

The Reagan Racket: The Politics of Greed

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One of the most frustrating and infuriating aspects of the mainstream media is their enduring love affair with the myth of the Reagan Revolution. This was illustrated *ad nauseam* all over the airwaves when they eulogized Reagan in 2004 as “America’s Most Beloved President.” But this distinguished status accorded to Reagan is based on myth masquerading as some mutually accepted fact in “America.” However, since we are still, in 2016, subjected to pundits, journalists, Republicans, and even Democrats, most recently Hillary Clinton, invoking his name as some sort of political icon and saint, it is fortunate that we can turn to Richard Slotkin’s *Gunfighter Nation: The Myth of the Frontier in Twentieth-Century America*, published in 1998, to get some proper perspective on the actual “Reagan Revolution.” The following quotes from *Gunfighter Nation* articulate very well the distinction between fact and myth on this subject. (Terms in quotation marks refer to Slotkin’s definitions in his text. Additions and comments in brackets are mine.)

‘Theodore Roosevelt rode into national office as “The Rough Rider” and “The Cowboy President.” But Roosevelt’s claim to those titles was proved by reference to his actual deeds as stockman, sheriff, and Rough Rider, while Reagan’s claim to heroic character was based entirely on references to imaginary deeds performed in purely mythic space. The difference between them indicated the change that has occurred in our political culture over this century: the myths produced by mass culture have become credible substitutes for actual historical or political action in authenticating the character and ideological claims of political leaders. Moreover, the substitution of myth for history serves not only as an advertising ploy for electing the candidate but as an organizing principle for making policy. The obsession of the Johnson and Nixon administrations with symbolic victories [in particular as regarded the U. S. invasion of Vietnam] was an early exercise in mythopolitics, but Ronald Reagan was the virtuoso of the form. At the height of his powers he was able to cover his actions with the gloss of patriotic symbolism and to convince his audience that—in life as in movies—merely symbolic action is a legitimate equivalent of the “real thing.”’

‘There was more to the myth/ideology of the Reagan Revolution than mere manipulation of surface imagery. The structuring principles of that revolution represented an authentic recrudescence and revision of the Frontier Myth. According to that myth, a magical growth of American wealth, power, and virtue, will derive from the close linkage of “bonanza economics”—the acquisition of abundant resources without commensurate inputs of labor and investment—with political expansion and moral “regeneration” through the prosecution of “savage war.” In the post-industrial 1980s a similar economic bonanza was to be achieved through the magic of supply-side economics coupled with a regeneration of the nation’s spirit through more vigorous prosecution of Cold War (against Russia as “evil Empire”) and savage war (against Ghadafy of Libya, Maurice Bishop of Grenada, and the Sandanista regime in Nicaragua).’

[Reaganomics replaced agrarian commodities and industrial production with] ‘the multiplication and manipulation of financial capital as the engine of economic expansion. A “bonanza” of new capital, released through measures favoring business and the wealthy (tax cuts and deregulation), was to act as the magical guarantor of perpetual and painless economic growth, in just the way that the opening of “vast untapped reserves” of free land or gold or cheap oil on the Frontier had energized the economy in the past. At the ceremonies attending his signature of the St. Germain/Garn bill, which deregulated the savings and loan industry, Reagan hailed the measure as one that would cost the taxpayers nothing but would produce limitless benefits for the whole economy by energizing the banking industry and the crucial investment sectors of housing and real estate: “All in all, I think we’ve hit the jackpot.” Although the poor and the middle classes

would not benefit directly, some of the newly generated wealth would “trickle down” through the economy.’

[Rejecting] ‘concrete scenarios of labor, savings, and investment’, Reaganomics replaced productivity and investment with ‘vast speculations in the paper values of real estate developments, Third World debt, junk bonds, and debt-leveraged corporate takeovers as the calculus of economic value. The economic style of the 1980s has been likened to that of the Roaring 20s. But there is an equally good precedent in Mark Twain’s description of bonanza economics during the Nevada silver boom of the 1860s [in *Roughing It*]. “It was the strangest phase of life one can imagine. It was a beggar’s revel. There was nothing doing in the district—no mining—no milling—no productive effort—no income—. . . and yet a stranger would have supposed he was walking among bloated millionaires. . . Few people took *work* into their calculations—or outlay of money either; except the work and expenditures of other people. . . You could. . . get your stock printed, and with nothing whatever to prove that your mine was worth a straw, you could put your stock on the market and sell out for hundreds and even thousands of dollars.”’

‘Under Reaganomics, a marvelous new mother lode of wealth was discovered in the heritage of our society’s accumulated savings and in the capital produced by past labor and investment, and a generation of junk-bond financiers and corporate raiders became rich and famous strip-mining it. As Garry Wills has said [in *The Politics of Grievance*], “Wealth. . . became staggeringly *non-productive* in the Reagan era. It was diverted into shelters. It was shuffled through paper deals; it financed its own disappearance; it erased others’ holdings, along with the banks that contained them. It depleted rather than replenished. It shriveled where it was supposed to irrigate.”’

