

America by 1980

- By 1980, Americans were ready for new leadership:
 - The disaster in Vietnam, hostage crisis in Iran, & new tensions with the USSR left many people feeling like the U.S. was losing its power in the world
 - Stagflation was growing worse & unemployment remained high
 - Johnson & Nixon made many people lose trust in gov't, while Ford & Carter provided poor leadership in the 1970s

The Conservative Movement

The 1980s saw the rise of a new conservative movement known as the “New Right”

Goals of the Conservative Movement

- Shrink the size of the federal government and reduce spending
- Promote family values and patriotic ideals
- Stimulate business by reducing government regulations and lowering taxes
- Strengthen the national defense

Conservatives wanted business growth, lower taxes, & free enterprise (freedom from gov't interference in the economy)

The New Right hoped to restore the superpower status of the United States

The Election of 1980

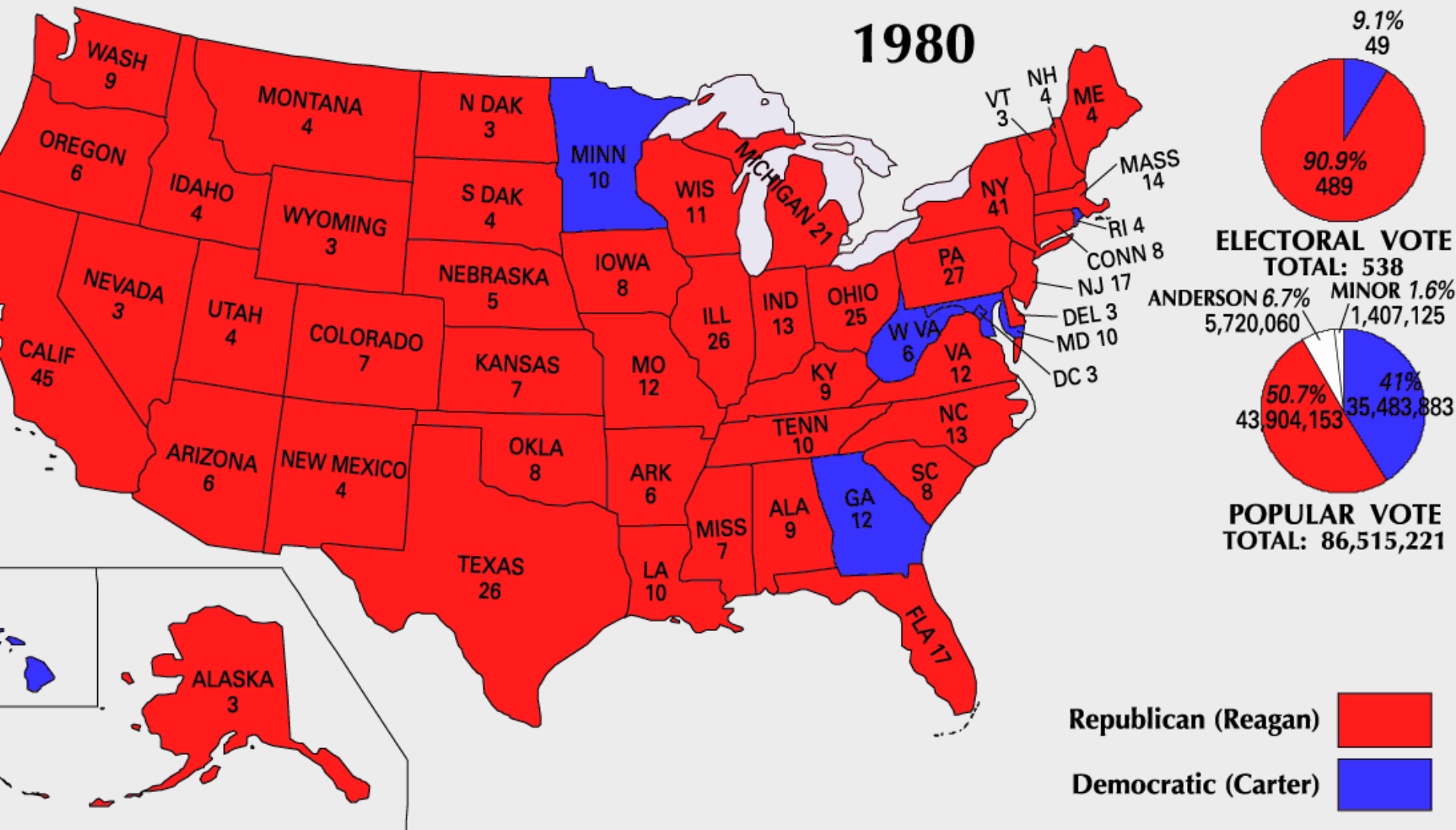
In 1980, conservative
Republican Ronald
Reagan ran for president

