

## The Irony of Reagan's Legacy

Mark J. Hanson, KUFM Commentary

March 2<sup>nd</sup>, 2011

Last month, many Americans observed the 100<sup>th</sup> anniversary of the birth of former president Ronald Reagan. His legacy is largely twofold. First, he is regarded for his optimism. In 1984, as the economy climbed out of recession, Reagan claimed it was morning again in America. His more lasting legacy is his anti-tax, anti-government political philosophy, namely that tax-cuts actually raise revenue and that government is the problem, not the solution.

Reagan's narrative is one that sounds good to our ears. It appeals to our desire to once again feel good about our country, and it appeals to our heritage of suspicion of government. His optimism was briefly recaptured by candidate Barack Obama, who also inspired hope. And for a brief time after Obama's election, many Americans did feel good about the country again. But the quick demise of that hope points to the ultimate irony of Reagan's legacy, namely that his anti-tax, anti-government philosophy has become the biggest threat to his legacy of optimism.

The economic disaster inherited by President Obama forced him to prop up a collapsing economy. He then passed a health care reform act to meet our moral obligation to provide health care for millions of Americans. But those steps ran squarely into the Reagan anti-tax, anti-government legacy, seized upon once more by Republicans who hardened it into a fundamentalism that admits of no compromise.<sup>i</sup> It was a perfect means to foil hope and the President in the process.

Perhaps it would be helpful to recognize that Reagan's story itself defies his own legacy. He was a tax-cutter who also raised taxes several times, because even he recognized when a tax cut went too far.<sup>ii</sup> He railed against government as the problem and left office with a bigger government than when he started. He tripled the national debt, from \$1 to \$3 trillion dollars.<sup>iii</sup> And he slashed the top income tax rate from 70 to 28 percent, which increased the disparity between the rich and the poor.<sup>iv</sup> Reagan's own budget director David Stockman recently wrote: "There was no net reduction in the total Federal tax burden in the Reagan era. What survived was an anti-tax religious catechism which has left the country with two free lunch parties and no prospect of fiscal governance."<sup>v</sup>

Currently, as a share of the U.S. economy, tax revenue to the government is the lowest it's been since 1950; for the third straight year, American families and businesses will pay less in federal taxes than under George W. Bush.<sup>vi</sup> In the meantime, too much wealth is rushing to the top—with the richest 1 percent of Americans now owning more than the bottom 90 percent.<sup>vii</sup> Sales of luxury items are soaring, while the shopping destinations of the rest of us are largely hurting.<sup>viii</sup>

The Reagan anti-tax, anti-government legacy in its current form has killed our optimism, but more importantly it has left us unable to meet our moral obligations to each other as citizens. The recent efforts to hold middle-class tax cuts hostage so that the wealthiest Americans could receive an average of \$100,000 in tax cuts belies concern for the deficit.<sup>ix</sup> Starved of tax

revenue, the budget cutters can now go after what is pejoratively framed as “big government,” which now means balancing budgets even more on the backs of the middle and lower classes. But is spending on education really big government? Is funding for the Small Business Administration big government? Is clamping down on the recklessness of the financial industry big government? Is keeping mercury out of our air big government? The budget recently proposed by the House of Representatives targets them all.

Our debt and budget problems are enormous. Americans of all stripes must find the courage to accept sacrifices guided by justice. But what kind of justice demands an average of \$3 million dollars in tax breaks to each of the wealthiest 120,000 Americans while cutting millions of dollars to Maternal and Child Health Block Grants?<sup>x</sup> What view of justice paints teachers, firefighters, and police officers as the new so-called welfare queens? With the lowest tax revenues since 1950, is *everybody* really taxed enough already? How low can we go?

There will be no morning again in America until confidence in government is once again warranted and sacrifice is shared by *all*. There will be no Reagan optimism without the justice that his other legacy now denies. Tax policy and budgets are about the values we hold. As the nation and Montana now confront the budget crises before us, ask yourself which values are represented by the choices being defended by your legislators—and *remember* that the next time you vote, or morning again in America will be a long time coming.

This is Mark Hanson, guest commentator for the Center for Ethics, at the University of Montana

---

<sup>i</sup> Andrew Leonard, “The Era of Big Spending and Massive Deficits,” Salon.com, February 4, 2011.

<sup>ii</sup> Bob Herbert, “Reagan and Reality,” *New York Times*, February 14, 2011; Joan Walsh, “We Fought a War on Lies, and Lies Won,” Salon.com, February 4, 2011.

<sup>iii</sup> Walsh, “We Fought a War.”; Leonard, “The Era of Big Spending.”

<sup>iv</sup> Leonard, “The Era of Big Spending.”

<sup>v</sup> Leonard, “The Era of Big Spending.”

<sup>vi</sup> “High Taxes? Actually, They’re at a 60-year Low,” Associated Press, CBSNews.com, February 7, 2011.

<sup>vii</sup> Nicholas D. Kristof, “A Hedge Fund Republic?” *New York Times*, November 17, 2010.

<sup>viii</sup> Allison Linn, “Luxury Makes a Come-back for the Well-Heeled,” MSNBC.com, February 28, 2011.

<sup>ix</sup> “GOP Plan to Extend Tax Cuts for Rich adds \$36 Billion to Deficit, Panel Finds” *Washington Post*, August 12, 2010.

<sup>x</sup> Krugman, “Now That’s Rich,” *New York Times*,