

Ronald Reagan



Reagan Public Approval Ratings



Before National Politics

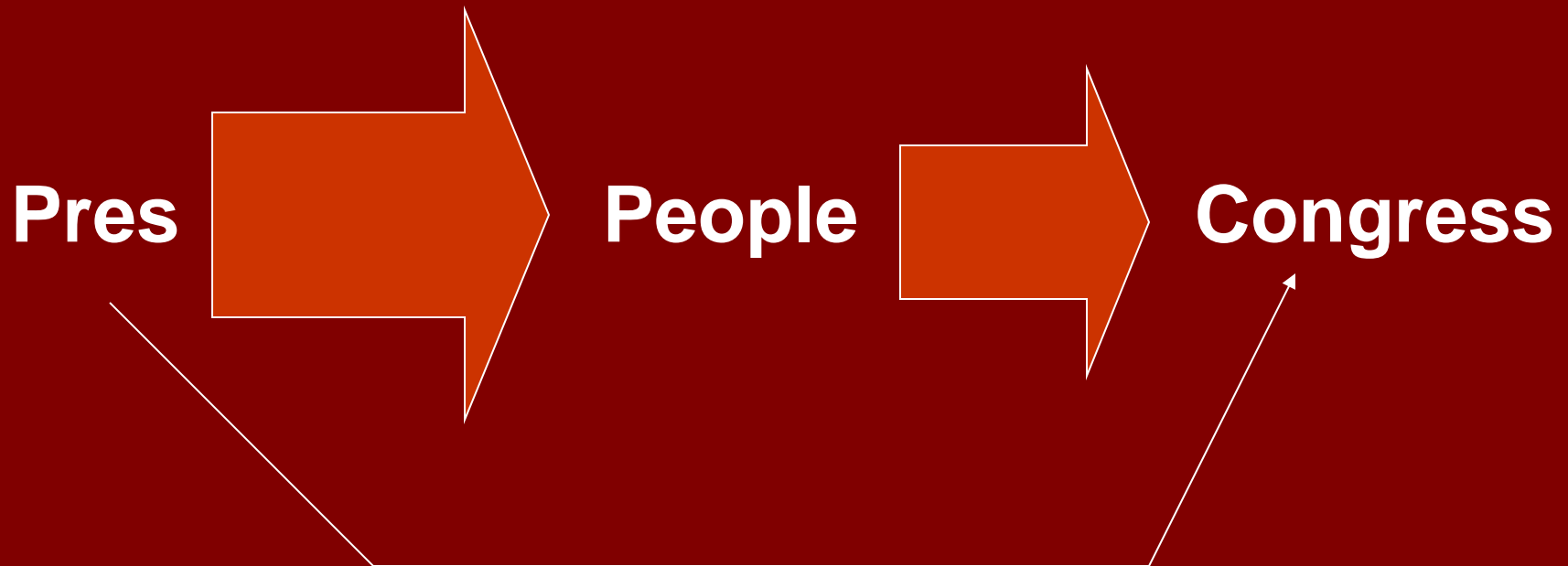


Union Representative

Goldwater speech 1964

Presidential Power and Persuasion

Reagan Model



Reagan Media Strategy

- **Bully Pulpit: “The Communicator”**
- **Stage Events in Controlled Settings**
- **Feed the Media**
- **Consistency of Message**
- **Popularity is Power**

Supply-side Economics (aka “Reaganomics”)

- Cutting the Federal government budget
 - Mass transit
 - Food stamps
 - Welfare
 - Job training
 - Medicaid
 - School lunches
 - Student loans

Supply-side Economics

- Programs NOT cut
 - Social Security
 - Medicare
 - Veterans pensions
- Programs with budget increases
 - Department of Defense [doubled]
 - Strategic Defense Initiative [“Star Wars”]
 - Outspend Soviets

Supply-side Economics

- Tax Cuts Supply-side economics [“Trickle-down theory”]
[called “voodoo” economics by GHW Bush, during 1980 primaries]
 - 25% cuts in some tax rates
 - Theory
 - People would save more
 - Banks would lend to business
 - Supply of goods would increase
 - Prices down

