

## Instructions

### Structured Academic Controversy: Reaganomics

President Reagan implemented an economic program known as Reaganomics when he took office in 1981. *Your job is to determine whether Reaganomics were good for the United States.*

During today's class, you will work in teams to discuss whether Reaganomics were good for the United States. Your goals for today should include looking at all the issues, seeing both sides, and finding common ground.

### SAC QUESTION: Were Reaganomics good for the United States?

**Team A will argue:** YES, Reaganomics were good for the United States.

**Team B will argue:** NO, Reaganomics were not good for the United States.

### PROCEDURE

**30 minutes** With your teammate, analyze the document set. Find five pieces of evidence that support your side.

**10 minutes** Team A presents. **BOTH PARTNERS MUST PRESENT!!!**  
Team B writes down Team A's arguments and then repeats them back to Team A.

**10 minutes** Team B presents. **BOTH PARTNERS MUST PRESENT!!!**  
Team A down arguments of Team B and then repeats them back to Team B.

**10 minutes** Everyone **CAN ABANDON** their positions. Groups of 4 attempt to develop a consensus.

## Document A: Farewell Address

*In 1989, after two terms in office, Ronald Reagan delivered this televised farewell speech to the American people. In it, Reagan explained what he saw as his legacy.*

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Well, back in 1980, when I was running for President, it was all so different. Some **pundits** said our programs would result in catastrophe. Our views on foreign affairs would cause war. Our plans for the economy would cause inflation to soar and bring about economic collapse. I even remember one highly respected economist saying, back in 1982, that “The engines of economic growth have shut down here, and they're likely to stay that way for years to come.” Well, he and the other opinion leaders were wrong. The fact is, what they called “radical” was really “right.” What they called “dangerous” was just “desperately needed.” . . .

Common sense told us that when you put a big tax on something, the people will produce less of it. So, we cut the people's tax rates, and the people produced more than ever before. The economy bloomed like a plant that had been cut back and could now grow quicker and stronger. Our economic program brought about the longest peacetime expansion in our history: real family income up, the poverty rate down, **entrepreneurship** booming, and an explosion in research and new technology. We're exporting more than ever because American industry became more competitive and at the same time, we summoned the national will to knock down **protectionist** walls abroad instead of erecting them at home. . . .

I think we have stopped a lot of what needed stopping. And I hope we have once again reminded people that man is not free unless government is limited. There's a clear cause and effect here that is as neat and predictable as a law of physics: As government expands, liberty contracts.

**Source:** Ronald Reagan, *Farewell Address*, January 11, 1989.

### **Vocabulary**

pundit: a person who frequently gives their opinion to the public

entrepreneurship: starting new businesses to try to make a profit

protectionism: protecting a country's businesses from foreign competition

## Document B: Coretta Scott King

*The following is an excerpt of a speech by Coretta Scott King, the widow of Dr. Martin Luther King, Jr. She delivered it in front of thousands of people assembled in Washington, D.C. to commemorate the 20<sup>th</sup> anniversary of the March on Washington for Jobs and Freedom, where Dr. King delivered his I Have a Dream speech.*

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But even as we commemorate that great event, we **commiserate** in the approaching third anniversary of an administration out of touch with all but an elite group of Americans, an administration which has continually attempted and often succeeded in turning back the clock on advances of the last 20 years. . . .

Despite repeated denials from the president himself, [Reagan] administration cuts have been targeted to families of moderate and low income. . . . Half of American families—those with incomes of less than \$20,000 a year—have suffered 70 percent of President Reagan's budget cuts. . . . many Americans are no better off today than they were four years ago because Reagan's "unfair policies" have curtailed their freedom.

[Reagan] has sown the seeds of a twisted notion that rich can get richer by making the poor poorer . . . and this is somehow good for America. . . . "As a man **sows**, so shall he **reap**." Ronald Reagan has sown poorly and he will reap poorly.

**Source:** Coretta Scott King, address during the 20<sup>th</sup> Anniversary of the March on Washington, August 28, 1983.

### **Vocabulary**

commiserate: express or feel sympathy for

sow: plant

reap: harvest

## Document C: Representative Jack Kemp

*Reagan's economic policy aimed to remedy the economic crisis of stagflation—high unemployment and high inflation. The following is an excerpt of a speech given by Republican Congressman Jack Kemp, co-director of the Congressional Joint Economic Committee, before Congress on March 9, 2000. Kemp was a strong ally of Reagan, and co-authored the Economic Recovery Tax Act in 1981.*

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In 1980, the US economy was in **recession**, the **prime interest rate** was 15 ½ percent, **home mortgage interest rates** were over 12 percent, the **unemployment rate** was over 7 percent—almost 40 percent for black teenagers—and **inflation** was running close to 14 percent a year. . . .

In a nutshell . . . the Reagan policy mix worked as advertised to slow the growth in the supply of money while increasing the demand for it. As a result, **inflation** collapsed, **interest rates** fell and economic growth revived. The great American job machine got underway. It was morning in America, and the prosperity that dawned in the 1980s continues on today. . . .

Reaganomics succeeded in defeating **stagflation** and winning lasting prosperity.

**Source:** Jack Kemp, *Speech before the Congress, March 9, 2000.*

### **Vocabulary**

recession: a period of economic decline

prime interest rate: the interest rate lenders charge borrowers with the best credit

home mortgage interest rate: the interest rate that borrowers pay for home loans

unemployment rate: the percentage of people who want to work but do not have a job

inflation: a general increase in prices and a fall in the purchasing value of money

interest rate: the amount charged to borrow money

partisanship: bias; favoring a particular cause

stagflation: a term used to describe an economy that is stagnant (little growth) and has high rates of inflation; the United States experienced stagflation in the 1970s.

