

Transforming America: Politics and Culture in the Reagan Years

Robert M. Collins

Columbia University Press

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May 1, 2006

Transforming America

INTRODUCTION

When Ronald Reagan died in July 2004, many Americans found themselves shocked at how much they cared. After all, it was a death long anticipated—Reagan was an old man and had been suffering from cruelly debilitating Alzheimer’s disease for nearly a decade. Moreover, throughout his public career he had been a highly polarizing figure in American national life. Nevertheless, Reagan’s demise touched off an outpouring of affection, sorrow, and solemn reflection unusual in a political culture without much built-in capacity for civic rituals. (His was the first state funeral in the United States since the early 1970s.) “Few men in our history have been held in such warm regard,” *Newsweek* observed.¹

Much of the commentary about Reagan focused warmly on his personality—his irrepressible and infectious optimism, his unflinching decency, and his sense of humor. In some ways the grieving resembled an Irish wake. Nearly everyone had a funny remembrance. His official biographer, Edmund Morris, who had been baffled by his subject in life, seemed newly insightful and more openly affectionate. He recalled Reagan’s attendance at a ceremonial dinner held by the Knights of Malta, a Catholic group, in New York City a week before he left the White House. The prominent lay Catholic who presided over the dinner as master of ceremonies had imbibed a bit too much wine and foolishly decided to follow the president’s speech with some slurred and all-too-informal remarks of his own. He launched into a tribute to Reagan for

protecting the rights of the unborn and opposing abortion, and lauded him for recognizing that all human beings began life as “feces.” The master of ceremonies turned to Cardinal John O’Connor and recognized him as “a fece” who had achieved much in life, then, turning back, concluded, “You, too, Mr. President—you were once a fece!” Later, when Reagan joined his aides on Air Force One for the flight back to Washington, he observed with perfect, low-key timing: “Well, that’s the first time I’ve flown to New York in formal attire to be told I was a piece of shit.”² Reagan’s humor was engaging precisely because he so often turned it on himself. He was often the butt of his best jokes. People remembered both the humor and the gentleness.

But when the national funereal discussion turned to Reagan’s public record, it became considerably more discordant. Disagreements flared, often expressed in heated language that fairly crackled with intensity of feeling. Many recalled Reagan as a heroic leader who had saved the United States from incipient decline. The columnist George Will declared him “a world figure whose career will interest historians for centuries,” and the political commentators Michael Barone and Charles Krauthammer nominated him to stand alongside Franklin Roosevelt as the greatest American leaders of the twentieth century.³ But others were less laudatory. The *New York Times* in its obituary found fully as much to criticize as to praise, dwelling on mistakes, barely mentioning the taming of inflation (in the eyes of many, Reagan’s greatest economic achievement), and chalking up Reagan’s Cold War triumphs to good fortune.⁴ The great liberal historian Arthur Schlesinger, Jr., damned with faint praise, writing that Reagan had a clear vision but “alas, not too much else,” “a genius for simplification” but “no capacity for analysis and no command of detail.”⁵ Some omitted the faint praise altogether. Christopher Hitchens described Reagan as “a cruel and stupid lizard” who was “dumb as a stump.”⁶

The denunciation of Reagan in death sometimes had a feverish quality of the sort that reads better in the white heat of passion than in the cool light of day. Larry Kramer, a well-known AIDS activist, called him America’s Hitler. The *New Republic*’s drama critic, Robert Brustein, interrupted an ordinary theater review to lay bare the deceased president’s appalling record. Reagan, he wrote, had been the enemy of the poor, the homeless, minorities, and AIDS sufferers. Gorbachev, not “this good-natured, engaging, but utterly inconsequential B-movie actor,” was responsible for safely ending the Cold War. The “real legacies” of the Reagan presidency were “harebrained technological stunts such as Star Wars, clandestine adventures such as the Iran-Contra affair, tax cuts for the rich masquerading as economic restoratives, and preemptive strikes against such menaces to democracy and world peace as Granada.”⁷

Passionate denunciation was not the monopoly of the nation’s coastal elites. My own thoroughly congenial across-the-street neighbor in a distinctly modest, middle-class neighborhood in our medium-sized, Midwestern university town

wrote a letter to the editor of the local paper at the time of Reagan's funeral indicting "the Great Prevaricator" for a similar litany of crimes. He added that Reagan "brought us Central American death squads, . . . Bitburg, bloated military budgets, enormous deficits, . . . federal union-busting, AIDS," and the designation by the federal government in the 1980s of "ketchup as a vegetable" in federally supported school lunch programs. "Thus began," he concluded, "the right-wing counter-revolution that led to the present psychotic and criminal Bush administration. Good riddance, Ronnie."⁸

