THOUGHTS ON RONALD REAGAN AND THE IMPLICATIONS OF THE 1981 AIR TRAFFIC CONTROLLERS STRIKE

Master’s Thesis
International Relation
University of Leiden

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Date: 21-07-2016
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Introduction

On August 3\textsuperscript{rd} 1981, shortly after Ronald Reagan became the 40\textsuperscript{th} president of the United States, 13,000 air traffic controllers began a strike that would fundamentally change the lives of 11,345 of these strikers. It also proved a fundamental moment in Reagan’s tenure as president. The Professional Air Traffic Controllers Organization had begun intense negotiations with the federal government for better wages, fewer hours, and a better retirement plan. Despite a law prohibiting federal government employees from striking, PATCO called on its members to strike. Instead of budging in, Reagan relied on his contingency plan, which involved amongst others military controllers to fill in 75 percent of the striking gap. On August 4\textsuperscript{th}, Reagan gave the strikers an ultimatum: show up for work within 48 hours or be fired. Consequently, 11,345 persons that did not show up to work were fired the next day.\textsuperscript{1} This drastic matter, taken by a newly inaugurated president, calls for many questions, one of which is: what do these events say about Reagan as president and as person?

Ronald Reagan is known for many things. This former actor is often called ‘the great communicator.’\textsuperscript{2} Many know Reagan for his humor and wit. One very famous example is that Reagan apologized to his wife after he got shot with the words: ‘‘Honey, I forgot to duck.’’\textsuperscript{3} He is also attributed credit for his role in ending the Cold War. Winston Groom for instance states: ‘‘now the Cold War is history, and Americans can thank Ronald Reagan in large part for that.’’\textsuperscript{4} British Prime Minister Margaret Thatcher even said that Ronald Reagan “won the Cold War without firing a shot.”\textsuperscript{5} According to a 2011 Gallup Poll Ronald Reagan is considered the greatest U.S. President of all time.\textsuperscript{6} Many people have their own views about Reagan and remember him in a specific way. Many Republicans see him as a far right conservative hero and various scholars have also attempted to put Reagan in a specific category. H.W. Brands, for instance, sees Reagan as a pragmatist, whereas David Harvey sees Reagan as a neoliberal. But which of these visions of Reagan holds true in the case of the air traffic control strikers? The

\textsuperscript{5} Humes, I.
main question of this thesis will therefore be: what does Reagan’s handling of the air traffic controllers strike say about him as president?

In order to answer this question, three schools of thought on the Reagan presidency will be evaluated in light of this specific case. The first of these is embodied by the Republicans. Republicans today like to remember Reagan as a far-right conservative and very successful president. According to Rory Carroll, correspondent for The Guardian, “for the GOP, Reagan is not just a name but an adjective connoting virtue and conservative ideological purity.”

His approval ratings have skyrocketed since he left office, with a 90 percent approval rate among Republicans and a 60 percent approval among Americans in general. In a single run-up debate for the 2016 Republican Convention, fifteen presidential candidates mentioned Reagan a total of 45 times. Governor Scott Walker, for instance, praised Reagan’s tax cuts and the subsequent economic growth. Senator Rand Paul even says that if he were to become the next US president that he would try to be a Reagan conservative. To him, this means that he will try to accomplish peace through strength. Senator Marco Rubio mentioned Reagan’s love for his country as Reagan’s biggest influence on him personally. In general, all presidential candidates mentioned how Reagan was an optimist who wanted to change things and who loved America and saw potential in the American people. These, of course, are idealized visions of the former president.

Sean Wilentz, author of the book *The Age of Reagan: A History 1974-2008*, paints a more elaborate picture of what Reagan conservatism is actually about. In the book, Wilentz argues that Reagan shaped a conservative political moment in history which extends far beyond his eight years in office. Even Bill Clinton and George W. Bush were influenced heavily by Reagan, according to Wilentz. In 2009 he writes: “just as the period of American history from 1933 to the late 1960s - between the rise of the New Deal and the fall of Lyndon B. Johnson’s Great Society – was chiefly one of liberal reform, so the past thirty-five years have been an era of conservatism.”

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8 Ibid.
policies entail ‘‘supply-side economics and confronting the Soviet Union and its proxies around
the globe.’’

Furthermore, social conservatives, anti-tax conservatives, and a wish for small
government shape his policies. Despite the fact that Wilentz’s book is somewhat selective and
hasty to jump to conclusions, Wilentz’s description of what it means to be a Reagan conservative
is very useful for the purposes of this research.

A second school of thought on the Reagan presidency sees Reagan as a pragmatist.
According to Jonathan Keller, a pragmatist is someone who can put his or her stated principles
aside in order to accommodate circumstances, deal with strong political opposition, or rising
costs. Keller set up a framework for researching pragmatism, as he noticed that pragmatism
studies usually lack clear guidelines. He differentiates between three kinds of pragmatism, namely:
pragmatism within limits, disinterested pragmatism, and creative reinterpretation
pragmatism. Pragmatism within limits is defined as pragmatism that arises when decisions are
particularly salient. The leader will then navigate between several options until one is found that
is in line with the existing goals of the administration, although sometimes these goals change
due to new information. Disinterested pragmatism is pragmatism that occurs after political
pressure or openness to information. This pragmatism occurs only when the original/ internal
considerations do not prove worthy enough to change political context. Finally, creative
reinterpretation pragmatism also occurs after (very strong) political pressure. In this case, the
president will betray his or her own ideology or political goals in order to solve a particular
problem. The big difference between disinterested pragmatism and creative reinterpretation
pragmatism is that in the latter, the president will reshape his or her political ideology in order to
fit the new policy into his or her larger goals. In the former he does not.