Reagan ran on a platform
of lower taxes, less gov't,
& family values

Reagan took advantage
of Carter's failures with
the economy & in foreign
policy by asking "*Are you
better off than you were
four years ago?*"

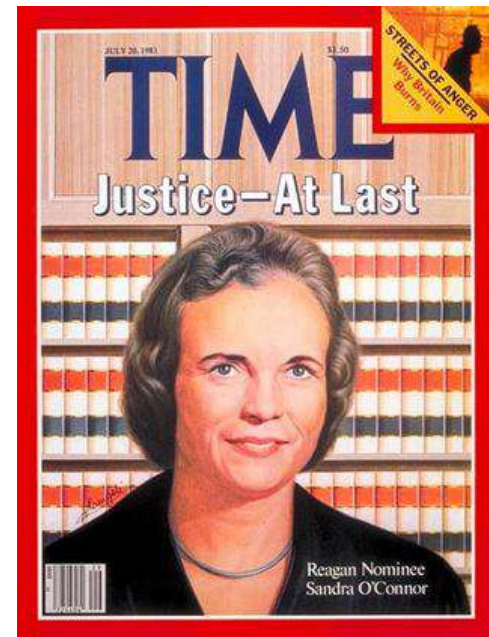


Reagan beat Carter in 1980



Less Government

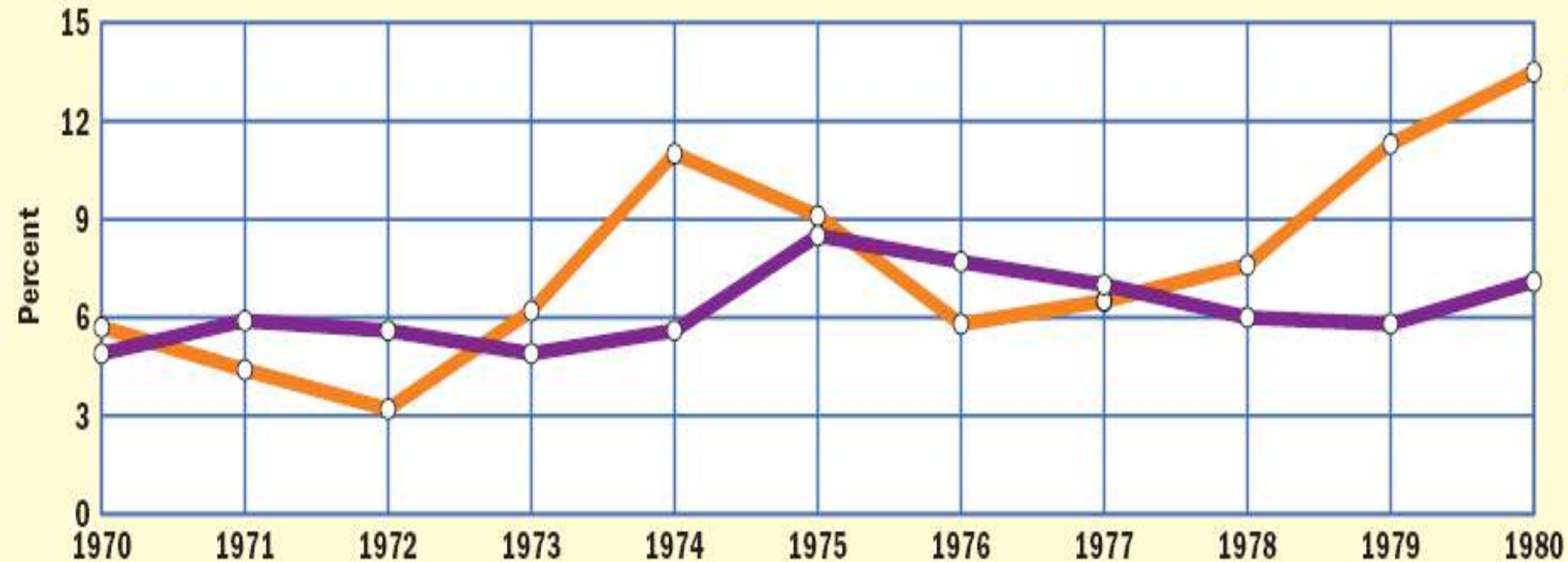
- Reagan believed that the national gov't had grown too large & needed to be downsized
 - His budget cuts included reducing Medicaid as well as welfare & job training programs
 - Reagan believed in deregulation & helped stimulate businesses by reducing the power of gov't agencies
 - He appointed four conservatives to the Supreme Court, like Sandra Day O'Connor, the 1st female justice



