

THE HERITAGE LECTURES

175

The Ten Legacies
of
Ronald Reagan

By Burton Yale Pines



The Heritage Foundation was established in 1973 as a non partisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and strong national defense. The Foundation's research and study programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

Heritage publishes its research in a variety of formats for the benefit of policy makers; the communications media; the academic, business, and financial communities; and the public at large. Over the past five years alone The Heritage Foundation has published some 1,500 books, monographs, and studies, ranging in size from the 927-page government blueprint, *Mandate for Leadership III: Policy Strategies for the 1990's*, to the more frequent "Critical Issues" monographs and the topical "Backgrounders," "Issue Bulletins," and "Talking Points" papers. Heritage's other regular publications include the *SDI Report*, *Business/Education Insider*, *Mexico Watch*, and *Policy Review*, a quarterly journal of analysis and opinion.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a continuing series of seminars, lectures, debates, briefings, and conferences.

Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002-4999
U.S.A.
202/546-4400

THE TEN LEGACIES OF RONALD REAGAN

by Burton Yale Pines

Ronald Reagan's last day as President of the United States will be January 20. At that time he will have served for eight years. This itself is an extraordinary accomplishment; very few American Presidents have served two full terms. In this century, in fact, only three others have done so: Woodrow Wilson, Franklin Roosevelt, and Dwight Eisenhower — and both Wilson and Eisenhower were in ill health their final years in office.

Yet Ronald Reagan's greatest accomplishment is not simply staying in power for eight years. His greatest achievement is the legacy that he leaves for the next President. No matter who is elected in a few weeks — George Bush or Michael Dukakis — the new President will be leading an America that has been changed profoundly by the Reagan Revolution. It is a revolution which has transformed America as significantly as have two previous presidential revolutions: the political revolution of Andrew Jackson in the 1830s and that of Franklin Roosevelt in the 1930s.

Just as the American government in the 19th century was shaped by the Jackson legacy, and just as American government in this century has been shaped by the Roosevelt legacy, so the next American Presidents, for several decades, will be shaped and influenced and limited by the Reagan legacy.

Most Important Presidency. Ronald Reagan's presidency has been the most important in a half-century, perhaps in a century. What I would like to discuss with you today are the ten most important legacies that Ronald Reagan leaves to America and to America's next President.

George Bush or Michael Dukakis is very lucky. He is lucky because he will be following Ronald Reagan. He will be luckier than Reagan was. George Bush or Michael Dukakis will find himself leading a nation that is much healthier, much stronger, much more confident, much more optimistic, and even much happier than the nation that Reagan found himself leading in 1981.

Therefore, before we start looking at the Reagan legacies, we should recall what America was like in 1981 when Ronald Reagan became President. It was a dreadful, terrible time in America and for America. In the 1970s, the U.S. had been on the retreat on almost every front. We retreated in Viet Nam, Laos, Cambodia, Angola, Ethiopia, Nicaragua, and in the face of the OPEC oil cartel. We surrendered the Panama Canal. We closed our eyes to Soviet violations of important treaties. By our actions, we allowed the Soviets to invade

Burton Yale Pines is Senior Vice President of The Heritage Foundation.

Delivered in Beijing at the China Association for International Friendly Contact on October 25, 1988, and at the People's University of China on October 26, 1988, and in Shanghai at the Shanghai Institute for International Studies on October 28, 1988.

ISSN 0272-1155. ©1988 by The Heritage Foundation.

Afghanistan. And then there was Iran. There we allowed the overthrow of the Shah's government, which was our good friend and vital to our security. And we allowed ourselves to be held hostage for 444 days.

Abandoning the Dream. At home, too, things were terrible in the 1970s. The U.S. surrendered to high taxes, inflation, gasoline shortages, to massive government interference in the economy and in the lives of individual Americans. We surrendered to crime on the streets and to low standards in our schools.