H.W. Brands also sees Reagan as a pragmatist. In his bibliography *Reagan: The Life* he
shows that much legislation from that time resulted from negotiations with Congressional
Democrats. During the social security reform negotiations Reagan noted in his diary that he
would ‘‘reluctantly give in.’’ During negotiations about taxes Reagan also gave in, even though

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11 Ibid., 5.
12 Ibid., 451.
13 Jonathan W. Keller, ‘‘Explaining Rigidity and Pragmatism in Political Leaders: A General Theory and a
14 Keller, 477-488.
15 Brands, 305.
he very strongly believed that he should not. Reagan observed: “A compromise is never to anyone’s liking. […] It’s just the best you can get and contains enough of what you want to justify what you give up.”

Brands even characterizes Reagan’s policy towards communism as pragmatic, because Reagan often said one thing and did something else. Brands notes: “he wanted to make a mark, not merely to make a statement. He understood that the purpose of politics is to govern, not to preserve ideological purity. […] If he got four-fifths of his ask in a negotiation, he took it and ran.”

Brands does not use a framework in order to prove his point. However, his argument that Reagan is a pragmatist is still taken very seriously.

Finally, still others see Reagan more as a Neoliberal president. According to David Harvey, author of the book *A Brief History of Neoliberalism*, neoliberalism is “in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.” The role of the state must be kept as small as possible, providing only, if necessary, for a framework in which markets can exist. In his book, Harvey argues that neoliberalism flourished in the mid-1970s, not only in the United States, but also in other parts of the world. He links the dominance of neoliberalism in the world to the election of Ronald Reagan. Margaret Thatcher, who was elected one year before Reagan, marks the beginning of the new social and economic movement, but with the election of Reagan, this movement really started to spread around the world. As Harvey argues: Ronald Reagan […] set the US on course to revitalize its economy by supporting Volcker’s [President of the Federal Reserve System or the Fed] moves at the Fed and adding his own particular blend of policies to curb the power of labour, deregulate industry, agriculture, and resource extraction, and liberate the powers of finance both internally and on the world stage.”

Harvey is not the only one who thinks that Reagan played a pivotal role in the rise of neoliberalism. Centeno and Cohen support this view. According to them the “apparent economic success during the 1980s solidified the view that free market economics provided a sound basis

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16 Ibid., 349.
17 Ibid., 410-411.
18 Ibid., 736.
20 Ibid., 1.
for policy, and many countries followed suit.’’21 A policy that nurtured this success was the deregulation of (mainly) the financial sector. Deregulation combined with inflation helped to nurture financial innovation.22

Harvey also believes that neoliberalism only benefits a lucky few, and is disadvantageous for the many. This has resulted in a strengthening of class inequality.23 He has even described this phenomenon as ‘accumulation by dispossession.’24 Inequality is a serious problem of neoliberalism, agree Jacobs and Meyers. They argue that Reagan’s neoliberal policy of weakening union strength, resulted in income inequality. Reagan’s tax policies also mainly benefitted prosperous Republicans. Combined with weaker unions, labor would be cheaper and with lower taxes the main financial burden would indirectly fall on less prosperous citizens.25

All these different schools of thought focus on different aspects of the Reagan presidency. In the following, it will be examined which school of thought proves most able to explain Reagan’s handling of the air traffic controllers strike. Obviously, the choice of case study will heavily influence which school of thought will prove most capable of explaining Reagan’s response. Therefore, this thesis will not attempt to find the best school of thought for the entire Reagan presidency. It will merely state which school best explains this particular case. This will nevertheless be useful, because the case signals a very important moment in the Reagan presidency. Furthermore, it will be shown that the different schools show overlap, and that it is not very easy to select only one of these schools. Even if it is to explain only a small part of the Reagan presidency.

First of all, the case itself and the relative importance of the case will be explained. Then, the schools of thought will be evaluated in consideration of the air traffic controllers. Firstly, the school that thinks of Reagan as a conservative will be discussed. Then, the idea of Reagan as a pragmatist will be analyzed. Finally, the neoliberal school of thought will be discussed. Then the findings will be discussed in the subsequent conclusion.

22 Ibid., 320.
23 Harvey, 90-93.
24 David Harvey, ‘‘The ‘New’ Imperialism: Accumulation by Dispossession,’’ Socialist Register 40 (2009).
PATCO: what happened?

The Professional Air Traffic Controller’s Organization, better known as PATCO, was established in 1968 and was the certified agent for a part of the federal government’s employees. It had the mandate to handle the negotiations for a new collective bargaining agreement. In 1981 it was time again for PATCO to negotiate a new deal, since the old agreement would expire on March 15, 1981. The agreement would have to be made with the Federal Aviation Administration, the FAA, and the Department of Transportation, the DOT. The bargaining for a new agreement started on February 9, 1981.26 The main bargaining agent for PATCO was Robert E. Poli.

