The Reagan Revolution: Crash Course US History #43

Crash Course: U.S. History
https://youtube.com/watch?v=2h4DkpFP_aw
https://nerdfighteria.info/v/2h4DkpFP_aw

Hi, I'm John Green, this is Crash Course U.S. History, and today we're going to talk about the guy who arguably did the most to shape the world that I live in. No, Stan, not Carrot Top. No, not Cumberbatch, although he did do the most to shape the Tumblr that I live in. I'm talking about the Great Communicator, Ronald Reagan.

Reagan is a fascinating president because he was, in lots of ways, straightforward. Like his presidency was called The Reagan Revolution, but it's a bit odd that he gets so much credit for changing America because he was one of the least hands-on of all presidents, and as you know, here at Crash Course we don't really indulge in Great Man History. So we're going to talk about Reagan, but we're also going to talk about the forces that predated his presidency that led to the so-called Reagan Revolution.

[John Green from the Past] : "Mr. Green, Mr. Green! I remember some of this stuff. It's like, almost interesting."

I'm glad to be almost interesting, Me from the Past. Someday maybe you'll be almost interesting!

(Intro)

The Reagan Era began, unsurprisingly, with his election to the presidency in 1980. Now, anyone could've beaten Jimmy Carter, but Reagan succeeded largely by pulling together many strands of Conservatism. Reagan emphasized his belief in state's rights and he condemned welfare cheats. He also condemned busing and affirmative action and he won the support of religious conservatives, including the newly formed Moral Majority, by standing for family values, even though in fact he was the first U.S. president to have been divorced. Also, he once acted with a monkey, and there's nothing family values about that. Stan just informed me that Ronald Reagan did not in fact act with a monkey. He acted with a chimp. I apologize to all of the primate rights people out there- Good Lord!

Now Reagan also appealed to the so-called white back lash, working-class white people who resented the advances that African Americans had made during the 1960s and 1970s. And economic conservatives liked his anti-union, low taxes, free market positions, and anti-government crusaders and Libertarians liked his assertion that government was not the solution to problems but was itself the problem. Then there were the Cold War Hawks, who liked his militant, anti-Soviet rhetoric and his desire to spend more on the military. Now that's a big coalition, but it turned out to be just barely a majority coalition. Still, Reagan won in 1980. He even carried the traditionally democratic states of Illinois and New York, proving that Jimmy Carter really was profoundly unelectable.

A lot of Reagan's policy ideas weren't actually that popular at the time, but he truly was a great communicator. I mean, Reagan was a former actor, and he knew how to talk to people without them feeling condescended to. His relentless optimism was a welcome contrast to Jimmy Carter being like, "You should wear sweaters inside to save fuel." Sorry Jimmy, this is America.

(Libertage)

Ronald Reagan used the word "freedom" more than any other president in American history, but it's interesting to think about what he meant by the word "freedom." Because as we've seen, in American history, freedom has meant lots of things to lots of people. Is freedom freedom from government tyranny? Or is freedom government protection from hunger and homelessness and military attacks? Do governments ultimately restrict freedom or provide it?

Now there's no question that the federal government that Ronald Reagan inherited would've been absolutely foreign to the people who founded this country. I mean, Social Security, Federal Income Taxes, the National Endowment for the Arts? But some people would argue that the America of 1980 was much more free for more Americans than, say, the America of 1790, when after all, slavery was legal. And in fact in the early nineteenth century, many slave owners said that the government was taking away their freedom to own slaves. Ultimately, the question of how we should imagine freedom and how we should allow for it is at the center of American history.

And a big part of Ronald Reagan's vision of freedom was economic freedom, which he laid out in his Economic Bill of Rights. It would curtail union power, reduce federal regulation of industry and the environment, and most of all, lower taxes. All of these ideas were a big part of the Reagan Revolution, but as we know, much of what he proposed had been brewing for years during the rise of Conservatism. So what aspects of this Economic Bill of Rights actually ended up happening? Well, his main accomplishment was lowering taxes. In 1981, Reagan persuaded Congress to lower the top tax rate from 70% to 50%. In 1986, Congress went much further with the Tax Reform Act, that lowered the top income tax rate to 28%.

Oh, it's time for the mystery document? The rules here are simple. I read the mystery document, I either get the author of it correct or I get shocked. Alright, here we go. Can I just take a preliminary guess that it's going to be Reagan?