Supply-side Economics aka “Reaganomics” and “Voodoo” Economics

- National Debt climbs by 50% or more
 - Wealthy benefit from tax cuts most
 - Middle class doesn't save, it pays off loans and spends on necessities (so benefit to banks and business investments less than expected)
 - Poor have much less to spend [and their numbers are much greater]

Analysis of Supply-side Economics

THE REAGAN YEARS



Some key tax cuts:

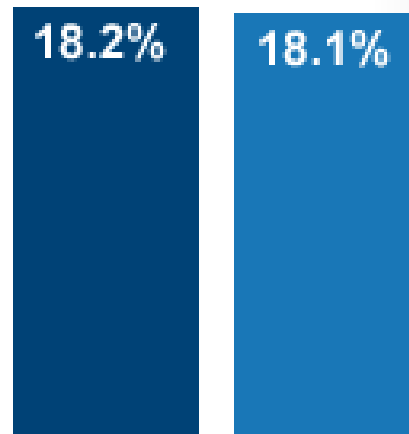
- Cut top income rate: 70% to 28%
- Boosted business deductions

Some key tax hikes:

- Trimmed tax breaks
- Upped Social Security tax

TAX REVENUE (% OF GDP)

Under Reagan, tax collections were in line with the 40-year average.

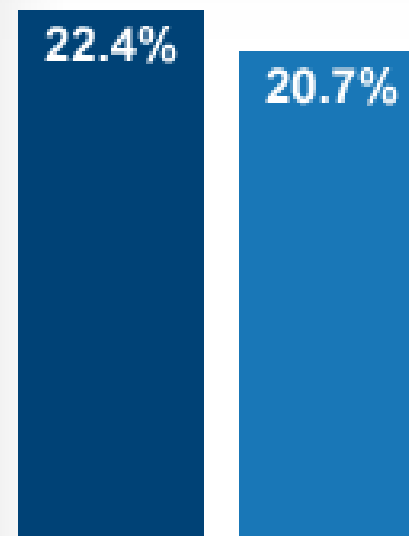


Average under Reagan

40-year average

FEDERAL SPENDING (% OF GDP)

Government spending was above average during the Reagan years.



Average under Reagan

40-year average

Supreme Court Appointments

- First woman appointed to court
 - Sandra Day O'Connor
- Three “conservatives” appointed to the court
- Two of them (O'Connor & Kennedy) more moderate than expected
- William Rehnquist elevated to Chief Justice (moderate compared to Scalia)

Strategic Defense Initiative (aka “Star Wars”)

- \$30 billion dollars spent
- Space based weapons system never deployed
- Some new ballistic missile technologies developed which were used in ground based missiles
- NATO Allies (except U.K.) opposed
- Abandoned in 1993



Deregulation

- Reduce government oversight
 - No price controls on oil
 - No health and safety inspections for nursing homes
 - No oversight of Savings and Loan Industry
 - Collapsed in scandal in late 1980s
 - Neil Bush [\$1.3 billion charged to taxpayers]
 - Charles Keating [\$3 billion charged to taxpayers]
 - Reduced EPA oversight

Foreign Policy

- Outspend U.S.S.R. on Defense
 - Break their economy
- Engage in talks with Mikail Gorbachev
 - Glasnost: “openness”
 - Perestroika: less government control of economy more democratic ideals
 - Nuclear treaty in 1987
- Engage in covert action and fund proxy wars to prevent the spread of communism

Reagan in Berlin

- Berlin 1987
“Tear down
This wall!”