Where in this welter of praise and denunciation lies the truth? Who was Ronald Reagan; what did he do to, and for, his country? And what was happening in the rest of American life in the 1980s, in American culture and society, and in the U.S. economy, while he did it? The chapters that follow address these fundamental questions in an attempt to furnish readers with a useful overview of a critical era in the history of modern America. The answers I provide may fail to satisfy everyone, especially given the division of opinion evident in the national conversation prompted by Reagan's death. That likelihood has not stopped me from making judgments and reaching conclusions. I do not apologize for my interpretations, but I invite the reader to test them against the evidence I adduce. I have tried to be both unblinking and fair-minded. E.B. White once suggested that "to pursue truth, one should not be too deeply entrenched in any hole." Like everyone, I have my own hole; but I have tried not to burrow too deeply into it. And I have sought to take seriously the historian's obligation to rise out of it enough to see what all sides thought they were up to.

I hope my book is intensive enough to have analytical bite and extensive enough to assess developments in a number of areas—not only politics, but also culture and society, as well as business and the economy. It does not constitute a survey that seeks to touch, however glancingly, on every noteworthy event and development, but stands rather as a broad-ranging interpretation of the 1980s. In the interest of succinctness and salience, much has been knowingly and necessarily omitted. More than a little has no doubt been unwittingly overlooked. But historical interpretations need focus, and they must start and end somewhere. Chapter 1, "Malaise," sets the stage with a discussion of what went so wrong in the United States in the 1970s as to cause serious and well-intentioned commentators and citizens to believe that the United States had passed her zenith and was perhaps irretrievably set on a path of slow national decline. Chapter 2, "Enter Ronald Reagan, Pragmatic Ideologue," traces the rise of the unlikely figure, the former movie actor Ronald Reagan, to whom Americans turned in the critical election of 1980 to arrest the nation's sclerotic drift. It emphasizes Reagan's personal and political optimism and locates the roots of Reagan's appealing sacramental vision of America. It also portrays Reagan as a more complex political figure than many at the time or since have appreciated—smarter,

more engaged, and more deftly pragmatic than the cartoon-like figure of a daft old ideologue constructed by journalists and political partisans.

Reagan's unusual and altogether paradoxical blend of ideological zeal and political pragmatism suffused his policy both at home and abroad. He was arguably at his most radical in the realm of domestic economic policy. Chapter 3, "Reaganomics," explores both the sources and the outcomes, positive and negative, of Reagan's economic initiatives. On the whole, the good outweighed the bad. Clearly, supply-side economics was more than the silly, cult-like delusion of an ignorant, passive president and a handful of his crackpot advisers that it was sometimes painted as being. The supply-side approach had considerable intellectual imprimatur, heft, staying power, and long-run influence. But supply-side economics was no automatic panacea. Both supply-side economics and deregulation, two key enthusiasms of the Reagan White House, demonstrated a potential for significant unintended consequences that would subsequently complicate life considerably for Reagan's successors in the White House.

While commentators and ordinary Americans alike at the time focused on governmental policy as the key to explaining and understanding the performance of the economy, other forces and developments worked beneath the surface to transform the U.S. economy, and in the process helped launch the longest period of sustained prosperity in the nation's history. Chapter 4, "Greed Is Good?" discusses the impact of three such subterranean forces in particular: the revolution in information technology, especially in computers; the increasing globalization of the national economy; and the dramatic restructuring of the corporate system, which led not only to monumental financial scandals but also to the emergence of reinvigorated, leaner, and more competitive business enterprise.

The revitalization of the U.S. economy did not solve all problems, however. Chapter 5, "Social Problems, Societal Issues," discusses several of the vexing social ills that afflicted American society in the 1980s—a seeming epidemic of homelessness; the discovery of an ominously large underclass of alienated, unemployed, and impoverished Americans in the nation's largest inner cities; a troubling rise in economic inequality in the society at large; and the emergence of AIDS, a new disease that struck hardest among the nation's male homosexual population. These were problems that defied easy solution, in part because they were dauntingly complicated—multifaceted, with social, cultural, economic, and political aspects in confusing combination. They were also highly controversial and much misunderstood at the time, and in this chapter I try to dispel some of the mythology and misinformation that built up around them.