[Mystery Document]: I will not accept the excuse that the Federal Government has grown so big and powerful that it is beyond the control of any president, any administration or congress. We are going to put an end to the notion that the American taxpayer exists to fund the Federal Government. The Federal Government exists to serve the American people and to be accountable to the American people. On January 20, we are going to re-establish that truth. Also on that date we are going to initiate action to get substantial relief for our taxpaying citizens and to put people back to work. We will simply apply to our government the common sense that we use in our daily lives.

It is Reagan! Stan is telling me that I'm not going to get the check-mark unless I guess the correct speech. Well, he talked about January 20, so obviously it's not his inaugural address. It's either the acceptance speech he gave at the convention or, like, the speech that he gave after he was elected, but I don't think... Convention? Yes!
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So the idea that lower taxes is the best way to spur economic growth is called Supply Side Economics, or Trickle Down Economics, or, if you're George H.W. Bush running against Ronald Reagan in the 1980 primaries, Voodoo Economics. Sadly, this does not involve zombies or putting pins in dolls- instead it's about high interest rates to combat inflation coupled with cutting taxes, especially for wealthy Americans. Those rich people then spend more and invest more in private enterprise, which creates new jobs. Also, the thinking goes that lower taxes will encourage people to work harder since they'll be able to keep more of their money.

Did this work? Now we're getting into the part of history where it depends on your political perspective. Initially, the high interest rates definitely provoked a recession in 1981 and 1982, which was not ideal. But, inflation did drop from 13.5% in 1981 to 3.5% in 1988, and, after 1982, the economy began expanding. And the rest of the Reagan Era saw consistent increases in gross domestic product. However, not everyone benefited from that expansion. While the stock market boomed, wages didn't rise very much, and in fact haven't risen since.

Now one of the central ideas of Supply Side Economics is that you

have lower tax rates and you also cut government spending because, you know, the government has less money, which, yeah, did not happen. The government is always good at cutting taxes, but it is never good at cutting spending. The Reagan Era did see cuts to some programs, but the really expensive items- Social Security, Medicare, Medicaid- they remained largely intact. And instead of cutting the overall amount of spending, it actually went up considerably because of a Defense Spending Binge, that saw the national debt balloon to 2.7 trillion dollars.

But Reagan totally did deliver on his anti-union rhetoric. In August 1981, when the unionized Air Traffic Controllers went out on strike, violating federal law in the process, Reagan fired more than 11,000 controllers who refused to return to work.

So as I mentioned before, the 80s were a pretty great decade for Wall Street, generally, which is why Oliver Stone made a movie about it that immortalized the line, "Greed is good." In the 1980s, it became easier to make money buying and merging companies than actually, like, running them profitably.

But fortunately, we later dealt with that problem. (Face desk) Ugh, we never fix the problems, we only fix the things that are fine. One of the reasons American History is so important to me is I want us as a country to, like, summon the courage to deal seriously with our problems- sometimes I think that we're just so cowardly, like we're the cowardliest country on Earth.

Stan: Ah, what about France?

Alright, the French.

Right, but, like, the merger of R.J. Reynolds Tobacco, maker of Winston Cigarettes, and Nabisco, which gave us Oreos, not only created a cancer and heart disease dream team, it also generated nearly 1 billion dollars for the lawyers and bankers who put the deal together.

But if you were like must of us in the 80s- watching *Dallas* and *Dynasty*, working at your regular job, inexplicably having a carpeted bathroom- then you probably didn't share in that abundance. The 80s saw a rise in economic inequality, although not nearly as dramatic as we see today. By the mid-1990s, the richest 1% controlled 40% of the nation's wealth, double the share from 20 years before. Meanwhile, the income of middle-class families stagnated, and that of the poorest 20% began to decline.

And one often overlooked aspect of deregulation was the closing of hospitals for the mentally ill. Now, some of these institutions were hellish, but rapid closure of all of these facilities without replacement services meant that many patients were left to live on the street. Homelessness increased dramatically.

Now, of course, Reagan is considered the darling of Conservatives today, but by current standards, he was something of a moderate. I mean yes, he cut taxes and he cut funding for programs that helped the poor, like food stamps and school lunches, but during his second term he worked effectively with a Democratic congress- there's no bipartisanship today. Also, he left the big New Deal and Great Society programs largely intact. I mean, he was too old to believe in cutting medicare. He was like, "All of my friends are on this."

