

## Ronald Reagan



The son of a shoe salesman who grew up in Tampico, Illinois in an apartment on Main Street that had no indoor plumbing or running water. He went on to be a college athlete, sports reporter then a Hollywood movie star, the head of the Screen-actors Guild, Governor of California and finally the **40<sup>th</sup> President of the United States of America.**

Ronald Reagan began his political career as a democrat but over time his views became more conservative and in 1960, he registered with the **Republican Party.**

In 1964, as now a well-known California celebrity, Reagan stepped into the national political spotlight when he gave a well-received televised speech for Republican presidential candidate Barry Goldwater (1909-1998), a prominent conservative. Two years later, in his first race for public office, Reagan defeated Democratic incumbent Edmund “Pat” Brown Sr. (1905-1996) by almost 1 million votes to win the governorship of California. Reagan was reelected to a second term in 1970.

Reagan then made unsuccessful bids for the Republican presidential nomination in 1968 and 1976. Finally, in **1980**, he received the Republican Party endorsement to run for President. Reagan chose **George H.W. Bush** as his running mate against the Democratic candidates President Jimmy Carter and Vice-President Walter Mondale.

Reagan won the election by an electoral margin of 489-49 and captured almost 51 percent of the popular vote. At age 69, he was the oldest person elected to the U.S. presidency.

Ronald Reagan was sworn into office on January 20, 1981. In his inaugural address, Reagan famously said of America’s then-troubled economy, ***“In this present crisis, government is not the solution to our problems; government is the problem.”***

Two months after becoming President, there was an **assassination attempt** on his life by John Hinckley Jr., a man with a history of psychiatric problems. A bullet pierced his lungs, narrowly missing his heart. Hinckley Jr. was arrested and Reagan was back at work in the White House several weeks later.

## The New Federalism

Reagan's victory in the 1980 election also came with Republican control of the Senate for the first time in thirty years. In addition, even though the Democrats still controlled the House of Representatives, their margin was also cut during the general election. This gave Reagan an edge on passing many of his proposals for reform and the creation of **Reaganomics**.

One of Reagan's first steps under his New Federalism program was to change federal programs in education, health, welfare, and transportation to state and local authorities. State officials welcomed the controls but voiced concerns about paying for them as they disapproved of Reagan's cuts in federal aid to the states to pay for these programs. Many states were unable to fund these programs now under their control so Reagan was forced to continue massive funding.

## Supply-Side Economics

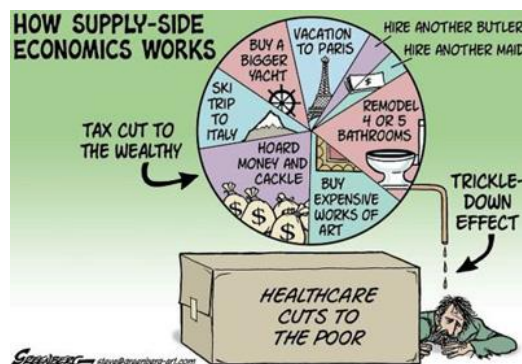
In the early 1980's, the American economy was weak. To improve the situation, the Reagan Administration proposed **supply-side economics**.

**Step 1** – Reduce capital gains taxes, individual income taxes for the rich, lower corporate income taxes, and cut expensive government costs.

**Step 2** – This would now free up new investment money that would increase supplies of goods and services.

**Step 3** – Steps 1 and 2 would now create a “**trickle-down**” effect that would lead to new employment for the middle and lower classes. Spending from these two sectors would boost the economy and their taxes would add to the overall wealth of the nation.

Democrats were strongly opposed to these plans and many saw Reagan's plans as a failure.



Congress passed a 25% reduction in taxes for wealthy individuals and larger reductions for businesses. A tax simplification program cut deductions for education, reduced the tax brackets, and simplified payment schedules. Revenue did increase from taxes and import tariffs but government spending increased at a higher rate. This caused a major budget deficit. Reagan wanted more military spending and Congress was forced to increase spending for social-welfare programs. By 1990, the **National Debt had reached \$4 trillion** and the annual interest that had to be paid by the government has grown to over \$100 billion.