Perhaps worst of all, we seemed to abandon the most important dream in American history: the dream that we can make tomorrow better than today and that America's children are entitled to believe that they will lead better lives than their parents. Instead of traditional American optimism and dreams of hope, we were told — and we began to believe — that less is more, that small is beautiful, that resources are disappearing and never will be replaced, and that yesterday was better than tomorrow ever will be.

The 1970s were a dreadful decade. And this is the legacy which Ronald Reagan found when he became President at the start of 1981.

Well. America is very different today. And because of this the new President will be very lucky.

Ronald Reagan has done much for America. And thus let's look now at what we could call the Ten Bigs — the ten biggest ways that he has changed my nation. These Ten Bigs are: 1) he has found the formula for economic growth; 2) he has restored the federal system; 3) he has launched what is called the "privatization" of government services; 4) he has appointed judges to federal courts who respect the U.S. Constitution; 5) he has made us, again, militarily strong; 6) he has found how to deal successfully with the Russians; 7) he has proclaimed the Reagan Doctrine which has helped freedom fighters around the world; 8) he has ended the Brezhnev Doctrine; 9) he has started the Strategic Defense Initiative — SDI — which could end the nightmare of nuclear holocaust; and 10) he has re-ignited Americans' optimism and has restored faith in the presidency.

First I will look at the domestic front.

I.) Reagan has found the formula for economic growth and expansion; this is called Reaganomics. Growth, as we know, is very important. It is economic growth which makes it possible for living standards to increase for nearly every American. It is growth which defeats poverty. It is growth which fuels technological, scientific, and medical progress. It is growth which enables us to have more options in life, to have more leisure, to learn and do more things — to become the kind of well-rounded, creative human being about whom Karl Marx wrote in 1844 in the *Economic and Philosophical Manuscripts*.

Reagan has reminded America that government cannot create economic growth and that government generally is the enemy of economic growth. Yet Reagan also has taught us that there is something that government can do. It can create an environment that is friendly to growth. Government can help unleash human imagination and creativity. It can encourage

men and women to take economic risks and then allow them to get big rewards when they succeed. Of course, it also must allow them to fail and pay the price of failure.

Reagan has taught us that the hero of economic growth is the entrepreneur. This is a French word that technically means someone who undertakes to do something. But when translated into the American language, entrepreneur means much more. It is the entrepreneur who gets the new ideas, takes the risks, tries the new things. It is the entrepreneur who works long and hard, who finds the money for risky ventures, who breaks the rules, who is the pioneer and the inventor. Truly, entrepreneurs are the heroes of a growing economy.

Government, of course, cannot be an entrepreneur. Bureaucracies do not take risks; they are not pioneers; they do not get new ideas; and they cannot move quickly. But government can encourage individuals to be entrepreneurs.

Ronald Reagan has done this by lowering taxes, by reducing government regulation and interference in the economy, by making it easier for individuals to accumulate the money they can use for new economic enterprises.

This is what Reagan has done. And what are the results? We have had the longest period of economic growth in peacetime in American history — probably world history. A record number of new American businesses have been created; a record number of new jobs have been created (and, in fact, experts now worry about a labor shortage in America); we are producing more new products and new ideas and do so more efficiently than at any time in our history.

There is a new dynamism in America. And Ronald Reagan once again has proved that capitalism works — that free market economics succeeds. This is a wonderful legacy for America — and the world.

II.) Reagan has restored the federal system. As you may know, federalism has been the political principle upon which my nation has been organized and governed. My country is called, after all, the United States. This name reflects the fact that the various states united together to create a nation. When the states did this, they gave some important powers to the new national government. But they also kept many powers for themselves. This arrangement, this division of powers, is known as the federal system.

This is not just some abstract political theory for professors and philosophers. The federal system has determined who has power in the U.S. and has given a great deal of power to the states. This is a good idea because the states are much closer to the people than is the national government. Thus the states are more responsive to the people. Giving great powers to the states also is a good idea because it recognizes the enormous diversity of the U.S. What is good for one section of the nation, after all, may not be good for all sections.