During the Carter administration, air traffic controllers had suffered due to air traffic deregulation. Workload and work-related stress had increased significantly. On top of that, they also lost early retirement and immunity programs. Finally, their real earnings had also decreased. PATCO had therefore already made plans to strike and the Carter administration had made a contingency plan to counter the effects of a potential strike.27 When Reagan became president on January 20, 1981, he knew that the negotiation would be tough, but he also knew that there was a contingency plan in case of a strike.

At first, Reagan and the White House were not directly involved with the negotiations. This changed after May 22, when Poli announced a strike. The date was set for June 22, and the plan was approved with an overwhelming majority of PATCO members. As a consequence, Drew Lewis, the Secretary of Transportation, joined the negotiations. Under Lewis’s leadership, the government made some concessions. However, Poli was not satisfied and on June 17 he walked out of the negotiations. When the strike date neared, it turned out that only 75 percent of the union members was willing to strike. This fell 5 percent short of the 80 percent PATCO thought it needed to effectively shut down air traffic, and therefore the strike was called off.28 A new contract was negotiated, but on July 2nd, this was struck down by the PATCO board, signaling further unrest among the members. After the board struck down the agreement Poli made, a strike became pretty much inevitable. A new strike, which was announced on July 29th,

28 Ibid., 260-268.
was set for August 3rd. This time, PATCO did have enough support from its members to follow through.29

When the strike began, President Reagan, backed up by Secretary Lewis, and the Attorney General William French Smith, made a statement regarding the strike. After emphasizing that the union had cast away a contract that had already been signed by both sides, Reagan started speaking of what’s at stake:

Let me make one thing plain. I respect the right of workers in the private sector to strike. Indeed, as president of my own union, I led the first strike ever called by that union. I guess I'm maybe the first one to ever hold this office who is a lifetime member of an AFL-CIO union. But we cannot compare labor-management relations in the private sector with government. Government cannot close down the assembly line. It has to provide without interruption the protective services which are government’s reason for being.30

The big difference between the public and private sector that Reagan refers to, is that government employees are, by law, prohibited to strike. U.S. law specifically states that:

An individual may not accept or hold a position in the Government of the United States or the government of the District of Columbia if he […] participates in a strike, or asserts the right to strike, against the Government of the United States or the government of the District of Columbia; or is a member of an organization of employees of the Government of the United States or of individuals employed by the government of the District of Columbia that he knows asserts the right to strike against the Government of the United States or the government of the District of Columbia.31

Since the air traffic controllers are government employees they are not allowed to strike. Reagan gave the strikers an ultimatum: return to work within 48 hours, or be fired. Approximately a quarter of all PATCO members took the warning seriously and went back to work. Together with supervisors and some military controllers, half of the scheduled flights could go out.32 Later, this

29 Ibid., 275-277.
31 5 U.S. Code § 7311, “Loyalty and striking.”
32 Brands, 311.
was increased to 75 percent. Immediately after the 48-hour deadline, government begin firing people. Over 11,000 air traffic controllers were fired. Many of them appealed this decision, but most of the appeals were overturned. In their stead came newly hired air traffickers who were pushed through training school as fast as possible. Many supervisors and some military personnel also helped to break the strike.

On October 22, 1981 the Federal Labor Relations Authority decided that PATCO would be decertified. This meant that PATCO lost its right to bargain with the government on behalf of the air traffickers. On June 11, 1982, the U.S. Court of Appeals for the District of Columbia affirmed this decision. Some of the PARCO leaders were even hauled before court. This meant the definitive end of PATCO and many of its members who had stood by the union, and therewith gambled away their jobs. Ronald Reagan came out without any damage to his reputation or approval ratings. He has even been called “the nicest president ever to destroy a union.”

It is not extremely unusual for a president to intervene in a strike. Different presidents have intervened in strikes before, albeit never as decisively and destructively as Reagan. During the 1877 railroad strike, president Hayes had intervened in a strike by deploying federal troops to stop riots. Different governors and railroad companies had pressured Hayes into acting because over 100 people were killed in three weeks’ time. It is thus no wonder that Hayes decided to intervene, but it did stop the union’s attempt to combat salary cuts. President Theodore Roosevelt also personally intervened in a strike. In 1902 there was a coal strike which resulted in a shortage of coal in eastern cities. Roosevelt decided that he did not want to stand on the sidelines of this conflict. Therefore, he invited the unions and the employers to the White House to negotiate a compromise. When the employers refused to compromise Roosevelt gave them a commission, which resulted in better wages for the coal miners. Finally, Truman also

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33 Pusey, 72.
35 Taylor, 22-31.
intervened in a 1946 steel strike. After a deadlock in negotiations, Truman offered the steel industry a $5 per ton increase in carbon steel prices, from which they could pay a salary increase. During the Second World War wages were regulated, but once this was let go, the industry sought a price relief. This could only be done by lowering salaries, or increasing prices. Consequently, the Truman administration had to terminate its postwar stabilization policy, and eventually this led to the end of price and wage controls. These examples show that it is not very unusual for presidents to intervene in strikes when the stakes are high. In all these examples, the employees were not government employees, but nevertheless the government intervened; either to ensure peace, or to ensure a quicker solution of the issue at stake. The president thus has a significant ability to help or hurt unions.