Chapter 6, "The Postmodern Moment," maps the cultural landscape of the 1980s, identifying patterns of meaning and significance that were often only

dimly recognized at the time. By examining such varied phenomena as MTV and 1980s-vintage self-help gurus, it becomes possible to limn the convergence of postmodernism, therapeutic individualism, and heightened materialism that gave American culture in the 1980s its distinctive contours. Chapter 7, “Culture War” shows how such developments led to a protracted cultural and political conflict pitting traditionalist and religious values, mores, and institutions (in other words, bourgeois culture) against the emergent secular, multicultural, self-referential cultural regime of the 1980s, a culture war that continues to reverberate today.

Chapter 8, “Combating the Evil Empire,” and chapter 9, “Winning the Cold War,” direct the discussion outward to assess the role the United States played in world affairs in the 1980s, most dramatically in the West’s triumph in the Cold War struggle that had dominated international relations since the end of World War II. Although these chapters give Reagan primary credit for the ultimate outcome, they also devote considerable attention to the risks run, the collateral damage imposed, and the costs incurred in the superpower contest that the Reagan administration fought in a variety of ways on fronts all around the world throughout the 1980s. Honest bookkeeping, especially in victory, demands no less.

Out of my survey of the 1980s one overarching theme emerges. It is the argument that the 1980s were a time of fundamental realignment in American life. The reorientation took two main forms. In the realm of politics and public policy, Ronald Reagan in his ascendancy shifted the national political conversation to the right, not so far or so radically as his critics feared, but discernibly, indeed decisively. At the same time, American culture moved away from the bourgeois regime of values, mores, and institutions, which had held sway for most of the twentieth century, toward a new more secular, postmodern, multicultural, and therapeutic cultural order. That movement had, in fact, begun in earlier decades, but it accelerated and came to fruition in the 1980s.

In effect, and paradoxically, politics moved right just as culture moved left. The friction generated by these contemporaneous developments helped spark the so-called culture war of the 1980s and 1990s, a brand of cultural conflict that has strong echoes (as in the debates over gay marriage) in the early years of the twenty-first century. As a result of the recentering of its political and cultural mainstreams, America emerged from the 1980s a different nation. On the whole, I maintain, despite the fears of outraged political liberals and embittered cultural conservatives, it was a better, more efficient, and more tolerant one than it had been before.

In a significant subtheme, Ronald Reagan takes shape in the following chapters as one of the most consequential and successful presidents of the modern era. In retrospect, Reagan was the sort of history-shaping figure the philosopher of history Sidney Hook once labeled the “event-making hero.” Such persons

shift the apparent course of history by virtue of their unusual qualities of intelligence, judgment, vision, character, or will. They may be good or bad—for Hook the label “hero” did not necessarily imply good deeds, merely consequential ones. Event-making heroes are not merely “in the right place at the right time”; their impact is more profound than that because they are, in a real sense, “irreplaceable.” That is to say, they are discernibly different from those of their time who, in their absence, might have undertaken the same tasks or shouldered the same responsibilities. And by virtue of their unique combination of attributes, they alter the course of affairs in ways no one else probably could.⁹ In the study you are about to read, Reagan looms as such a figure. But to understand how that happened, we must start at the beginning, when the 1980s actually began, before the 1970s were even over.

Chapter 1

“MALAISE”

“The nation needed a Jimmy Carter,” Lyn Nofziger has written, “in order truly to appreciate a Ronald Reagan.”¹ Nofziger, who was one of Ronald Reagan’s closest political advisers during the Californian’s long, slow ascent to national prominence, might be excused the partisan bite of his comment. But he was correct in a more general—and generous—way than he perhaps intended: We do, indeed, need to grasp the nature and extent of America’s vexing problems in the 1970s in order to understand Ronald Reagan’s presidency and to assess the claim the 1980s make on our attention as a distinctive and significant historical era with a unique tenor. The 1970s were a time of testing for Americans, and many came to fear that the nation had lost its ability to master its problems. The result was a palpable loss of confidence, a disturbing sense that the nation’s drift might easily turn into permanent decline. Serious observers began to talk of an American climacteric, of a sclerotic society irreversibly succumbing to the ravages of age. It was in the 1970s, amongst those problems and those fears, that the era of the 1980s actually began.

STAGFLATION

At the heart of America’s crisis of confidence lay a dramatic decline in the fortunes of the U.S. economy during the 1970s.² The defining event of the decade was the oil embargo engineered by the Organization of Petroleum

Exporting Countries (OPEC) in 1973–1974. A cartel that had been created in 1959 in an effort by the oil-producing states to control their own economic destiny, OPEC seized the opportunity presented by the 1973 Arab–Israeli conflict to begin to raise world oil prices in earnest. When Egypt and Syria attacked Israeli positions in October 1973, beginning the so-called Yom Kippur War, the Arab oil-states immediately cut their production by 10 percent in an attempt to pressure Israel’s chief ally, the United States. After some early reversals and a massive resupply effort by the Nixon administration, the Israelis prevailed militarily. The Arab oil producers promptly embargoed the shipment of oil to the United States, Portugal, and Holland as punishment for their aid to Israel. And when the embargo was lifted in the spring of 1974, OPEC continued to raise the world price of oil, which moved from \$1.99 per barrel on at the beginning of the Yom Kippur War to over \$10 per barrel by the end of 1974.

