

Chapter 32 Outline - Conservatism Revived, 1980–1992

- I. Introduction

Economic problems, an increasing distrust of government, and fear of groups advocating social change made possible a conservative resurgence with the election of Ronald Reagan in 1980 and a twelve-year period of Republican rule. Unfortunately, the Reagan years also polarized America and, by the end of the Bush administration, left a federal deficit five times larger than when Reagan took office. Although the Cold War at first intensified, it then ended, leaving the United States as the world's only superpower.

- II. Reagan and the Conservative Resurgence

- A. Ronald Reagan

Reagan was well known for his right-wing rhetoric.

- B. The New Conservative Coalition

In the election of 1980, Reagan forged traditional political conservatives, economic conservatives, neoconservatives, supporters of the tax-revolt movement, and the religiously-based New Right into a new conservative coalition.

- C. Reagan's Conservative Agenda

Although Reagan did not focus on the details of governing and preferred to see things in simple terms, he had a clear vision about America's future. He wanted to roll back the liberalism of the past fifty years.

- D. Attacks on Social Welfare Programs

Reagan used stereotypes and played to the resentment of many Americans in seeking and eventually succeeding in cutting funding for social welfare programs by \$25 billion. He found that it was

impossible to make massive cuts in Social Security and Medicare.

- E. Pro-Business Policies and the Environment

Reagan appointed opponents of federal regulations to agencies charged with enforcing them. His appointment of James Watt, an antienvironmentalist, as Secretary of the Interior reenergized the nation's environmental movement.

- F. Attacks on Organized Labor

Due to an anti-union Secretary of Labor and pro-business appointments to the National Labor Relations Board, union negotiators had to settle for less than they were accustomed to receiving.

- G. The New Right

Reagan supported the New Right agenda by opposing abortion and supporting prayer in schools. His judicial appointments also pleased the religious New Right. As a result of his appointments to the Supreme Court, that body became more conservative.

- III. Reaganomics

- A. Supply-Side Economics

Reagan contended that government intrusion into the free-market system was the reason for the nation's economic problems.

His economic policy was based largely on "supply-side economics."

Congress passed a three-year, \$750 billion tax cut. Cuts in domestic spending were cancelled by increases in defense spending. The federal deficit exploded.

- B. Harsh Medicine for Inflation

Higher interest rates and OPEC's decision to increase oil production helped stop the inflationary spiral and end stagflation. Although unemployment initially increased, the GNP grew in 1984 by 7 percent, and by mid-1984 unemployment fell to a four-year low of 7 percent.

- C. "Morning in America"

An improved economy and his reputation as a strong leader helped Reagan as he faced re-election. Reagan won by a landslide, taking every state except Mondale's home state of Minnesota.

- D. Deregulation

Deregulation, begun under President Carter, expanded under Reagan and created new opportunities for American business and industry.

Regulation of the banking and finance industries was loosened, and the enforcement ability of the Securities and Exchange Commission was cut. Deregulation of the S&L industry created the conditions that led to that industry's collapse.

- E. Junk Bonds and Merger Mania

Michael Milken pioneered the "junk bond" industry. Hundreds of major corporations fell prey to "merger mania."

Corporate downsizing caused a loss of jobs for white-collar workers and management personnel. The wave of mergers left many corporations more burdened with debt. Consolidation allowed a smaller number of companies to control sectors of the economy.

- F. The Rich Get Richer

Corruption is associated with the boom of the 1980s.

The number of wealthy Americans grew, but middle-class incomes tended to be stagnant.

Much of the inequality of wealth was due to the Reagan tax cuts which benefited the wealthy at the expense of middle- and lower-income Americans.

- IV. Reagan and the World

- A. Soviet-American Tension

The Reagan administration rejected both the détente of the Nixon years and the focus on extending human rights of the Carter years.

Rather than accepting the concept of a multinational international system, Reagan had a bipolar perspective.

Reagan described the Soviet Union as “the focus of evil in the modern world” and as “an evil empire.”

Reagan believed that an American military buildup would counter the Soviet threat and intimidate the Soviets. The Reagan administration was responsible for the largest peacetime arms buildup in American history.

- B. Reagan Doctrine

Reagan declared that the United States would openly support anticommunist movements wherever they were battling the Soviets or Soviet-backed governments.

The doctrine was applied in Afghanistan, Grenada, and El Salvador. In applying the doctrine in El Salvador, the administration supported a military-dominated government associated with right-wing death squads.

- C. Contra War in Nicaragua

Reagan, afraid that Nicaragua was becoming a Soviet client, worked to topple the Sandinista regime. The CIA began to train, arm, and direct more than 10,000 counterrevolutionaries (the contras) to

overthrow the Nicaraguan government.

In 1984, Congress voted to stop U.S. military aid to the contras. Unknown to Congress, the Reagan administration convinced other countries to funnel money to the contras.

- D. Iran-Contra Scandal

The Reagan administration secretly sold arms to Iran and sent the profits to anti-Sandinista forces, in violation of the law.

Reagan survived the scandal, but his presidency was weakened. Congress began to reassert its authority over foreign policy.

- E. U.S. Interests in the Middle East

The troubled Middle East was strategically and economically important to the United States.

The United States faced increased hostility between Israel and the Palestinians and the emergence of an anti-American and anti-Israeli Islamic fundamentalist movement.

Reagan sent troops to Lebanon, where a terrorist attack killed 241 American servicemen in Beirut in 1983. The marines were pulled out four months after this attack.