Reaganomics

When Reagan entered office, the biggest crisis facing America was stagflation in the economy

Unemployment and Inflation, 1970–1980



Source: Statistical Abstract of the United States, 1980, 1995

■ Unemployment Rate ■ Inflation Rate

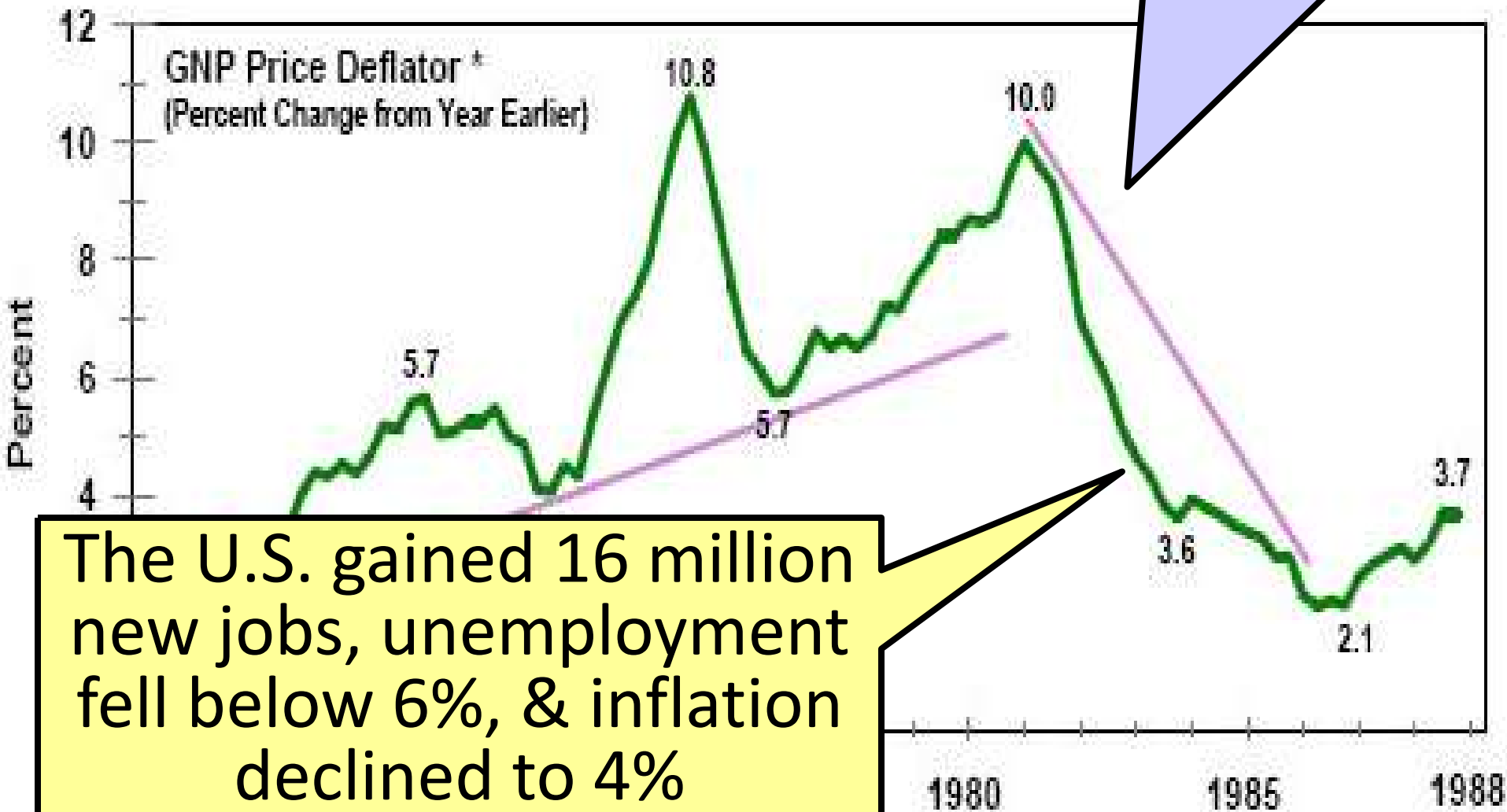
He believed that the economy was suffering in the 1970s because gov't taxes were too high and people did not have enough money to spend