The impact of the resultant energy crunch was substantial. The massive increase in the cost of energy reverberated throughout the American economy and triggered the recession of 1974–1975, the most serious economic downturn since the Great Depression. Both the GNP and the stock market dropped precipitously. New York City tottered on the brink of bankruptcy. In the spring of 1975, the unemployment rate reached 9 percent, its highest level since 1941. At the same time, skyrocketing energy costs combined with stubbornly entrenched inflationary expectations initially generated by Lyndon B. Johnson’s Vietnam War-era guns-and-butter policy to push the annual rate of inflation into double digits. Economists called the combination of low-capacity operation and high unemployment coupled with rapidly rising prices “stagflation.” The conventional wisdom that the economy might suffer from stagnation or inflation but never both simultaneously was sadly proven wrong.

Moreover, the stagflation of the 1970s resulted from forces more structural, endogenous, and long-running than the temporary oil embargo and the sudden spike in energy prices. The resurgence of international economic competition from both Europe and Asia had American business reeling. Over the course of the decade, the United States lost 23 percent of its share of the total world market, despite a 40 percent depreciation in the value of the dollar that made U.S. exports cheaper and imports more expensive. By 1979, imported consumer electronics had captured more than half the American market. In a pattern repeated elsewhere in the economy, Japanese manufacturers took an American invention, the videotape recorder (VCR), and mass-produced it so efficiently that their exports soon came to dominate the U.S. market. In the metalworking machinery sector, the West Germans overtook U.S. firms in the world market, while at home foreign firms captured 25 percent of the American market for such goods.

In steel, as American facilities became increasingly outdated and uncompetitive, producers relied on government protection in the form of “voluntary” import quotas and trigger-price mechanisms to defend their hold on the domestic market. At the end of the 1970s, U.S. Steel’s Fairfield Works in Alabama was still partially steam-powered! Meanwhile, the Japanese used the cheap, efficient process known as continuous-slab casting (which had been developed in the United States) to manufacture half of all Japanese steel, whereas the U.S. steel industry’s use of that technique accounted for only 16 percent of its steel output. When the United States sought to boost tank production after the Yom Kippur War, Secretary of Defense James Schlesinger was stunned to discover that so much American foundry capacity had been closed because of low profitability that he had to turn to foreign suppliers to provide the needed turrets. “No greater change from World War II could be imagined,” he later exclaimed: “The great arsenal of democracy without foundry capacity!”³

No single industry illustrated America’s competitive woes more vividly than auto manufacturing. The 1970s were an unmitigated disaster for Detroit. The competitive arrival of the Japanese carmakers, which at the beginning of the decade made big inroads in California by aiming at the low-price end of the passenger car market, was a particularly devastating development. The American manufacturers, accustomed to easy domination of their domestic market, failed at first to see the danger—when the famous racer Carroll Shelby telephoned the Ford executive Lee Iacocca to say he’d been offered a Toyota dealership in Houston, Iacocca replied, “Let me give you the best advice you’ll ever get. Don’t take it. . . . Because we’re going to kick their asses back into the Pacific Ocean.”⁴ By 1980, the Japanese had captured 22 percent of the United States market, with imports overall constituting 27 percent of domestic auto sales.⁵

Cars from such Japanese giants as Honda, Toyota, and Datsun (now Nissan) consistently outshone their American counterparts in build quality, durability, fuel efficiency, repair record, and overall consumer ratings, all while posting a cost advantage that averaged \$2,000 per unit.⁶ Iacocca, who left Ford and ultimately headed the Chrysler Corporation, later reported that “Chrysler’s quality had been so poor that the dealers got into the habit of expecting to rebuild cars when they received them.”⁷ In a sense, the buyers of domestic cars in the 1970s did the factories’ quality-control work for them—Ford, for example, counted warranty claims to measure its product quality.⁸ In 1979, a professor at the Harvard Business School attracted national attention and grudging nods of agreement with a new book entitled *Japan as Number One*.⁹

At the heart of all these economic problems—stagnation, inflation, and a decline in international competitiveness—lay perhaps the most troubling development of all: a sharp decline in the productivity of American workers. As