## The New Right

Reagan's actions encouraged a **growing conservative movement called the New Right**. It tried to overturn controversial Supreme Court decisions of the Warren Court. *Engel v. Vitale* and *Roe v. Wade* were major targets for the New Right activists. They also wanted stricter censorship of pornographic material and the defeat of the Equal Rights Amendment. Despite Reagan's support, these constitutional amendments did not receive the required two-thirds vote in Congress.

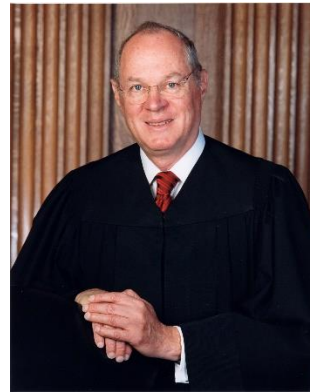
President Reagan did manage to reinforce the Supreme Court's conservative direction. In 1986, he names Associate Justice William Rehnquist to replace the retiring Chief Justice Warren Burger. Reagan also named three additional conservatives to Court vacancies; **Sandra O'Connor**, the first woman to serve on the Supreme Court, **Antonin Scalia**, and **Anthony Kennedy**.



Sandra O'Connor



Antonin Scalia



Anthony Kennedy

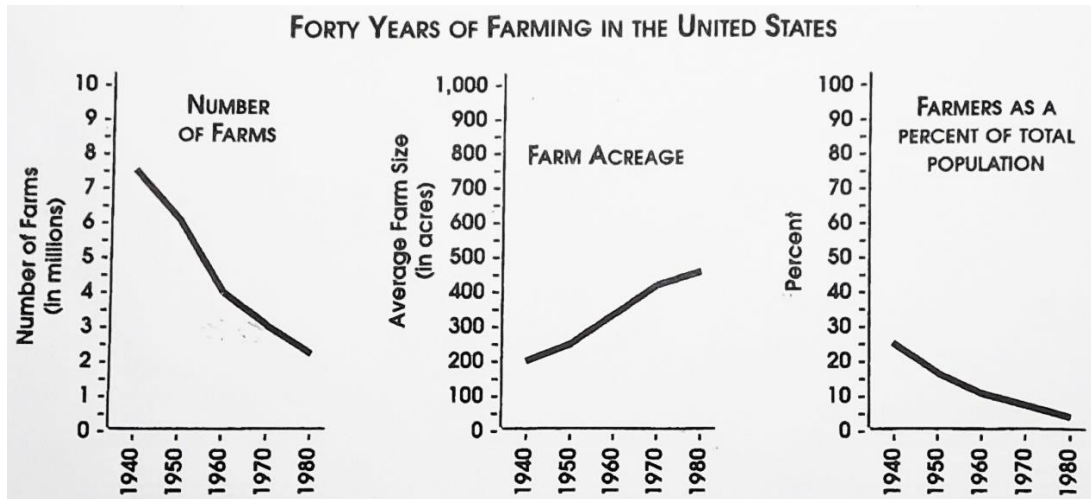
## Social Problems

The uneven economic recovery of the 1980's failed to check poverty. Some African Americans and other minorities did achieve middle-class status but a significant percentage of the population remained below the poverty line. In addition, more elderly people living on fixed incomes found it harder to survive. Federal authorities had cut too many social welfare programs that were designed to help the poor. Reagan's supply-side economics seemed to benefit the rich rather than the poor.

Despite the national unemployment rate dropping to just 5.5% in 1988, federal cuts had ended job training programs. **Unemployment was still high among minorities in the inner cities**. Poorly administered state programs and inadequate education systems also added to the problems. Reagan's cuts forced many states to reduce patient populations and staff members in mental institutions. Former patients were now homeless and living on the streets. In addition, the nation faced high rates of alcoholism and drug addiction, further adding to the dire situations especially within the major cities.