- F. Terrorism

Groups associated with the Palestinian cause or with Islamic fundamentalism increasingly used terrorist tactics against American citizens and property.

The Palestinian *intifada* began in 1987.

After Yasir Arafat renounced terrorism and accepted Israel's right to exist, the United States agreed to talk with the leader of the Palestinian Liberation Organization.

Reagan at first followed a policy of “constructive engagement” in dealing with South Africa’s racist policy of apartheid. Because of public pressure, Congress passed economic restrictions against South Africa in 1986.

- G. Enter Gorbachev

Gorbachev called for a friendlier relationship between the superpowers and called for a more cooperative world system.

At a meeting in Reykjavik, Iceland, in 1986, Reagan and Gorbachev came close to an agreement to reduce strategic weapons, but the Strategic Defense Initiative stood in the way.

- H. *Perestroika* and *Glasnost*

Gorbachev worked to modernize the Soviet economy (*perestroika*) and to liberalize the political system (*glasnost*), which eased tensions.

In 1987 Gorbachev and Reagan signed the Intermediate-Range Nuclear Forces Treaty which banned all land-based intermediate-range nuclear missiles in Europe.

- V. American Society in the 1980s

- A. Growth of the Religious Right

By the 1980s, few Americans believed in the vision of an America united by a set of shared values.

The Moral Majority began an effort to create a “Christian America” by supporting political candidates on the local and national levels. The New Right waged campaigns against secular culture throughout the 1980s.

- B. “Culture Wars”

People for the American Way was founded in 1982 to support civil liberties and freedoms, the separation of church and state, and the values of tolerance and diversity.

The struggle between the New Right and their opponents is called the “culture wars.”

The agenda of the New Right ran counter to the way in which many Americans, especially women, lived their lives.

- C. The New Inequality

People of color made up a disproportionate share of America’s poor.

Reasons for poverty were racism and the shift from an industrialized economy to a service oriented economy. Families headed by single mothers were far more likely to be poor than families maintained by a married couple, with racial differences being significant.

- D. Social Crises in American Cities

Violent crime, school dropout rates, crime rates, and child abuse grew significantly in inner-city neighborhoods.

Illegal drugs, particularly cocaine and “crack,” have been extremely harmful to the urban underclass.

Homelessness grew during the 1980s.

- E. The AIDS Epidemic

Acquired Immune Deficiency Syndrome divided communities and led to a change in Americans’ sexual behavior.

- F. New Immigrants from Asia

Between 1965 and 1990 the percentage of Americans of Asian

ancestry increased from 1 percent of the total population to 3 percent.

- G. The Growing Latino Population

Latinos were the fastest growing segment of the American population during the 1980s.

Many Americans believed that immigrants threatened their jobs and economic security, and nativist violence increased.

In 1986, Congress passed the Immigration Reform and Control Act in an attempt to stem the flow of illegal aliens into the United States.

- H. New Ways of Life

Technology and a new consumerism in the 1980s transformed America's way of life. Computers became essential in the workplace and more common in the home. Houses were built larger and were more expensive and might include cable television and a VCR. The rich as well as the middle and more modest classes all consumed more.

- VI. The End of the Cold War and Global Disorder

- A. George Herbert Walker Bush

George H. W. Bush waged one of the most negative presidential campaigns in American history against his Democratic opponent Michael Dukakis.

Although George H. W. Bush won the presidency, the Democrats retained control of both houses of Congress.

East Germany, Poland, Hungary, Czechoslovakia, and Romania repudiated communism in 1989. In November 1989, protestors tore down the Berlin Wall, and Germany reunited in October 1990.

- B. Pro-Democracy Movements

In 1989, Chinese officials killed untold numbers of students demanding political change.

In 1990, South Africa began the process that led to an end of the apartheid system and the election of Nelson Mandela as president in 1994.

- C. Collapse of Soviet Power

In 1991, the Soviet Union dissolved and Gorbachev lost power.

In the competition between the Soviet socialist economy and the free market economy of America and the West, the West clearly won.

Gorbachev's rise to power was the single most important event in the ending of the Cold War. Reagan's role was important because he was willing to enter into serious negotiations and treat Gorbachev as a partner rather than as an adversary.

- D. Costs of Victory

The Cold War exacted a heavy price in money and lives.

Although Bush proclaimed a "new world order," his administration struggled to describe the dimensions of the new international system.

Authorities had ignored Manuel Noriega's role in the drug trade because he supported American policies. In 1990, however, troops invaded Panama to arrest Noriega.

- E. Saddam Hussein's Gamble

Believing that the United States would look the other way, Saddam Hussein invaded Kuwait in mid-1990.

Bush put together a coalition that included most of the world's

important governments and most Arab and Islamic states. This coalition agreed to an economic boycott of Iraq.

In Operation Desert Shield, Bush dispatched over 500,000 U.S. forces to the Persian Gulf, where they were joined by some 200,000 allied forces.

Congress authorized President Bush to use “all necessary power” to oust Iraq from Kuwait.

- F. Operation Desert Storm

In January 1991, an air war began against Iraq as Americans watched on CNN. The ground war began in late February 1991, and the Iraqi forces were quickly defeated.

- G. Domestic Issues

The Americans with Disabilities Act of 1990 outlawed discrimination against physically or mentally challenged people. Bush also signed the Clean Air Act in 1990. A new civil rights act to protect against job discrimination was passed in 1991.

The United States suffered a recession under Bush, and the president’s response was ineffectual.

- H. Clarence Thomas Nomination

Charges of sexual harassment against Supreme Court appointee Clarence Thomas concerned many voters, especially women.