For America's first 150 years as a nation, the federal system was balanced and worked well. But then, things began changing in the 1930s and 1940s. The reason was that the huge national economic programs during the Depression and the huge effort to fight World War II gave the national government great new powers. This weakened the federal system. What

we saw was the growth in Washington of hundreds of new government agencies with huge new bureaucracies. These were unfriendly to the people, unsympathetic, unresponsive and, of course, uncreative. At the same time, because so much power had shifted to Washington, Americans and even state and local officials, began losing their confidence in their own ability to solve problems. They began looking to Washington for solutions for almost everything. This was something new in America — and something dangerous.

Ronald Reagan has reversed this. His policies have restored power to the states and cities, and reduced the power of the central government in Washington. Though state officials at first hesitated and were reluctant to accept this new power, now they are enthusiastic about it. Once again the states are the laboratories of new ideas. And great new ideas are coming from the states — in housing issues, education reform, help for the poor, and ways to clean the environment.

Restoring the balance to America's federal system is a great Reagan legacy.

III.) The third of the Ten Bigs is something which Washington experts call "privatization." That is a clumsy, terrible word for a rather simple and sound idea. Privatization is a process by which private companies and groups provide services that had been provided by the government. There are many advantages to this. First, it reduces the size of the government and its role in society; in itself, this is a very good thing. Second, it reduces government expenses because private firms almost always can provide services at lower cost than can government agencies. And third, it is more efficient and more responsive to the needs of the people.

Various states and cities have been the pioneers in privatization. Former government services now provided by private firms include fire departments, garbage collection, buses, jails, and even neighborhood court systems to resolve minor disputes.

Ronald Reagan has begun the privatization of federal services and programs. For example, he sold Conrail to a private firm. Conrail was one of America's largest railroads. And it was owned by the government. No longer. Reagan also has begun the process of allowing private companies to build rockets to launch payloads into space.

While much remains to be done with privatization, Reagan has demonstrated that the nation and the new President can use the private sector to deal with problems that in the past would have been addressed by government.

IV.) This legacy concerns the American court system. I realize that this is a very internal American issue and one to which foreigners pay little attention. Yet it is very important because court decisions have a great impact on government policies.

For most of American history, the courts respected the Constitution's division of powers. According to this division, the Congress makes the laws, the President enforces the laws, and the courts rule when there is a dispute about the laws. In recent decades, however, the federal courts, particularly the highest court, called the Supreme Court, have become more aggressive. They have taken some of the power from the Congress and President and even

have begun to make laws. This violated a long tradition in the U.S. And this threatened to upset the delicate balance between the different parts of the central government.

Ronald Reagan specifically promised to stop this. He has done so by appointing judges to the court who respect the traditional role of the court. He has appointed judges who are against the activist role of the court. So far, Reagan has appointed three of the Supreme Court's nine judges and he has appointed 361 of the federal court system's 743 judges. You may know that these judges keep their jobs for the rest of their lives and cannot be removed by new Presidents. Thus they will influence court decisions for decades. Indeed, Reagan deliberately has appointed young people as judges.



Now let's look at the Reagan legacies that affect foreign affairs.

V.) Here we come to the fifth Big legacy, rebuilding of the American military arsenal. Throughout the 1970s, under Republican and Democrat Presidents, the U.S. became militarily weaker.

What did this mean? It meant that the U.S. would find it increasingly difficult to fulfill its security commitments to other nations. It meant that it was becoming increasingly questionable whether the U.S. would be able to keep its promises to Western Europe or Japan or Israel or Southeast Asia. It meant that the U.S. was not able to deal with Moscow from a position of strength.

Ronald Reagan has changed this.

Today we can keep our promises. Today we again can be trusted as allies. And today we certainly can deal with Moscow from strength. Because of what Ronald Reagan has done, the U.S. has a greater military capability than at any time in a quarter-century.

The rebuilding of the American arsenal has changed what the Soviets at one time liked to call the "global correlation of forces." This correlation now has tilted towards the U.S. And this should please and reassure America's friends around the world — and certainly here in China. We now are a more reliable friend and again a true superpower which can block Soviet aggression and expansion. This, of course, gives the new U.S. President valuable flexibility in dealing with Moscow.

