LETTER: Reagan helped, not hurt, as family income grew

October 23, 2009 12:00 AM

Reagan helped, not hurt, as family income grew

In "Reaganomics did a number on the middle class" (Oct. 19), Dartmouth Town Committee Chairman Ray Medeiros gives false and unsubstantiated views of Ronald Reagan's economic principles and record. Reagan's goal was to reverse the high inflation, slow growth economy of the 1970s by (1) a restrictive monetary policy designed to stabilize the value of the dollar and end runaway inflation, (2) an across-the-board income tax cut designed to spur savings, investment, work and economic efficiency, and (3) attempt to balance the budget through domestic spending restraint.

The Cato Institute has done an in-depth policy analysis during the Reagan years as well as the preceding and following years. Income data show that when Jimmy Carter's economic policies were in effect, family incomes plummeted 9 percent. After Reagan's economic policies took effect (1982-1989), family incomes rose 11 percent, from $37,868 in 1981 to $42,049 in 1989.

Real economic growth averaged 3.2 percent during the Reagan years, 1½ times higher than the preceding or following years. During the Reagan years the U.S. economy produced 17 million new jobs, more than 2 million new jobs per year on average.

After three years of double-digit inflation under Jimmy Carter, Reagan cut the inflation rate by two-thirds by his second term. Despite income tax cuts, tax revenue increased due to increased spending, job production, and productivity.

Medeiros should further study and appreciate the Reagan principles. Analysis shows that income, economic growth and unemployment rates are adversely affected by tax hikes.

If Medeiros has trouble with paying debt now, he should wait until the massive spending by the Obama administration, further adding to the budget deficit and national debt, leads us back to runaway double-digit inflation.

I salute President Reagan for limiting government spending and leading the country to economic growth.

David Rosenberg

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