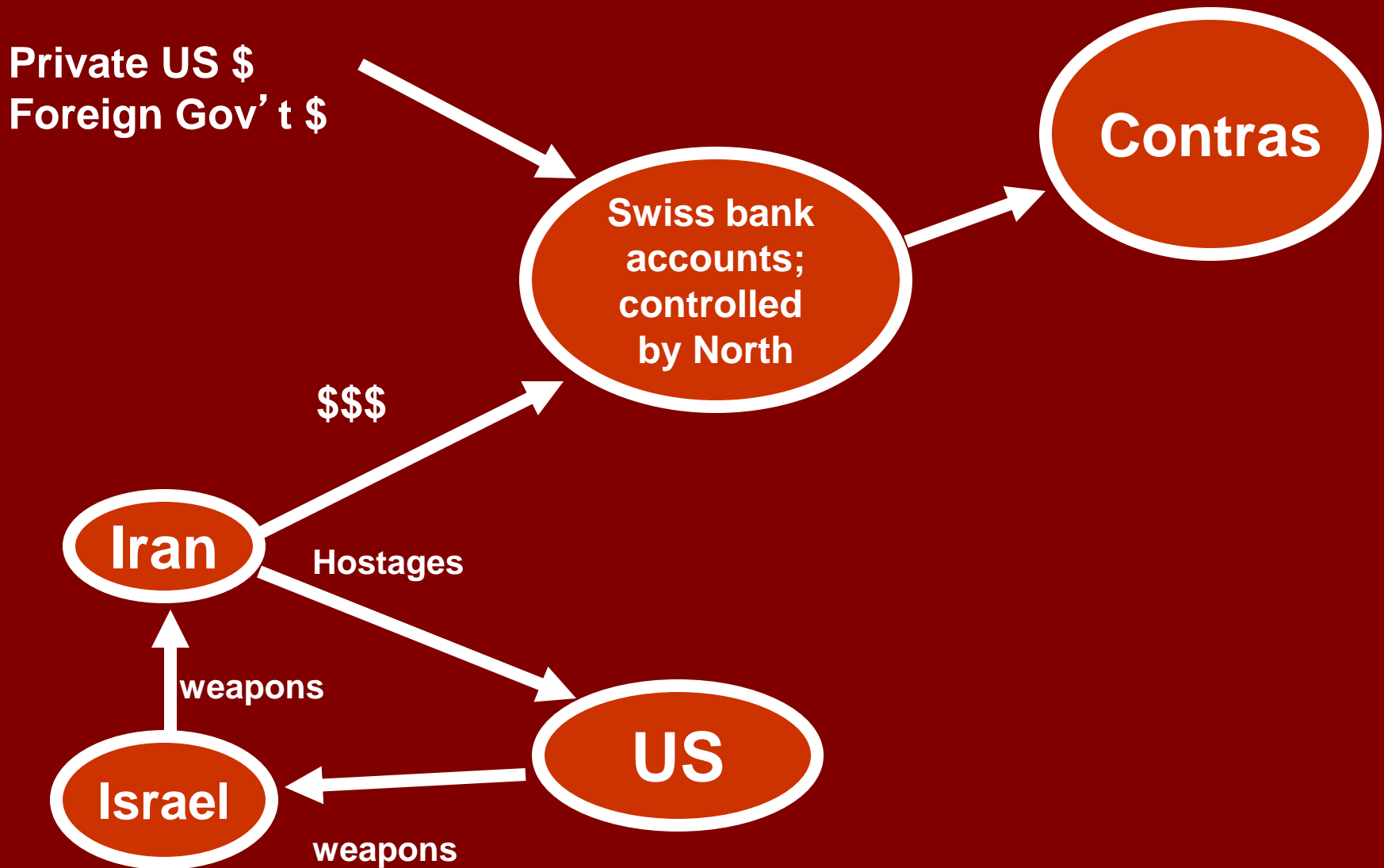


The Brandenburg Gate

Iran-Contra

- **When Congress tried to restrain presidential actions (Boland Amendment)** outlawed U.S. assistance to the Contras for the purpose of overthrowing the Nicaraguan government, while allowing assistance for other purposes
 - **Ignored Congress**
- **Wanted to support insurgent rebels (Contras) in Nicaragua**
- **Congress wouldn't fund action**
- **Sold arms to Iran to fund contras**

The Iran Contra Scandal





SOVIET INFLUENCE IN EUROPE, POST-WWII