In 1981, Reagan urged Congress to pass a 25% tax cut over 3 years to stimulate spending, increase production, and lower prices



Inflation, Unemployment

By 1983, “Reaganomics” worked, stagflation ended, & the economy boomed

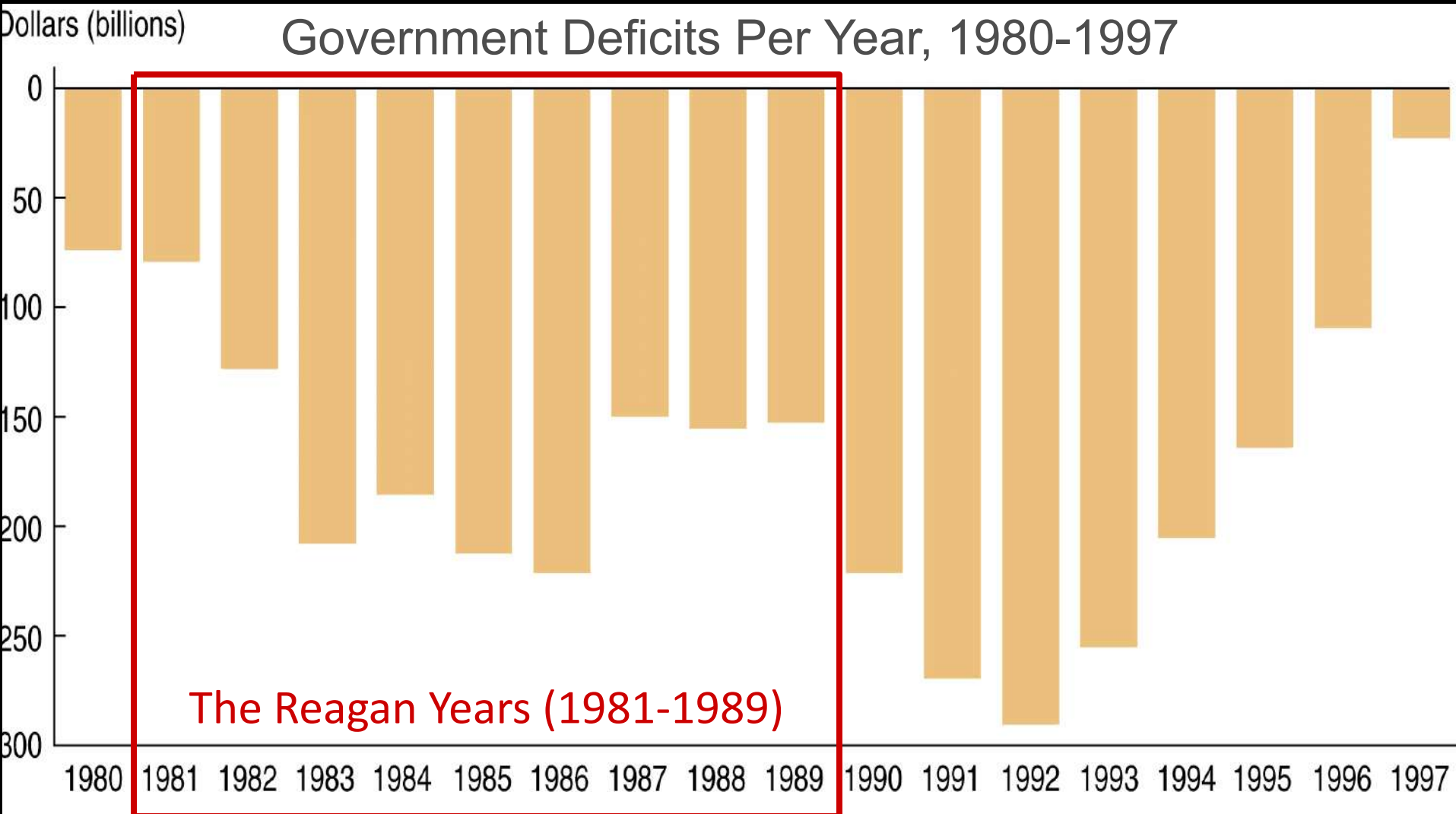


Defense Spending

In addition to downsizing the gov't & creating tax cuts, Reagan increased defense spending in order to restore America's place in the world



But, because military spending increased but tax revenue decreased, the gov't experienced massive deficits due to “Reaganomics”