‘Although the economy expanded under Reagan, the benefits of expansion were distributed so unequally that, while the richest Americans were acquiring a larger share of the national wealth, the number of persons living in poverty increased and the real income and assets of most of the population declined. The savings and loan deregulation, which Reagan had hailed as a “jackpot” in 1982, proved to be the worst financial disaster since the Great Depression.’ [And, of course, it was the taxes of the middle class, those from whom it would “cost nothing”, that were used to bail out the fraudulent and failing savings and loan institutions.] ‘The government’s colossal indebtedness—the result of Reagan’s insistence on cutting taxes while accelerating defense spending—seems certain to limit for years to come the government’s fiscal resources and its ability to pursue needed policies of social and economic reconstruction at home and to take a leading role in the investments that will shape the post-Cold War political and economic order.’

‘Like the “beggar’s revel” of Reaganomics, the “savage war” side of Reagan’s revived Frontier Myth shows a disparity between nominal values and real values. [In renewing the Cold War, Reagan] ‘envisioned the nation’s resumption of an active counterinsurgency role in the Third World, both as a means of resisting the advance of Communism and as a way of asserting American interests against those of local opponents. [This] required the discovery of a cure for “Vietnam syndrome”: the public’s unwillingness to support military engagement in the Third World for fear of becoming trapped in another “Quagmire.”’

‘Government spokesmen and policy-makers. . . abandoned the rhetoric of détente for an apocalyptic symbolism which labeled the Soviet Bloc an “evil empire” and “the foundation of evil in the modern world.” “Vietnam syndrome” presented a more difficult problem, because engagement in Third World conflicts threatened immediate costs in blood instead of the deferred costs of the anti-Soviet buildup. The administration solved the problem by recognizing that “Vietnam syndrome” could be treated as merely a defective symbolism—a tendency to interpret every Third World contest as a metaphor of the Vietnam War and to conceive of that war as a “mistake” and inherently unwinnable. Reagan himself became the chief spokesman for a revisionist history of the Vietnam War. He represented that war as a noble, unselfish struggle that could have ended in victory if only the liberal politicians in Washington had not tied the hands of the military.’

“‘Standing tall” in places like Central America required the explicit repair of those counterinsurgency myths that had been discredited by Vietnam. The Reagan administration invested a good deal of time, effort, money, and moral capital in justifying its support of the “*contra*” war against the Marxist regime in Nicaragua: a war fought by “Chicago rules” which breached American moral codes and ultimately (in the Iran-*Contra* affair) federal law as well.’

‘Once invoked, the war-metaphor governs the terms in which we respond to changing circumstances. It spreads to new objects; it creates a narrative tension for which the only emotionally or esthetically satisfying resolution is literal rather than merely figurative warfare. What begins as a demand for symbolic violence ends in actual bloodshed and in the doctrine of “extraordinary violence”: the sanctioning of “cowboy” or (more properly) vigilante-style actions by public officials and covert operatives who defy public law and constitutional principles in order to “do what a man’s gotta do.” [For example, since the Reagan administration knew the *Contras* could not engage the well-disciplined and well-armed Sandanista militia directly, they were instructed by American “covert operatives” to attack civilians, like the farm cooperatives.]

‘The destructive effects of this kind of mythological thinking are not restricted to foreign affairs, but (like counterinsurgency) have their domestic counterpart. The “savage war”

paradigm has also been invoked to conceptualize and formulate policy for the social disruption and urban violence that have attended the “drug war” and the “Reagan Revolution” in American cities. . . The policy scenarios implicit in this paradigm emphasize “military” over social solutions: the use of police repression and imprisonment—a variation on free-fire zones and “reconcentration camps” or “reservations”—as policies of first resort preferable to more laborious and taxing projects of civic action or social reform.’

‘The magical effects of Reagan’s performance began to dissipate with the departure of the performer and with the discovery that some rather costly “due bills” were left behind. Although the economy had revived between 1982 and 1990, the Reagan “boom” was followed by a prolonged recession, by some measure the longest since 1945. Nor has the refurbished myth/ideology of the Reagan Revolution functioned as a unifying or consensus-making tool. On the contrary, as the 1988 presidential campaign made clear, it has helped to polarize political discourse by reviving the old symbols and codes of racial prejudice, anti-intellectualism, and red-baiting.’

[But try to tell that to the journalist, pundits, politicians, and citizens who continue to claim that this robber baron and war criminal is “America’s Most Beloved President.” With heroes like Reagan, who needs villains?]