VI.) This sixth legacy is Reagan's lesson for future American Presidents on how to negotiate with Moscow. For too long, America gave Moscow the advantage in negotiations. Those who were making U.S. policy seemed to feel that any treaty with the Soviets is better than no treaty. As such, Americans were always willing to make concessions to Moscow; we were afraid of sticking to our position if this would mean that the negotiations would break down. The result of this was the series of Soviet gains at the bargaining table: SALT I, the ABM Treaty, cultural exchanges, SALT II.

Ronald Reagan changed this. His lesson to future Presidents is simple, but it requires determination and self-confidence. There are two parts to this lesson. First, you can only

deal with Moscow from strength; this is why it is so important that the U.S. arsenal has been rebuilt. Reagan, after all, delayed serious negotiations with the Soviets until near the end of his first term — until the U.S. again was militarily strong. You here in China know very well, you cannot deal with Moscow if you are weak; the Russians will not be generous, will not be compassionate, will not do you kind favors.

Second, Reagan has been willing to allow negotiations to collapse. He did not panic when Moscow used its typical technique of bluster, threats, and intimidation. If the Russian delegates wanted to get up and walk away from the negotiating table, Reagan let them do it. In the past, however, Americans would have made new concessions simply to keep the Russians from walking away; this is what happened at the 1972 and 1979 SALT talks.

It has been very different with Reagan. When Moscow gave Reagan the ultimatum that it would stop negotiating arms reductions with the U.S. if the U.S. deployed intermediate-range nuclear missiles in Europe, Reagan did not bend. He responded by deploying the missiles. Liberals in the U.S., and many experts at the State Department, were shocked by this. They said that Reagan would destroy the entire “arms control process.”

But Reagan said that if the Russians wanted to walk away from the talks, then let them walk away. They would come back to the table, he said. And he was right. They came back. And they ultimately accepted the INF Treaty that the U.S. originally had proposed.

Then remember what happened at the Reykjavik, Iceland, Summit? There Gorbachev issued the ultimatum: there could be a dramatic arms reduction, said Gorbachev, only if the U.S. would abandon the Strategic Defense Initiative — or SDI. Some previous Presidents probably would have bowed to this Soviet pressure. American liberals were urging Reagan to do so. But Reagan again stood firm. He said again: Let the Russians walk away; they will be back. And again he was right. They have come back and they have resumed the START talks for deep arms reductions.

To you, here in China, all of this may seem obvious and simplistic. You long ago learned that you have to be strong and firm when dealing with Moscow. But this has not been so obvious to American Presidents and to American diplomats in the past half-century. Reagan thus has set a very important example and precedent and has taught future Presidents a very important lesson.

VII.) The seventh legacy is the Reagan Doctrine. It recognizes that national liberation movements in the Third World can be on the side of freedom and democracy and that the U.S. can help these national liberation movements win. The Reagan Doctrine is a policy of true liberation. It breaks with the 1970s when the U.S. had become isolationist and was unwilling to remain involved in the world.

Instead of this, the Reagan Doctrine proclaims that the U.S. is ready to challenge and even roll back the Soviet Empire. This is what we did in Grenada. And this is what we are doing — and our countries are working together on this — in Afghanistan and Cambodia. And you should be working with us in Nicaragua. There, too, Soviet expansion should be blocked.

The Reagan Doctrine is a true revolutionary policy. It proclaims that the future belongs to democracy, not to Soviet-imposed dictatorships. And rather than being on the retreat, as they were in the 1970s, the world's democracies are now on the offensive. This is a marvelous legacy for Reagan to leave.

VIII.) As his eighth Big legacy, Reagan has ended the so-called Brezhnev Doctrine.