Family Values & Social Concerns

Reagan's commitment to conservative values & cuts to social programs contributed to growing problems in the 1980s:

America saw
increases in **school
dropout rates,**
homelessness,
attacks on
affirmative action,
& urban &
minority poverty

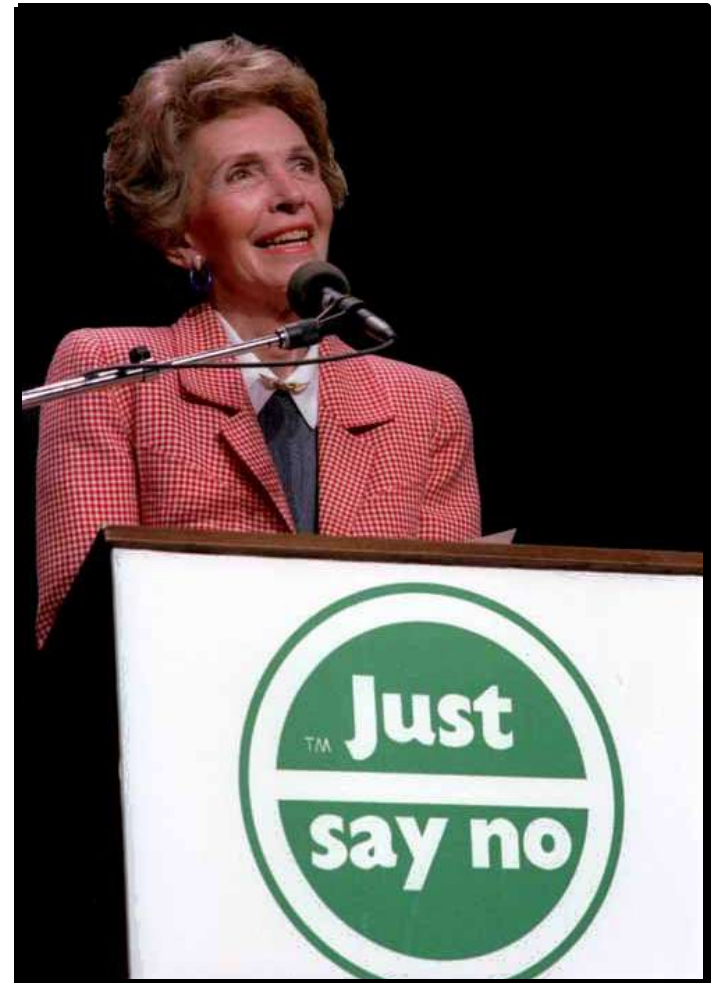


Family Values & Social Concerns

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Crack cocaine was 1st introduced in the 1980s