Relevance of the strike

The PATCO strike of 1981 has had many consequences for US labor relations. According to Joseph McCartin it was “the most significant single event in accelerating the decline of organized labor in the United States in the late 20th century.” Willis Nordmund affirms this by stating: “the single event that sent the strongest signals about unions and the role of labor in the economy – to the American people, generally, and the American labor movement, specifically – was the breaking of the Professional Air Traffic Controllers Organization union by the Reagan administration in 1981.” The PATCO strike thus had much influence on the labor movement in the United States. Most notably, unions faced a serious decline in members. For instance, between 1980 and 1984, the American Federation of Government Employees, the largest federal union, lost 2.7 million of its members. Other statistics show that in the 25 years following the strike, union density has been cut in half. A decrease is also true for non-governmental sectors. Furthermore, although the failure of the strike did not result in fewer strikes, it has made the option of replacing strikers by other workers a more acceptable solution. Before the PATCO strike this was almost unthinkable, but afterwards management changed and the idea of ‘take-

42 Taylor, 41.
the-job-or-leave-the-job’ and ‘fire-at-will policies’ gained a stronger foothold. It is also possible that the political influence of the labor movement diminished after the PATCO strike, since the strikers did not have much public support. Even though these developments cannot solely be explained by the PATCO strike - other factors may have been influential as well - the PATCO strike did contribute significantly to these changes.

Moreover, the strike has been important because it affected so many people. Strikers were active in almost every state and territory of the United States. The total costs of the strike were also enormous. When lost profits of cancelled flight are included in an estimation, it is possible that the strike cost a total of more than one billion dollars. Joseph McCartin even wrote in the opinion pages of The New York Times that Reagan:

showed federal workers and Soviet leaders alike how tough he could be. Although there were 39 illegal work stoppages against the federal government between 1962 and 1981, no significant federal job actions followed Reagan’s firing of the PATCO strikers. His forceful handling of the walkout, meanwhile, impressed the Soviets, strengthening his hand in the talks he later pursued with Mikhail S. Gorbachev.

McCartin does not give any proof of his assertion that the firing impressed the Soviet Union and Gorbachev. One could be inclined to put some question marks next to this claim. Nevertheless, this statement does show that many, in general, were impressed by Reagan’s though stand.

Reagan as a conservative

Many people see Ronald Reagan as a conservative hero. Garland Tucker, for instance, named Reagan one of fourteen ‘conservative hero’s’ who shaped America. He states that Reagan’s ‘legacy to conservatism deserves notice […]’. While being the object of the intellectual establishment’s scorn, [Reagan] managed to make conservative philosophy, which had

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44 Taylor, 41-42.
46 Ibid., 216.
supposedly been buried in the Johnson landslide of 1964, part of American mainstream.’’

Reagan was thus driven by a conservative discourse. Conservatives generally want to maintain the status-quo. Roger Scuton in his book *The Meaning of Conservatism* defines conservatism in the following way: ‘‘Conservatism has sought expression through the activity (or, just as often, through the strategic inactivity) of a particular party, a party dedicated to maintaining the structure and institutions of a society threatened by mercantile enthusiasm and social unrest.’’

This is a rather general description of conservatism. More specific to the Reagan presidency, conservatism can be seen in terms of supply-side economics, anti-tax conservatives, a wish for small government, confronting the Soviet Union and its proxies around the globe, and social conservatives, according to Wilentz. These aspects will be discussed in the following with regard to the air traffic controller’s strike.

First of all, supply side economics can be seen as part of Reagan conservatism. Supply side economic theory is a theory that believes in the power of private and personal incentives. People are influenced by incentives and will change their behavior according to the incentives. The government can change these incentives and therewith control the way in which people behave. Government can give people positive or negative incentives through fiscal, monetary, or regulatory policy. An example of a positive incentive is subsidy, whereas taxes can be seen as a negative incentive. Reagan thought that supply side economics would be the savior of the United States economy. By lowering tax rates, people would get more incentives to work, save, and invest, because they would get more revenue out of these activities. Rationality dictates that people work harder if the rewards are larger.

In his term as president, Reagan significantly reduced tax rates even though he later had to revise his policy slightly, because expected successes held off. In August 1981 personal income tax was reduced by 25 percent. The bill also substantially reduced business taxation. In 1982, the Reagan administration had to increase tax revenue due to the unexpected recession and a large budget deficit. Nevertheless, in 1982 taxes

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50 Wilentz, 5, 451.
52 Lekachman, 12-13.
were still much lower than before the 1981 tax cut.\textsuperscript{53} Reagan can thus be seen as an anti-tax conservative.

Besides tax cuts, Reagan also made huge changes to the budget. He allocated much more money towards the military. In exchange for this, Reagan made huge budget cuts in hundreds of domestic programs. This ensured a balance so that the real government spending was not that different from Carter’s spending.\textsuperscript{54} Reagan’s tax cut had to be joined by a budget cut in order to pay for the nation’s spending. The income increases that PATCO demanded do not fit in this picture. PATCO initially asked for a 10,000-dollar increase in year salary, combined with shorter work weeks, and a higher pension.\textsuperscript{55} The fact that Reagan did not give in to these demands shows that he looked at the long-term consequences, instead of the short term consequences. In the short run, the strike would cost a lot of money, but it would have cost the government even more if it had given in to the demands, since year salaries come back every year. In that sense, we can say that Reagan’s handling of the strike, by not giving in to long term costs, was in line with his idea of supply side economics.