## Document D: Representative Ronald Dellums

*The following excerpt is from an article written Ron Dellums, a Democratic Congressman from California. The article appeared in the newsletter of the National Association of Social Workers in September 1982.*

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Having just suffered through the grim reality of the second-greatest peace time **budget deficit** in U.S. history . . . the Reagan Administration now confronts the **specter** of imminent **fiscal** and social disaster. . . . Gone is the illusion of a balanced federal budget by fiscal year 1984. By the middle of May 1982, the Congressional Budget Office had estimated that . . . **budget deficits** would exceed \$183 billion, \$220 billion, and \$240 billion for fiscal years 1983, 1984, and 1985, respectively.

At the core of the **fiscal** problem is the growth of the military budget in recent years. . . . In short, [the Reagan Administration] proposes to spend more than \$2.3 trillion . . . on the military in the next four years. This is more than was spent on the military in the first thirty years of the Cold War! When will this **fiscal** madness end?

In the context of the federal budget process, one person's greed is another person's **privation**. The fiscal **appeasement** of the **Pentagon** has been achieved at the expense of the poor and the powerless in society.

**Source:** Ron Dellums, "Reaganomics: Assault on human dignity and survival," *Social Work*, 1982.

### **Vocabulary**

**budget deficit:** government spends more money than it collects in taxes

**spectre:** a possible unpleasant or dangerous occurrence

**fiscal:** economic

**privation:** hardship

**appeasement:** to make someone or something calm by giving something

**Pentagon:** the headquarters of American armed forces in Washington, D.C.

## Document E: Reagan Economic Data

This data was compiled by ProCon.org, an educational website. ProCon.org aims to be non-partisan, which means that they don't try to favor one political perspective over another. Reagan took office in 1981 and left office in 1989.

	1981	1989	Change
<b>Gross domestic product (GDP)</b>	\$3057 billion	\$5400 billion	↑ 77%
<b>National debt</b>	\$995 billion	\$2868 billion	↑ 188%
<b>Maximum income tax rate</b>	70%	28%	↓ 42%
<b>Percent living in poverty</b>	14%	13%	↓ 1%
<b>Unemployment rate</b>	7.6%	5.3%	↓ 2.3%

### Vocabulary

gross domestic product: a measure of the size of a nation's economy. If the GDP goes up, that means the economy has grown. If it goes down, then the economy has shrunk.

national debt: the amount of money that a nation owes others. If the debt grows, that means that the nation is spending more money than it has collected in taxes. If it shrinks, then it has collected more than it has spent.

maximum tax rate: the highest tax rate anyone pays. The maximum tax rate is usually applied to those who make the most income. Those who make less income pay a lower percentage of their income in taxes.

percent living in poverty: the percentage of people in the United States who are living below the federal poverty line.

unemployment rate: the percentage of people in the United States who want to work but do not have a job.

## Guiding Questions

### Document A: Reagan's Farewell Speech

1. (Sourcing) When was this speech given? Who was his audience?
2. (Close reading) According to Reagan, what effects did economic policies have?
3. (Close reading) What evidence does he give to support his claims?
4. (Sourcing) Is Reagan's speech a trustworthy source about the effects of Reaganomics? Why?

### Document B: Coretta Scott King

1. (Sourcing) When was this speech given? Who was her audience?
2. (Close reading) According to King, what were the effects of Reagan's economic policies?
3. (Close reading) What evidence does King cite to support her claims?
4. (Sourcing) Is King's speech a trustworthy source about the effects of Reaganomics? Why?

### **Document C: Jack Kemp**

1. (Sourcing) When was this speech given? Who was his audience?
2. (Close reading) According to Kemp, what were the effects of Reagan's economic policies?
3. (Close reading) What evidence does Kemp cite to support his claims?
4. (Sourcing) Is Kemp's speech a trustworthy source about the effects of Reaganomics? Why?

### **Document D: Ron Dellums**

1. (Sourcing) When was this article written? Who was his audience?
2. (Close reading) According to Dellums, what were the effects of Reagan's economic policies?
3. (Close reading) What evidence does Dellums cite to support his claims?
4. (Sourcing) Is Dellum's article a trustworthy source about the effects of Reaganomics? Why?



## Document E: Economic Statistics

1. Do the data for each of the following support or undermine a claim that Reaganomics was a success? Why?

Gross domestic product

National debt

Maximum income tax rate

Percent living in poverty

Unemployment

2. (Sourcing) Is this a trustworthy source of information? Why?

3. (Sourcing) ProCon.org collected this data from other sources. Does this affect whether you trust the data? Why?

**Graphic Organizer**  
**Were Reaganomics good for the United States?**

*Use this space to write your main points for each side of the argument.*

**Reaganomics were good:** List the 5 main points/evidence that support this side.

1) From Document \_\_\_\_\_ :

2) From Document \_\_\_\_\_ :

3) From Document \_\_\_\_\_ :

4) From Document \_\_\_\_\_ :

**Reaganomics were not good:** List the 5 main points/evidence that support this side.

1) From Document \_\_\_\_\_ :

2) From Document \_\_\_\_\_ :

3) From Document \_\_\_\_\_ :

4) From Document \_\_\_\_\_ :

## Coming to Consensus

Use the space below to outline your group's agreement. Your agreement should be thorough, detailed, and address evidence and arguments from both sides.

***Were Reaganomics good for the United States?***