The “crack epidemic” led Reagan to begin a “War on Drugs” & the “Just Say No” campaign



The Election of 1984

Despite the social problems, Reagan was popular among voters by the election of 1984

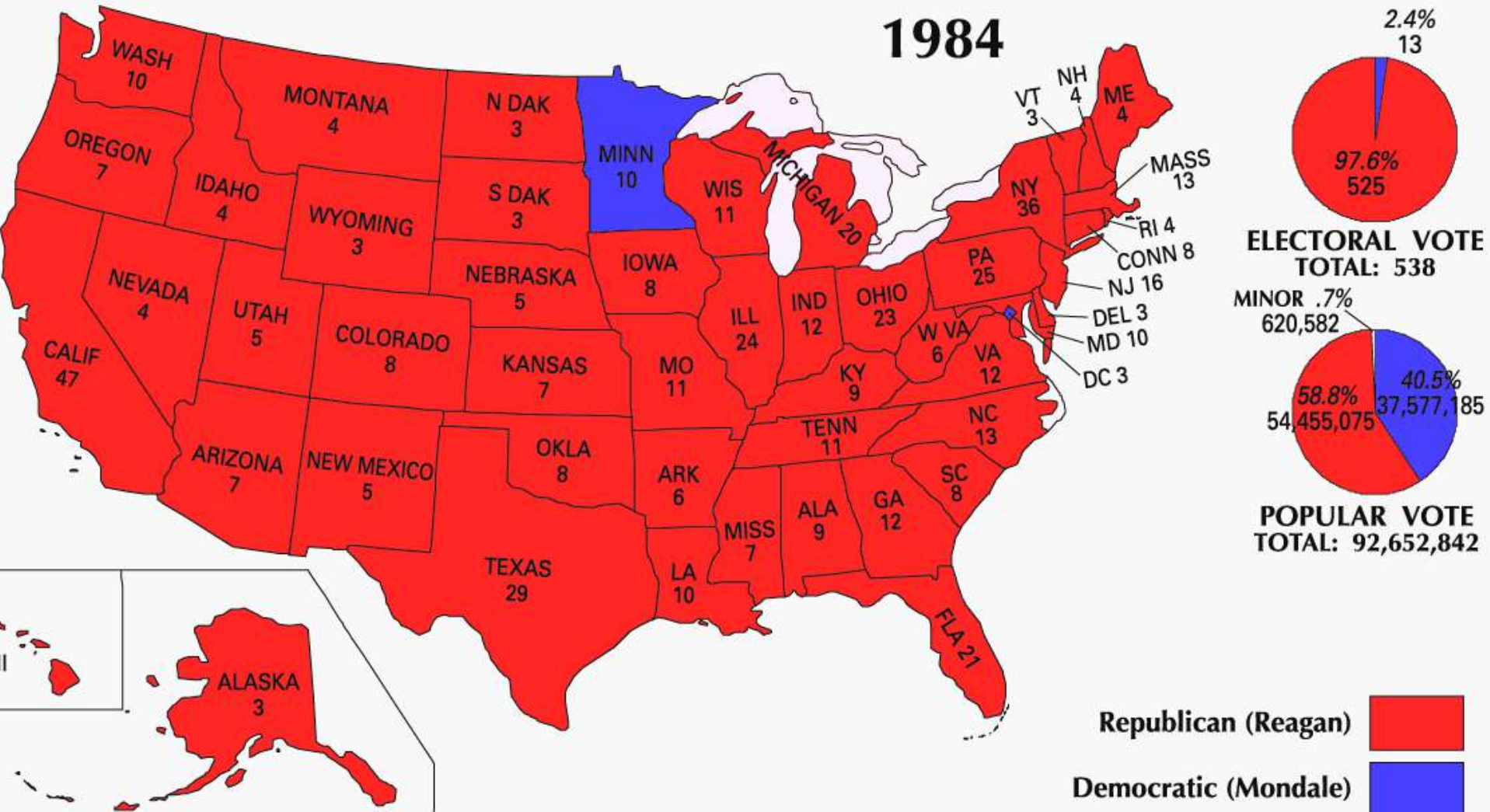


Ronald Reagan &
VP George Bush

Walter Mondale &
VP Geraldine Ferraro



Reagan's victory in 1984 was powered by a "conservative coalition" of voters, including many "Reagan Democrats" (voted for Reagan for president but Democrats for other offices)