On the other hand, Reagan did offer PATCO some salary increases. Of course, it was nowhere near the 10,000 dollar that Poli had asked for, but that was Poli’s opening offer, surely leaving some room open for negotiation. When Lewis joined the negotiation, he offered PATCO a five percent raise, as well as a ten percent nighttime raise.\textsuperscript{56} Reagan was thus not totally unwilling to spend more money on the air traffic controllers. Other unions at that time could not count on such salary increases and Reagan did not have to offer PATCO the salary increase. In fact, many in his administration were against the offer, since it could lead to more strikes or stronger negotiations with other unions. According to an administration official “some worried that the proposal would conflict with the administration’s efforts to slow government spending and reduce inflation and create a precedent that would encourage other federal unions to adopt militant PATCO tactics.”\textsuperscript{57} Furthermore, never before had the government made such a huge

\textsuperscript{55} Ibid., 192.
\textsuperscript{56} McCartin, \textit{Collision Course}, 260-261.
\textsuperscript{57} Ibid., 262.
offer with a federal employees’ union. The offer was not necessary in the sense that once the air traffic controllers were fired, the FAA quickly received 120,000 new applications. These were all from people willing to work for the existing salary. It is thus hard to say why Reagan initially approved such an offer. It could be that he genuinely wanted to avoid a strike, scared off by the huge short term costs this would bring. It is also possible that he wanted to pay off his campaign promise to PATCO. Nevertheless, this offer shows some willingness to spend extra money on the air traffic controllers. Something that is not in line with Reagan’s policy of cutbacks.

Another aspect of Reagan conservatism is the wish for a small government. Reagan could have used the strike to privatize the air traffic controllers section. Niskanen argues that the Reagan administration “passed up the opportunity to ‘privatize’ parts of the air traffic control system – either by turning over airport control centers to local airport authorities or by contracting for air traffic control services.” Reagan thus passed up an opportunity to make the government smaller. At the same time, it also makes sense that Reagan did not do this. The air traffic controllers’ strike did not negatively influence his approval ratings, but if he would have changed the entire system afterwards, people might have accused Reagan of provoking a strike in order to advance his own agenda. It is thus understandable that Reagan did not change the system.

Yet another aspect of Reagan conservatism is being though on the Soviet Union. According to some commentators, the way in which Reagan broke the strike impressed the Soviet Union, and therewith helped Reagan in his foreign policy. As shown earlier, McCartin believes that Reagan’s ‘forceful handling’ impressed Soviet leaders and helped Reagan in the negotiations with the Soviet Union. Garland Tucker also agrees with this reasoning as he says that ‘‘the PATCO episode sent a powerful message that this administration meant what it said and would not back away from its principled positions – a message delivered to political allies and opponents not only at home but abroad as well.’’ Peggy Noonan, who was a speechwriter for Ronald Reagan, remembers George Shultz, Reagan’s secretary of state, saying that the

58 Ibid.
59 Niskanen, 193.
60 Ibid., 195-196.
61 McCartin, “The Strike That Busted Unions.”
62 Garland, 196.
The PATCO strike was the single most important foreign policy decision Reagan had ever made.63 And Soviet expert Richard Pipes said that the image of the leader of the air traffic controllers’ union being taken to jail, was the kind of image a totalitarian regime understood.64 Although none of these sources give any proof for their statements, these statements at least show that there was a general consensus that the way in which Reagan handled the PATCO strike sent a strong signal to the Soviet Union. Whether this thought had crossed Reagan’s mind before making the decision is unknown. Therefore, it is also hard to say whether Reagan deliberately used the strike to send a signal towards the Soviet Union.

Social conservatives also play a role in Reagan conservatism. According to the Dictionary of American Government and Politics social conservatives are traditional family values that should be actively promoted by the government. These values can differ among different people, but traditionally people adhering to these conservatives are pro-life, believe in restrictions in gay marriage, and see the traditional family as the core of society.65 Jeff Spross argues that unions are ‘a textbook example’ of a network which brings employees together ‘in a shared communal purpose.’66 Unions are part of the civil society of families, churches, voluntary groups, and community groups. This civil society is a group that conservatives care a lot about.67 Reagan’s handling of the PATCO strike destroyed the union as it lost its negotiation privileges after the strike. Unions in general also became much less powerful after the firing of the air traffic controllers. Instead of helping the civil society, Reagan’s action ensured the downfall of a part of it. Furthermore, the Republican party became far more anti-union after the PATCO strike than it had been before the strike.68 Right now ‘it’s hard to think of any group that Republicans oppose more starkly than organized labor.’69 Reagan’s handling of the strike is thus not in line with social conservatives.

67 Ibid.
All in all, the way in which Reagan responded to the strike is not a clear example of conservatism. In some instances, it is hard to make a clear conclusion of whether his handling was conservative or not. In none of the examined areas, is this case a clear example of Reagan conservatism.

Reagan as a pragmatist

At a first glance, Reagan’s conduct surrounding the air traffic controllers strike does not seem to be pragmatic. In fact, H.W. Brands does not use this case as an example of Reagan’s pragmatism. This is despite the fact that he dedicates a chapter of Reagan’s biography to the strike. It is true that Reagan’s 48-hour ultimatum speech does not signal a willingness to compromise. However, if we delve deeper into the negotiations it becomes apparent that the Reagan administration was indeed willing to make some serious concessions.