**Farmers** were also victims of the economic and political situations in America. During the 1970's, inflation drove farm prices to record levels. Demand for American food products expanded worldwide. Many farms expanded after borrowing money for new machinery. However, in the 1980's the rate of inflation slowed, domestic and international demand for agricultural products fell and overproduction of crops caused food prices to drop significantly.

Due to these factors, farmers now had difficulty repaying their debts. Foreclosures and bank failures grew in the agricultural regions of the country. Farm subsidies were renewed but they provide little relief to the farmers. In addition, the effects of the **Green Revolution** increased the crop yields and the number of large farms but also forced smaller farms and family farmers to go out of business.



### Immigration

The **Immigration Act of 1965** ended the national origins quota system. Congress gave preference to immigrants with needed technical and professional skills. Despite such changes there were millions of illegal immigrants trying to enter the United States, mostly seeking political freedom and economic opportunity.

To stop the flow of illegal immigrants, the Reagan Administration passed the **Immigration Reform and Control Act of 1986**. The law granted legal status to illegal immigrants who had entered the United States before 1982. However, there were strict punishments for employers who continued to hire illegal aliens. Critics claimed that this was discriminatory against Hispanic groups, especially Mexican workers, many of whom were needed in Reagan’s home state of California as agricultural workers.



**Cesar Chavez** organizing union protests and boycotts protecting immigrant workers’ rights.

## Foreign Policy

Ronald Reagan promised to restore America's strength and pride internationally. He wanted to reverse some of the previous foreign policy humiliations from the previous decade.

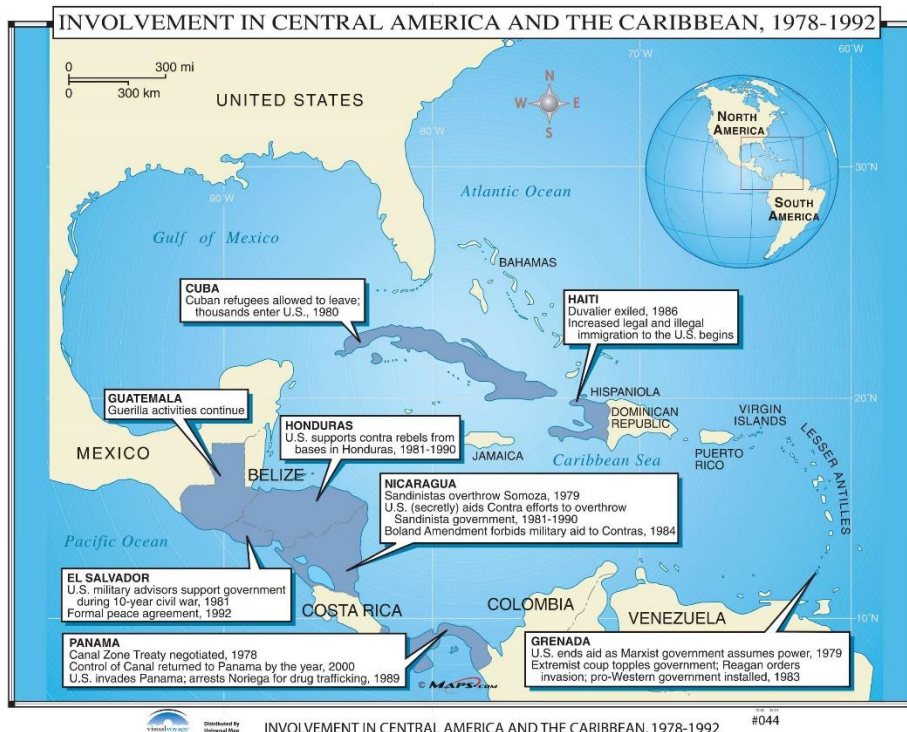
### Central America and the Caribbean

Reagan strongly opposed communist expansions that were taking place in Latin America. During the 1970's and 1980's, communist Cuba had supported **Marxist** regimes in **Nicaragua and Grenada**. Reagan denounced these political moves.