Reagan & Foreign Policy

- Reagan wanted to restore U.S. foreign policy
 - Blamed Carter for allowing America's international prestige & influence to fall
 - Increased military spending
 - Confronted challenges in the Middle East & in Latin America
 - And win the Cold War with the Soviet Union



Reagan intervened in Lebanon when violence broke out between Israelis & Arabs in 1982

But, anti-American hostility led a terrorist group to seize 6 U.S. hostages in Iran in 1983



Reagan's response was to
"not negotiate with terrorists"

Meanwhile...

In 1979, a communist group called the Sandinistas came to power in Nicaragua

Congress denied Reagan's plea to help Nicaraguan counter-revolutionaries (Contras) take back power



...Reagan committed to fighting communism & maintaining order in Latin America

The Reagan administration developed a plan to solve both the problem in Iran & in Nicaragua

The gov't illegally sold Iran weapons in exchange for the release of the 6 hostages (arms for hostages deal)

The gov't then gave money from the profits of the arms sales to Iran to anti-communist Contras in Nicaragua

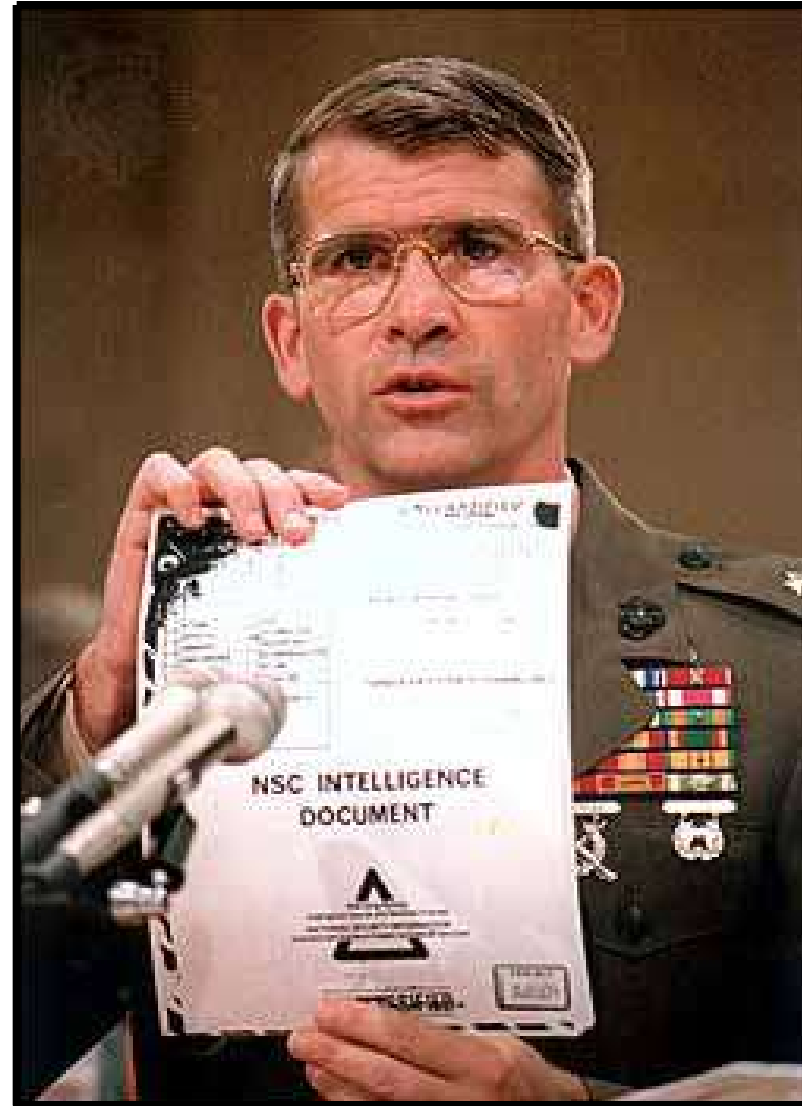


The Iran-Contra Affair

In 1987, these illegal activities were discovered & the Iran-Contra Affair rocked the Reagan administration