On February 9, 1981, PATCO started the negotiations for a new collective bargaining agreement, as the former agreement would soon expire. The White House knew it would be a tough bargaining process, as the Carter administration had had many negative consequences for air traffic controllers. For instance, controllers had lost their early retirement program. The Carter administration had even made a contingency plan in the event of a strike. Despite signs that the negotiation could go wrong, the White House did not involve itself in the negotiations initially. This changed when Poli announced his plan to strike at the PATCO’s national convention on May 22, 1981. This plan was approved by a huge majority, and therewith gave Poli a very strong weapon. Consequently, some White House top officials started to get involved. Craig Fuller, Secretary of the Cabinet, started asking for daily updates and most importantly, Drew Lewis, Secretary of Transportation, joined the negotiations table. Even though Reagan did not publicly support Lewis, privately both Reagan and his staff supported Lewis during these negotiations.

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70 Taylor, 5.
72 Ibid., 260-262.
With Drew Lewis’s active involvement in the negotiations, more and more concessions were made on the side of the government. After negotiating with some of Reagan’s top advisors, Lewis got the President’s approval for some serious concessions. Amongst others, Lewis offered PATCO a five percent salary raise, a ten percent nighttime raise, and a paid lunch break.\textsuperscript{74} This kind of raise in government jobs was unprecedented and especially generous given the fact that the economy at this time was not at its best. The administrations offer was also completely against its own policies of reducing government spending and inflation. From 1973 onwards, the United States had been plagued by stagflation, a combination of high inflation, low economic growth, and high unemployment. Many people therefore feared the end of American economic supremacy. Reagan had been elected by promising to turn the economy around. He proposed to do this by cutting taxes, shrinking government spending (with the exception of military spending), encouraging private investment, and keeping the military strong.\textsuperscript{75} Even in these circumstances, Reagan showed his willingness to negotiate and compromise. This could be seen as a form of disinterested pragmatism. Reagan did not change his policy of reduced government spending. However, the threat of a strike, with the huge costs that it comes with, forced Reagan to give the negotiators some leeway.

Despite the new concessions on the side of the government, Poli did not find the new terms agreeable. PATCO wanted much more and believed they could get it. Poli was strengthened in his beliefs by a campaign promise made by Reagan in 1980. In exchange for a PATCO endorsement Reagan, then a candidate for the presidency, wrote a letter in which he recognized some of the air traffic controllers’ grievances:

\begin{quote}
You can rest assured that if I am elected President, I will take whatever steps are necessary to provide our air traffic controllers with the most modern equipment available and to adjust staff levels and work days so that they are commensurate with achieving a maximum degree of public safety. […] I pledge to you that my administration will work very closely with you to bring about a spirit of cooperation between the President and the air traffic controllers.\textsuperscript{76}
\end{quote}

\textsuperscript{74} McCartin, \textit{Collision Course}, 260-262.
\textsuperscript{75} Wilentz, 6.
\textsuperscript{76} Reagan Library, ‘‘Letter Reagan to Poli 10/20/80,’’ 1980. 018538CA.
Poli, most likely, saw this as a sign of goodwill. He believed that Reagan would help him and therefore PATCO endorsed Reagan’s bid for presidency. Reagan, however, did not make very clear and precise promises. Before the PATCO endorsement, Poli had asked for some very specific promises. He did not get these promises and had to push hard to get anything in writing at all. When he finally did receive a letter, he most likely interpreted it to mean more that it did to Reagan. McCartin argues that both men saw what they wanted to see in the cooperation:

Because each side saw the other as an instrumentality that could help it attain something it desperately desired - for the Reagan campaign it was a symbolically important labor ally and for PATCO it was a president who could help it make a breakthrough at the bargaining table - each side had an interest in believing what it wanted to believe about the nature of their bargain.\(^{77}\)

PATCO was among the few labor organizations that supported Reagan. Most labor leaders were not happy with Reagan’s candidacy. Reagan was opposed to the minimum wage, and wished to reduce the scope of health and safety laws.\(^{78}\) It was thus rather peculiar that Poli did believe that the Reagan administration would be beneficial to the air traffic controllers union. The fact that Reagan offered the union as much as it did was already more than what most could expect. If the offer was made because of the endorsement, then it could be seen as a pragmatic offer. Unfortunately, there is no way of knowing why Reagan offered the salary increase. It is possible that he simply wanted to avoid a strike, or that he thought the increase was fair given the stressfulness of the job. According to Linda Gosden, an aide to Drew Lewis, PATCO did not take the offer “because they were a cliquish, macho group of three at the head of PATCO.”\(^{79}\) Also, “Poli and his colleagues were not good in negotiation.”\(^{80}\)

PATCO thus overplayed its hands and was not able to control its members anymore. When Poli finally went to his members to get a deal approved, they rejected it, because they were promised more. That made the strike almost unavoidable. Reagan, represented by Lewis, could not offer more, and there was no reason to offer more given the fact that the strike was illegal and fostered little public support. PATCO, by demanding too much, gave Reagan no other

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\(^{77}\) McCartin, *Collision Course*, 248-49.

\(^{78}\) Ibid., 251.

\(^{79}\) Morgan, 180.

