "If you and I have the courage to tell our elected officials that we want our national policy based on *what we know in our hearts is morally right.*" (Emphasis added.)

Thus did voters become aware, for the first time, of the core beliefs of the man who would become President in 1980 and reelected overwhelmingly in 1984: beliefs based not upon principle but expediency, not anchored in eternal truths and rules of law but what was in his heart.

Reagan's platform for his 1980 successful presidential run emphasized those "principles" that had increasingly resonated in the conservative mind since 1964: lower taxes, less government, and a strong national defense. In his inaugural address, Reagan used another one-liner to reduce any anxiety about his intentions: "In this present crisis, government is not the solution to our problems; government is the problem."

And then in the next 70 days of his administration, Reagan proceeded to behave as if government did have all the solutions, passing a massive tax cut bill based on something dreamed up on a paper napkin by one of Reagan's economic advisors, Arthur Laffer, called the "Laffer curve." This became known as "Reaganomics," a theory that if taxes were cut sufficiently, incentives in the private market would expand the economy more than sufficiently to provide the increased tax revenues the government would need to solve all the other problems.

Budget Director David Stockman was in such a hurry to push the bill through Congress that, when certain numbers didn't add up, he resorted to his "magic asterisk," which meant, "Future savings to be identified."

Indeed, the economy, under the temporary "release of pressure" began to revive, but at no point did the increased revenue stream ever come close to closing the ever-increasing deficits and national debt. Aside from questioning the notion whether it is the role of government to allow the economy to grow in order to increase its revenue stream, under the Reagan administration deficits grew and the national debt tripled.

In a <u>study</u> conducted by the Department of the Treasury, nine tax bills were passed under Reagan between 1981 and 1987, and seven of them raised taxes! The net effect, then, was scarcely any net



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reduction in government revenue, but a great enhancement of Reagan's image as the great tax cutter.

His campaign promised an end to the departments of Education and Energy, which instead enjoyed increasing funding under his administration. While promising to cut non-discretionary spending, Reagan instead placated his various constituencies, summarized nicely by Wikipedia here:

Reagan's 1981 economic legislation ... was a mixture of rival programs to satisfy all of his conservative constituencies (monetarists, cold warriors, middle-class swing voters, and the affluent). Monetarists was placated by tight controls of the money supply [courtesy of Paul Volcker at the Federal Reserve], cold warriors, especially neoconservatives like [Reagan's foreign policy advisor Jeanne] Kirkpatrick, won large increases in the defense budget, wealthy taxpayers won sweeping three-year tax rate reductions on both individual ... and corporate taxes, and the middle class saw that its pension and entitlements would not be targeted.

In his long, incisive, and often vitriolic criticism of the Reagan years Professor Murray Rothbard said:

There was no "Reagan Revolution." Any "revolution" in the direction of liberty ... would *reduce* the total level of government spending....

But in a few short years, Reagan's spending surpassed even [President Jimmy] Carter's irresponsible estimates. Instead, Reagan not only increased government spending by an enormous amount ... he even substantially increased the percentage of government spending [relative] to GNP. *That's* a "revolution"?...

I am convinced that the historic function of Ronald Reagan was to co-opt, eviscerate and ultimately destroy the substantial wave of anti-governmental, and quasi-libertarian, sentiment that erupted in the U. S. during the 1970s.... [He] was wheeled into performing this task by his Establishment insiders.

History is treating the legacy of Ronald Reagan with more respect than it deserves. What's really needed now is a great communicator with principles.





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