

Study Extracts 1 and 2 in the Extracts Booklet before you answer this question.

- 5 Historians have different views about the impact of the Reagan presidency on the USA. Analyse and evaluate the extracts and use your knowledge of the issues to explain your answer to the following question.

How far do you agree with the view that the Reagan presidency transformed the USA in the years 1981–96?

(20)

Extract 1 by David M. Abshire and Richard E. Neustadt suggests that Reagan was a "transformational leader" with "transformational objectives". This therefore supports the view that the Reagan presidency transformed the USA in the years 1981–96. However, extract 2 by Cheryl Hudson and Gareth Davies ~~does~~ suggests that the policies Reagan made and actions he took were not revolutionary and they had deep roots in the 1970s, and not developed by Reagan. This therefore does not support the view. It can be said that the Reagan presidency transformed the USA in the years 1981–96 to a certain extent. This is because he was able to produce a lot of legislation relatively quickly, although the consequences of some of his <sup>policies</sup> ~~politics~~ were drastic.

Extract 1 says that Reagan's predecessor "recognized this need in his deregulation policies". One of Reagan's objectives was to deregulate businesses because he thought there should be minimal government intervention in business. The extract also describes his objectives as "transformational" despite the fact the deregulation policies were anything



(Section C continued) but "transformational". for example, when the banks were deregulated this created competition between the banks and Savings and Loans Institutions (S&Ls). S&Ls wanted the best for their customers and they also wanted to attract more people than the banks, so they made risky investments and set high interest rates on savings and low interest rates on loans. This benefitted people with savings as they were earning more money, and it also benefitted those with loans, who would not have to pay back as much as they would in banks. Moreover, the incompetence of the S&Ls caused their failure and acts had to be passed in order to bail them out. This happened because people with long-term loans began to struggle and could not pay the institutions back. This was worsened because of the high interest payments the institutions were making to those with savings; S&Ls were not making profit. Thus, this shows that Reagan's ~~policy~~ presidency did not transform the USA in the years 1981-96 because his policy of deregulation caused a huge scandal that resulted in a huge loss of money - both personal and federal. Reagan wanted to reduce federal spending, but this was inhibited due to the large amount of money spent trying to save the Savings and Loans institutions.

Extract 2 says that Reagan's policies were "not of



(Section C continued) sufficient stature to justify the contemporary notion of a Reagan Revolution". This means that Reagan's policies did not make as much of a difference to the USA as he was expecting to make. For instance, Reagan ~~recognised~~ stated that there was a difference between the "deserving" poor and "welfare scroungers", who supposedly just wanted money from the government without working for it. This is why he developed his idea of workfare. He passed an act that said states had ~~to~~ to make working on state projects a requirement for welfare claimants. As well as this, at least one working parent was required to claim welfare payments. This was difficult for single parents, who found it impossible to find childcare, so they could not work. Reagan's presidency experienced a large number of homeless people, as a result of the workfare policies as well as the social housing policies; there were 3.7 million families eligible for social housing but there were no houses because Reagan cut federal funding for the building of these houses. The amount of despair that was caused to people who ~~he~~ were not middle class is a reason why the Reagan presidency did not transform the USA in the years 1981-96. However, it can be argued that Reagan transformed some sections of the USA. For example, the Economic Recovery Tax Act, 1981 (ERTA) cut personal and business tax. For those in the higher tax bracket, tax was



(Section C continued) cut from 70% to 50%, but for those in the lower tax brackets, tax was only cut from 14% to 11%. This meant that the wealthier people in America got richer as a result of ERTA, but the poorer people did not really benefit. Hence, some sections of America were transformed by the Reagan presidency, but most weren't.

Extract 2 also says that the "seeds of the post-1983 boom were sown during the 1970s". This means that the roots of the economic boom that was experienced ~~in~~<sup>Post</sup> 1983 was in the 1970s and not as a result of Reagan's presidency. The 1970s saw the introduction of many technological advances, such as the personal computer and cordless phones. This, combined with cheap mass production techniques, was a significant factor that contributed to the boom post 1983. This was because many people bought these new items, contributing to the nation's overall economy. Thus, Reagan's policies had a minimal effect on the boom. This is why it can be argued that Reagan's ~~policies~~ presidency did not transform the USA.

Both extracts recognise that Reagan made a ~~lot~~ lot of legislative reform throughout his presidency. However, extract 2 suggests that this legislation was not "sufficient" to leave that much of an imprint on the USA. This is because of the negative consequences Reagan's legislation had



(Section C continued) On some people and the economy. ~~therefore~~  
whereas, extract 1 suggests that Reagan was so "trans-  
formational" that "George H. W. Bush and Bill Clinton<sup>#</sup>  
followed". In fact, Reagan's successors were forced to  
introduce acts in order to save the economy and the  
government that Reagan ruined. It is safe to say that  
Reagan's presidency did not transform the USA in the  
years 1981-96.