\(^{80}\) Ibid., 182.
choice than to take a tough stance. As Morgan states: "the President had been elected – as he saw it – on an anti-government, anti-taxation, anti-inflation platform and was ready to make an example of PATCO if he had to."™81 Before it came to this, the Reagan administration had tried very hard to prevent a strike. It was willing to offer PATCO considerable advantages, at a time when other labor movements were not given anything at all. It can thus be said that Reagan was pragmatic at first, but was later pushed to go back to his initial principles, because PATCO challenged the government to get more than what could be considered reasonable at the time. When the government got the upper hand in the negotiations on June 22, right after PATCO members had rejected the idea of a strike, Lewis and Reagan kept their offer on the table, showing considerable goodwill on their part. Some government officials wanted to take off some of the items that they had offered earlier, knowing that PATCO had lost its most efficient weapon. But even at this time, Lewis specifically ordered them not to do this. The Reagan administration was thus very considerate and willing to work with PATCO to come to an agreement. Only once PATCO members finally did agree to a strike, was Reagan relentless in his response.

Reagan as a neoliberal

A third school of thought remembers Ronald Reagan as a neoliberal. Neoliberalism can be divided up into five important aspects. These are: entrepreneurial freedom, free markets, a small role of the state, the rule of law, and inequality. These are highlighted as important by Harvey in his book *A Brief History of Neoliberalism*.™82 Previously, it has been argued that Reagan passed up an opportunity to make the government smaller. He could have used the strike to privatize (parts of) the air traffic controllers. Instead, he chose not to do this. Since this aspect has already been discussed, it will be skipped in the following section. The remaining four will be discussed in light of the 1981 strike.

In neoliberalism there is an emphasis on entrepreneurial freedoms. This means that the emphasis is on the employer, not the employee. Entrepreneurial freedoms are enlarged when there are no unions, since unions constrict the freedom of the employer. According to Harvey,

81 Ibid.
82 Harvey, *A Brief History of Neoliberalism*, 2, 64.
Reagan’s response to the PATCO strike was ‘‘an all-out assault on the powers of organized labour. But PATCO was more than an ordinary union: it was a white-collar union which had the character of a skilled professional association. It was, therefore, an icon of middle-class rather than working-class unionism.’’83 With the ‘attack’ on PATCO, not just PATCO but also other unions were hurt. Furthermore, not just working-class unions were hurt, but middle-class unions were also wounded. The Federal minimum wage, for instance, dropped with 30 percent between 1980 and 1990. This while the minimum wage in 1980 was on par with the poverty level.84 This is obviously beneficial for employers. Furthermore, as Dean Baker argues:

Reagan’s decision to fire the air traffic controllers changed the basic norms surrounding labor-management relations. Within a year, there were several major strikes in the private sector in which employers opted to hire replacement workers rather than reach an agreement with striking workers. As the hiring of replacement workers became a standard practice, unions came to realize that going on strike could end up costing workers their jobs. This made the labor strike a far less effective weapon for unions in a wide range of industries.85

This means that unions lost significant negotiation power, and therewith it is easier for entrepreneurs to impose their wishes unto the employees. Even more examples of the resulted loss of power for unions, like for instance a loss in memberships, were given earlier.

In a free market it is important that supply and demand are in balance. The market is always looking for its equilibrium. On the labor market, there are also supply and demand curves. Supply is then the amount of people willing to work for an X amount of money, whereas demand is the amount of people an employer is willing to hire for that amount of money. The air traffic controllers that Reagan fired wanted an increase in salary. The strike shows that they were not willing to work for their previous salary anymore. Others, however, were willing to work for that salary. After the 11,000 controllers were fired, the FAA wanted to hire new controllers. They soon received more than 120,000 applications. According to Niskanen ‘‘the existing salary was apparently adequate to attract more than a sufficient supply of qualified applicants.’’86

83 Ibid., 25.
84 Ibid., 25.
86 Niskanen, 193.
market economists would even say that the existing salary is too high, since it attracts more people than necessary. The salary of the controllers was thus definitely not too low, according to the principle of free markets. The air traffic controllers market however, is not part of the free market. The government has a monopoly on the entire system. In that sense, the free market does not apply to the controller’s case. If Reagan had opened up the market to others, it would have also made the government smaller. The same argument made earlier about the possibility of shrinking the size of government thus applies here.

The third aspect of neoliberalism that will be discussed here is the rule of law. This means that the law should decide whether something is legal, or illegal, not an individual or a government official. In this case it is clear that government employees are not allowed to strike according to the law. Furthermore, the controllers swore an affidavit saying: “I am not participating in any strike against the Government of the United States or any agency thereof, and I will not so participate while an employee of the Government of the United States or any agency thereof.”87 The strike was thus clearly illegal. Reagan has been accused of having different motives for firing the workers. One of these motives could be the breaking of unions in general. According to Niskanen, however, “Reagan discharged the striking controllers solely because their action was an illegal strike.”88 There are also many sources that conform this view. First of all, Reagan, in his autobiography An American Life, writes that “by instinct and experience, I supported unions and the rights of workers to organize and bargain collectively.”89 Reagan was even president of the Screen Actors Guild when he was younger and had led the first strike of this union. This supports the view that he is not against unions per se. He continues to say that “no president could tolerate an illegal strike.”90 In the diary he kept while in office he states on June 21 that he “would not countenance an illegal strike nor would [he] permit negotiations while such a strike was in process.”91 In the speech he gave on August 3rd, he quotes an air traffic controller who had said: “How can I ask my kids to obey the law if I don’t?”92 The emphasis in all these communications is on the illegality of the strike. Of course,

87 McCartin, Collision Course, 225
88 Niskanen, 194.
90 Ibid., 282.
one must keep in mind that these are official communications. Even his diary must have been written, knowing that one day it would be publicized. This does not mean though, that the emphasis on illegality is artificial. On December 9th, 1981, he writes that he made the decision to allow fired air traffic controllers to obtain a different government job. Normally, fired government employees have to wait three years before applying for a new government job. Reagan is thus accommodating the workers, something he probably would not have done if he had wanted to send a strong message to other unions as well.