In 1983, reluctantly in compliance with the *War Powers Act* (giving Congress 48 hours prior notice of any troop movements overseas) Reagan ordered 1,900 U.S. troops, who worked with 300 Latin American troops (from six different nations) to stop a **Soviet-Cuban communist coup in Grenada**. His army soon controlled the entire island and set up a new, American-friendly government.

Reagan also battled with Congress to provide aid to **Nicaraguan contras** (anti-communist rebels based in Honduras). This assistance allowed Nicaragua to hold free and fair elections. **Daniel Ortega's communist Sandinistas** were voted out of power in 1990 and a new, democratic leadership under Violeta de Chamorro improved American relationships.

Reagan also sent aid to **El Salvador**, once again to help this nation resist communist rebellions and insurgents.





## The Middle East

The turmoil in the Middle East led Reagan to have the United States become involved in the region. Lebanon was in the midst of a civil war between Christians and Muslims. The United States sent U.S. Marine units to help the U.N. peace-keeping forces in **Lebanon**. On October 21, 1983 a truck carrying explosives killed U.S. servicemen. A Muslim extremist group claimed that they were behind the attack.

Western diplomats, educators and newsmen were kidnapped. Diplomatic relations to acquire their release failed. Finally, by 1991 and 1992, negotiations and peace agreements in Lebanon saw the release of these hostages.

In 1987, Reagan was forced to send troops to the **Persian Gulf** region to protect the oil tankers that were being attacked by both sides during the **Iran-Iraq War**. The **State of Kuwait** was allowed to fly the American flag on their oil tankers. Attacks by Iran on these vessels nearly brought the United States into the war against Iran.

The war on terrorism escalated during the Reagan administration. **Muslim religious extremists**, backed by the **PLO, Libya and Iran** committed terrorist acts across Western Europe, some incidents involving American civilians. Bomb attacks at a Berlin nightclub, Rome's international airport and the hijacking of a **TWA** plane in the Middle East were of major concern to the President. An American citizen was killed while on the cruise ship **Achille Lauro** in 1985 during a siege by terrorists. Fortunately, U.S. fighter jets managed to catch the terrorists as they tried to escape.

For many years, **Libya's head of state, Muammar Qaddafi** had supported terrorist activities and allowed training camps to be located in his country. In 1986, in an internationally controversial move and as a warning that terrorism would not be tolerated, President Reagan ordered U.S. planes to bomb Qaddafi's headquarters in Tripoli.



In 1988, 270 people, mostly Americans, died when a Libyan-Iranian backed extremist group blew up **Pan American flight 103 over Lockerbie, Scotland**. The plane was en-route to JFK, New York. In 1991, both the United States and the United Kingdom indicted two Libyan intelligence agents for the bombing. Finally, in 1999 after years of U.N. sanctions, the Libyan People's Congress handed over the two accused men to stand trial at the **International Court of Justice** in the Hague.



**Latin America** was also a problem for the United States as the governments of several countries in the region allowed **illegal drug shipments** from **Colombia** to pass through their boundaries, with the drugs, especially cocaine, ending up in the United States. In 1989, President Reagan travelled to Colombia to meet with several Latin American leaders. He pledged to aid efforts to stop the flow of drugs by sending FBI anti-task forces to aid the local governments. Reagan also sponsored a bill to drug-test all federal employees, a practice that then spread to both local governments and private industry.

An imbalance of trade and a **major trade deficit** were also problems for the Reagan administration. Domestic demand for goods had slowed, jobs had disappeared and money flowed out of the country to buy foreign made goods that were being sold in America. Reagan had been an advocate for free-trade however in the mid-1980's he was forced to place **quotas** on Japanese cars, cameras, and other electronic equipment. These restrictions were too weak to improve the trade deficit. The foreign car industries bypassed these quota restrictions by building factories in the United States in states such as California, Kentucky, Ohio, Pennsylvania, and Tennessee. They now avoided any quotas. Reagan then faced pressure from businesses and unions who demanded stronger retaliation against foreign governments.