And the 80s also didn't see the fulfillment of the desires of the Christian Right. I mean divorce rates went up, abortion continued to be legal, women didn't leave the work force. In fact, Reagan appointed the first woman to the Supreme Court. Are you kidding- we didn't have a women in the Supreme Court until the 1980s? This is the craziest country ever! Even affirmative action persisted, and Nancy Reagan's urging of Americans to just say no to drugs didn't convince anybody.

And then we have Ronald Reagan's reputation as the man who ended the Cold War. The thinking here goes that Reagan spent so much money on defense that the Soviets bankrupted themselves trying to compete. And there may be a case to be made there, but we don't want to remove agency from the people who protested the oppression of life behind the Iron Curtain. So while you can argue that the Reagan Administration helped create good conditions for the change that happened, the people who made the change made it. Alright, let's go to the Thought Bubble.

In his first term, Ronald Reagan took a really hard line against the Soviet Union. He called it an evil empire, and even once joked that the U.S. would begin bombing in 5 minutes. That was ill-advised. Reagan also sponsored the largest military build up in U.S. history, including the MX Missile. The highlight was his proposed Strategic Defense Initiative, aka Star Wars, space based missiles and lasers for shooting Soviet missiles out of the sky. This was a fantastic idea, although it would have violated the 1972 Anti-Ballsitic Missile Treaty. But anyway, it was technologically impossible to build. The force was not strong with this idea.

Reagan also pressured NATO to put missiles in Western Europe, and the war games that NATO staged in 1983 were so realistic that the Soviets almost scrambled their planes and launched ICBMs. Now if that had resulted in a nuclear war, we'd have a very different story on our hands. But it didn't, and Reagan's aggressive nuclear posturing had a couple of positive results. First, it boosted the worldwide anti-nuclear weapons movement, called the Freeze Movement, and second, it turned Reagan into the most successful nuclear abolitionist in the atomic age. There's nothing like a reasonably close brush with nuclear apocalypse to tone down your rhetoric a little, and in his second term, Reagan was much more conciliatory towards the Soviets and worked to reduce the number of warheads.

In his first term, according to the historian Victor Sebestyen, "Reagan spent nearly as much on defense as presidents Nixon, Ford, and Carter combined and much more than both the cost of the Korean and Vietnam Wars." But in his second term, Reagan toned down both the spending and his rhetoric, declaring, "Our constant and urgent purpose must be a lasting reduction of tensions between us." Thanks, Thought Bubble.

So Reagan was able to negotiate the first reduction in nuclear weapons with the new Soviet Premier Mikhail Gorbachev in 1986. In fact, the two leaders might have tried to get rid of nuclear weapons all together, but Reagan's unwillingness to give up his Star Wars Initiative made that impossible.

That was a big deal, but the rest of Reagan's foreign policy was somewhat less triumphant. For instance, he sent Marines to Lebanon as part of a peace keeping mission, but then withdrew forces after 241 of them were killed by a car bomb.

And middle Eastern policy played a key role in the biggest controversy of Reagan's presidency: The Iran Contra Scandal. This was truly one of the craziest schemes ever hatched up by an American presidential administration, which is really saying something. The Contras were rebels seeking to overthrow the socialist Sandinista government of Nicaragua. Because they were anti-communist and the Cold War was in full swing, the Reagan Administration wanted to support them, but Congress passed a law saying that they couldn't. So two administration officials, John Poindexter and Oliver North, got creative. They hatched a plan to sell arms to the Iranian government, still technically our enemies, and then funnel some of the profits from those illegal arm sales to

the Contras. And Congress would never have to know about it, except that they found out. Congressional hearings followed and we learned a lot about Ronald Reagan's penchant for delegating the details of his policy to underlings. In this case, that served him well, as he could plausibly claim that he knew nothing about the clandestine activities of these two rogue employees.

And this gets to the big point of the Reagan Era: I'm not sure that it was really about Reagan. In fact, I'm not sure that any Great Man History is really about the great men who supposedly spearheaded it. Whether or not you think America is better off from the rise of Conservatism we've seen since L.B.J.'s Great Society, it wasn't really and still really isn't about individuals. It's about us collectively deciding what we mean when we talk about freedom and equality. Thanks for watching. I'll see you next week.

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