Finally, inequality is also an important aspect of neoliberalism. Jacobs and Meyer prove that there is a link between the reduction of union strength under the Reagan administration and the increase in income equality in the United States after 1981. Later neoliberal administrations also helped this acceleration of income inequality. On top of that, Harvey shows that in the United States there is a dominant culture in which people believe that each individual is responsible for his or her own successes and failures. Rather than blaming a system that favors the more fortunate, people believe that everybody can make his or her own success. This can also be seen in media reports of the strike and Reagan’s approval ratings. PATCO could count on very little public support. On August 5th, the day on which the firings began, CBS news reported: “they talk about pressure, they talk about all the rigors of the job, and people say, I got a rough job, I got pressure; why are they better than me?” Many people were willing to take one year or more of reduced air traffic, because they thought the union’s demands were too high. In general, strikes in the United States make people feel frustrated and angry. Consequently, when the controllers were fired, very few tears were shed over it. The public thought that the controllers should have simply continued to work hard for their money. Similarly, Reagan’s approval ratings after the firings were still high, with 48 percent of respondents naming the firing as the number-one aspect of why they liked Reagan. Inequality was thus much bigger after the firings, but people did not seem to notice or mind.

93 Reagan, Reagan Diaries, 54.
94 Jacobs, 767.
95 Harvey, A Brief History of Neoliberalism, 65-66.
96 Morgan, 180.
97 Ibid., 180-181.
All in all, three out of five aspects of neoliberalism apply here. The strike gave entrepreneurs more freedom, the rule of law was held up, and inequality rose up after the strike. There is however no free market and the size of government has not been reduced either.

Conclusion

In this study the question has been asked: what does Reagan’s handling of the air traffic controllers strike say about him as president. To answer this question, three different schools of thought have been evaluated in light of this case. These schools have different interpretations about who Reagan is. One sees Reagan as a conservative, the second one sees Reagan as a pragmatist, and the last one sees Reagan as a neoliberal president. In order to evaluate the case, a framework has been made for each school on the basis of one important scholar within that school.

First, the conservative school was discussed. Sean Wilentz, a scholar in this school, provided several aspects that are important to this school. Supply side economics and tax cuts are, for instance, seen as important conservative values of the Reagan presidency. Tax cuts go hand in hand with budget cuts in supply side economics. Even though Reagan ultimately did not spend less than his predecessor, he did cut back domestic government spending drastically, in order to pay for his military build-up. Reagan’s willingness to (initially) increase the controllers’ salary, is not in line with domestic cut backs. Furthermore, Reagan passed up the opportunity to reduce the size of government, a second goal for conservatives. Social conservative values have also not been achieved, since unions are traditionally part of the conservative civil society. Reagan did impress the Soviet Union by showing his willingness to act on his word. Whether this was deliberate or not, and in how far it really did impress the Soviet Union, is not known. All in all, it can be said that this case does not show the conservative side of Reagan.

Secondly, Reagan is sometimes seen as a pragmatist, for instance by H.W. Brands. The air traffic controllers’ negotiations fits well within this school of thought. Despite the strong ultimatum that Reagan gave the controllers, Reagan did show his willingness to make some serious concessions. Even in times of cutbacks, Reagan was willing to offer PATCO some serious salary increases. These increases were unprecedented, and in a time where other unions
had to deal with reductions. A higher offer was thus simply not realistic. PATCO, on the other hand, was not willing to compromise, and overplayed its hand. This eventually forced Reagan to be though on PATCO, but nevertheless this case does show that Reagan is willing to compromise and be pragmatic if he has to.

Finally, a third school of thought was discussed. This school, embodied by amongst others, David Harvey, believes that Reagan is a neoliberal president. For this school too, several aspects highlighted by Harvey were taken to provide for a framework. The first of these is entrepreneurial freedom. Due to Reagan’s handling of the strike, unions lost significant power, which in turn enlarged entrepreneurial freedom. Secondly, the rule of law was held up, since the strike was clearly illegal. Had Reagan tolerated the strike, the rule of law would have been ignored. Thirdly, inequality rose after the strike. This is also due to the fact that unions in general lost much power after the 1981 strike. The final two aspects, the free market and a reduction of the size of government do not apply to this case. The government had a monopoly on air traffic control and Reagan did not change this after the strike. Some aspects of this school thus apply to the case, whereas others do not.

Out of the three schools of thought here discussed, the school that views Reagan as a pragmatist applies best here. However, some aspects of the school that views Reagan as a neoliberal also apply. The conservative school and the neoliberal school show some overlap. For instance, both highlight the goal of reducing the size of government. Since there is no clear framework for these schools, it is hard to make a final analysis. Other authors might highlight other aspects of the school, which could result in different conclusions. By using a relatively small, yet important case, this study shows the limitations of using these kinds of schools in analyzing a presidency. Even with this small case it is hard to give a definite answer of which school applies best. Let alone if one of these school should attempt to explain the entire presidency. Therefore, one should always be wary of trying to put a label on a presidency.
Bibliography


27


5 U.S. Code § 7311. “Loyalty and striking.”