The system of **Apartheid in South Africa** was a problem faced by the Reagan administration. Many Americans believed that all U.S. based corporations should cease operations in South Africa until their government ended their racial inequality. Some Americans thought it was best for U.S. corporations to continue trading in South Africa as they were more than likely to treat black Africans as equals and provide better economic opportunities for them. The end result was that the Reagan administration imposed limited sanctions on South Africa, but resisted demands to end all ties with the country.

#### Reasons for Rapid Growth of the Trade Deficit

- A high value for the U.S. Dollar made imports less expensive and American exports more costly
- Lower production costs in foreign countries sent many American manufacturers out of business
- "dumping" of excess products by foreign nations in the United States
- Trade barriers set up against U.S. products by other nations
- Exceptionally high prices of foreign oil in the early 1980's



The threats of global terrorism and economic hardship and opposition to the United States government saw two incidents of **terrorism in the United States** during the Reagan administration.

The first came on February 26, 1983 when foreign terrorists bombed the **World Trade Center** in New York. Six people were killed, 1,000 injured, and \$600 million in damages were due to a bomb in a vehicle located in the underground parking section of the building. The second incident was an act of **domestic terrorism** on April 19, 1995. **Timothy McVeigh**, an ex-Army soldier used a rental truck, filled with explosives, to bomb the Alfred P. Murrah Federal Building in **Oklahoma City** killing 168 people, including 19 children and wounding 500 people. McVeigh and his co-conspirators were captured and put on trial.

## U.S. – Soviet Relations



Ronald Reagan strongly opposed the 1970's policy of détente. He took a strong stand against Soviet expansionism by promoting a rebuild of U.S. military strength. He spent billions researching the **Strategic Defense Initiative (known as Star Wars)**, a high-tech space shield built to defend against an enemy missile attack.

Reagan's hardline stance against communism deteriorated U.S. and Soviet relations. He strongly criticized the shooting down of a Korean airline that strayed into Soviet airspace, the imposing of martial-law in Poland, and the Soviet involvement in the Afghanistan War.

During Reagan's second term, a new Soviet leader, **Mikhail Gorbachev**, drastically changed the relationship between both countries. **New economic reforms (perestroika) and political openness (glasnost)** were now the new policies of the Soviet Union under Gorbachev. The number of Soviet missiles in Eastern Europe were reduced and greater autonomy was given to the Communist-Bloc nations.

Reagan and Gorbachev held frequent summits, drastically reducing nuclear arms and creating more trade agreements. Perhaps the most famous statement by Reagan at this time was when he visited Berlin and during his speech while standing outside of the Berlin wall stated **"Mr. Gorbachev, tear down this wall!"** In 1989, the Soviet Union collapsed and the Berlin Wall came down.



A major blemish to the Reagan administration came in 1986. Congressional investigators revealed that members of the President's staff illegally sold weapons to **Iran**. These officials then diverted the funds from these sales to the **contra rebels in Nicaragua**. The incident became known as the **Iran-Contra Affair**. Federal courts convicted several White House staff members of violating federal laws which prohibited such illegal aid.

Congress criticized President Reagan for his inattention to these illegal activities. Formal complaints were levied about his lax administrative procedures and his lack of knowledge about the activities of his staff. **Reagan himself did not break any laws**, but many critics questioned his lack of control over staff and foreign policymakers.

After two terms, Ronald Reagan left his legacy on the American presidency. His **Reaganomics** policy is still taught in economics classes today and his foreign policies are important pieces of modern American history.

After two terms in office, Reagan and the Republican Party nominated his **Vice-President, George Bush** for President. Bush defeated the Democratic nominee **Governor Mike Dukakis of Massachusetts** and the Republican control of the White House continued for four more years.



**“Mr. Gorbachev, Tear Down This Wall”**