



## It Wasn't Inevitable

By Irving Kristol

*President Ronald Reagan led the West to victory in the Cold War by defying establishment critics. Ignoring those who advocated détente with the Soviet Union, he rebuilt America's military. In spite of those who scoffed at his economic program, his policies reinvigorated the U.S. economy. Together, these restorations of American strength hastened the Soviet collapse.*

Ronald Reagan was the most popular American president since FDR. He was also the most hated president since FDR. The reason he was hated was that his policies were often trans-partisan in bewildering ways. The reason he was popular was that his policies worked. This fact is still a puzzle to most American intellectuals, academics, and journalists, who are more comfortable talking about the personal sources of his popularity than about his policies.

### Peace through Strength

It is generally conceded—even by Senator Kennedy!—that Reagan's Cold War militancy helped bring about the collapse of Communist Russia. But that is a deceptive statement. He did not help bring it about. He brought it about. It is tempting to see the Soviet collapse, in retrospect, as inevitable for internal reasons, while allowing that Reagan's policies hastened a predictable end. But that end was not predictable. Throughout Reagan's eight years in office, the Soviet Union remained a major military power—a major nuclear military power. The governments of Western Europe were sufficiently impressed by this power to consider occasional appeasement as a suitable option. And the

people of Western Europe were subject to intermittent panic at the possibility of nuclear war on their territory.

No one but Ronald Reagan thought that the goal of American foreign policy should be victory in the Cold War. How naive, how simple-minded that idea seemed! But though Reagan was indeed unsophisticated by State Department (and European) standards, he did understand the American people as diplomats and foreigners did not. He knew that the people would support a war only if victory was the goal of their leaders. Europeans, and highly educated Americans, are habituated to think of "the people" as counters in a complex and competitive game of war and peace. Americans, by tradition and temperament, are unused to such games. They want to know who the enemy is and what we are doing to crush him.

Ronald Reagan rallied the American people to fight the Cold War by holding out the prospect of victory. Without his leadership, it is not so clear that the Soviet Union would have collapsed "on its own," as in retrospect it seemed to do. The Cold War need not have ended when it did, or as it did. It was Ronald Reagan, by his arms buildup and his inability to contemplate anything but an American victory, that persuaded the Soviet leaders they were fighting a losing war. And so they folded their tents and stole away.

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## Reaganomics and the Soviet Collapse

But none of this could have happened if the American economy had not been getting stronger while the Soviet economy was getting weaker. That the latter was the case was attested to at the time by the stories told by Russian and East European émigrés—horror stories about an economy that was in shambles. But these émigrés did not have Ph.D.s in economics, and their reports were discounted by most Western economists, who were convinced by Soviet statistics that the economy of the USSR was in the process of overtaking ours. They were the only statistics available, and macroeconomists, used to juggling national income and national product numbers, would rather starve on poor statistics than feast on personal anecdotes.

The same economists had a dire view of the American economy, in spite of the fact that during Reagan’s eight years, this economy had a splendid rate of growth.

The trouble was that that growth was impelled by an economic theory that was unacceptable to them—what was called, somewhat lamely, “supply-side economics.” Whenever supply-siders started to talk publicly about the economics of growth, the economics profession would loudly demand, “Your numbers! Where are your numbers? How much growth and how much deficit?” Supply-siders could not provide those numbers because they did not have them. Conventional economists, by contrast, had the numbers that were the glory of their profession, and its Achilles’ heel. (An economist is recently reported to have said: “We give our numbers in decimal points to demonstrate that we too have a sense of humor.”)

What supply-side economics—known journalistically as “Reaganomics”—did was to elevate microeconomics

over macroeconomics. Microeconomics deals with people and the way they invest their labor and their capital in the market. Macroeconomics deals with the relationships among those majestic but ghostly figures—gross national product, productivity, etc.—that are the

lifeblood of the Council of Economic Advisers. The priesthood of distinguished economists objected that a cut in tax rates could be justified only if it was accompanied by a simultaneous cut in expenditures. Supply-siders replied that that strategy would condemn them to wait forever, because in a democracy the political class makes political gains only by spending money for its constituents, not by cutting programs that benefit them. Slowly conservative economists saw the wisdom of the supply-side strategy: a tax policy that energizes the economy, government regulations that are not too destructive, and moderate restraints on spending would have the effect of shrinking the bloated welfare state relative to the size of the economy.

The welfare state itself could not be wished away.

By now Reaganomics has become the semiofficial philosophy of the Republican Party. As a consequence, this party is now seen as having a plausible and legitimate claim to be the governing party—to the consternation of the Democratic Party, whose royal rights to the kingdom are no longer unquestioned.

In sum, Ronald Reagan made the Republican Party proactive in economic policy as in foreign policy, while forcing the Democratic Party to be reactive in both. This is more proactivity than is tolerable to some traditional Republicans, who tend to whine that our troops are too far from home, or that government expenditures have not been radically cut. So the Reagan legacy is still not entirely secure. But that there is such a legacy, and that it is of historic dimensions, is certain.

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