For two decades, we in the U.S., in the West, and in Asia were told by Moscow that the global correlation of forces had shifted in the Soviet favor and that this shift was permanent. We often believed this. This, in effect, is what the Brezhnev Doctrine was proclaiming: that once a country joins the Soviet camp, it must remain forever in the Soviet camp. The most dramatic example of this, of course, was the Soviet invasion of Czechoslovakia twenty years ago.

We often believed the Brezhnev Doctrine. It seemed that it would be impossible for a nation to leave the Soviet camp. To this, however, Ronald Reagan has said nonsense. This is the meaning of the Reagan Doctrine and this is the meaning of Grenada, Angola, Afghanistan, Cambodia, and Nicaragua. The message here is that the Soviets are not invincible. And the reality here is that Moscow has been on the retreat.

With this legacy, Reagan has reversed the momentum of a full generation. The next President should continue challenging the Brezhnev Doctrine — and carry the challenge to Eastern Europe, to the Baltic States and even to the “republics” inside the Soviet Union itself.

IX.) The ninth Big legacy is SDI — the Strategic Defense Initiative. It may turn out to be the most important Reagan policy because it could change the world. It could end the nightmare of nuclear holocaust.

SDI is a moral and humanitarian policy. After all, if government has any legitimate function it is to protect its citizens. This SDI would do.

SDI also is a policy that could end Moscow's ability to intimidate and blackmail the U.S. and the rest of the world. We all know the little secret about the Soviet Union. It is a superpower only because of its nuclear arsenal, its ability to destroy the United States. SDI would deny Moscow this ability. With SDI, the Soviet Union no longer would be a superpower. It instead would be seen for what it really is — economically and politically just a large Third World nation.

Of course, Reagan merely has launched SDI. The program still has very far to go. We even may discover that SDI cannot work. Most likely, however, it will work. And if it does, the shadow of nuclear nightmare which has darkened the world since 1945 will begin to lift. Can there be any better legacy than this?

X.) Reagan's final Big legacy is that he has re-ignited Americans' optimism and has restored Americans' faith in the presidency. We had become very pessimistic in the 1970s.

We saw one President after another fail — Johnson, Nixon, Ford, and Carter. We started believing that America's best days were behind it.

The mood in the 1970s was tragic. It reversed two centuries of American thinking. The history of my country, as you probably know, has been a history of confidence and optimism. We have felt that frontiers are not limits or barriers, but rather that frontiers are to be conquered.

We have regarded our nation in the way that you often have viewed yours, as the Middle Kingdom, occupying the center of the universe. We have believed that the United States is a very special place, a promised land with a special mission. And we started doubting all of this during the dreadful 1970s.

Ronald Reagan has reversed and healed this. He has done this by his policies, by his successes, by his personal example and optimism, and by his inspiring words.

We've already discussed his policies and successes. Now we must note the example he provides as President. Unlike Kennedy, Johnson, Nixon, Ford, and Carter, Ronald Reagan has not been destroyed by the presidency. He has not been ground down. He enjoys being President; he is comfortable being President. This has helped Americans regain their confidence in the presidency.

Touching America's Hearts. And then, of course, there are Ronald Reagan's words. I am not sure how they will sound to you, with your very different culture and history. But to Americans, Reagan has invoked words, thoughts, and images that have touched American hearts and have recalled a special pride we long had in our country.

Frequently, Reagan has talked about America as a promised land. He calls America a "Zion in the wilderness," and "a city on the hill." He has said often, in speaking to Congress or on television addressing the nation, that America is "the last best hope of man on earth."

And you may remember what Reagan said at Fudan University when he visited Shanghai in 1984. He said: "We're an optimistic people. Like you, we inherited a vast land of endless skies, tall mountains, rich fields, and open prairies. It made us see the possibilities in everything. It made us hopeful."

These may be only words, but they are words which have been combined with dynamic action and successful policies. And thus, these words have been powerful and have had a powerful influence. George Bush or Michael Dukakis will be lucky that he will find himself leading a people again confident in America and again proud of America.

This then is the legacy that Ronald Reagan leaves his people. It is an impressive legacy. It is a marvelous legacy.

And it will shape the future direction and policies of America greatly.