Reagan said he had no knowledge of the scandal & Oliver North admitted to running the operation behind the president's back

Reagan escaped from the scandal ("Teflon president")



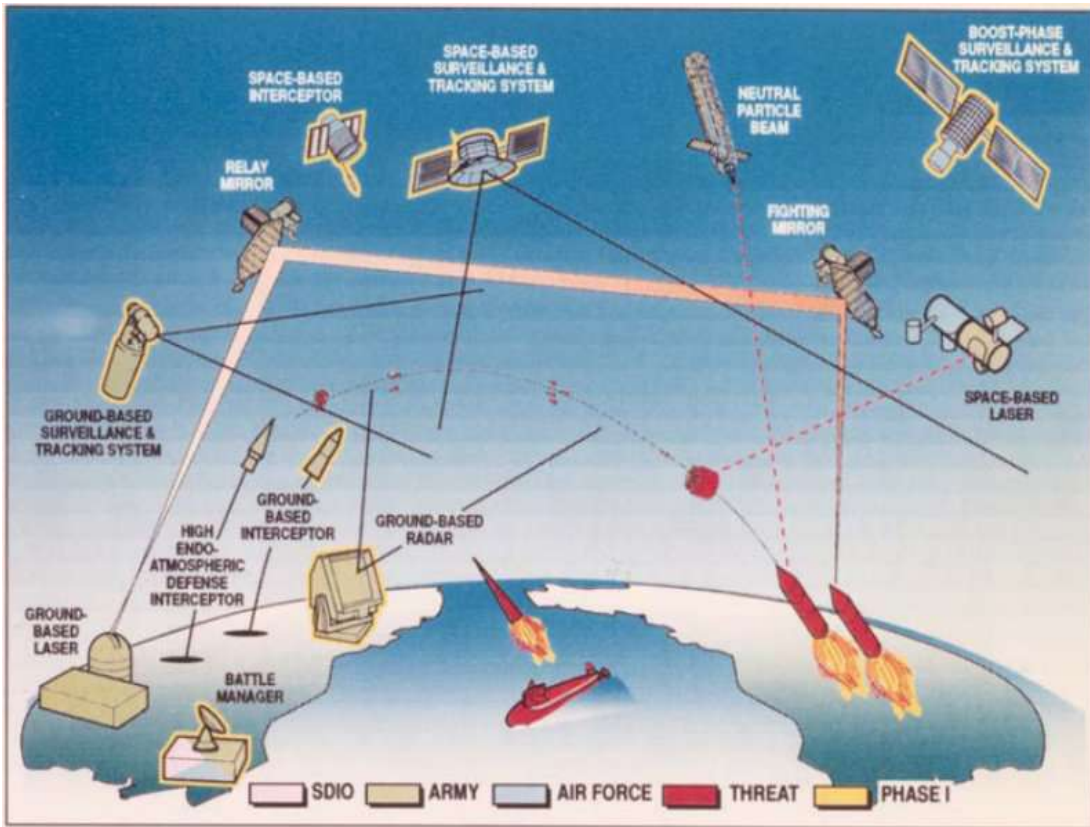
Reagan took a strong stand against communism and the Soviet Union



Reagan viewed the USSR as the "*focus of evil in the modern world*" and as a threat to U.S. security

He used "zero option" and sent 572 nuclear missiles within range of Moscow to match USSR ICBMs aimed at NATO nations

His most ambitious plan was a massive defensive system of satellites called the Strategic Defense Initiative ("star wars" program)



SDI would have cost the U.S. gov't trillions of dollars at a time when "Reaganomics" involved slashing budgets for social programs

As Reagan he was coming to power, communist nations (including the USSR) were beginning to face economic failure

In 1985 Mikhail Gorbachev took charge of the USSR and began creating moderate reforms to save Russia

Perestroika: Introducing moderate capitalism & allowing some business & property ownership

Glasnost: Freedom of speech & competitive elections

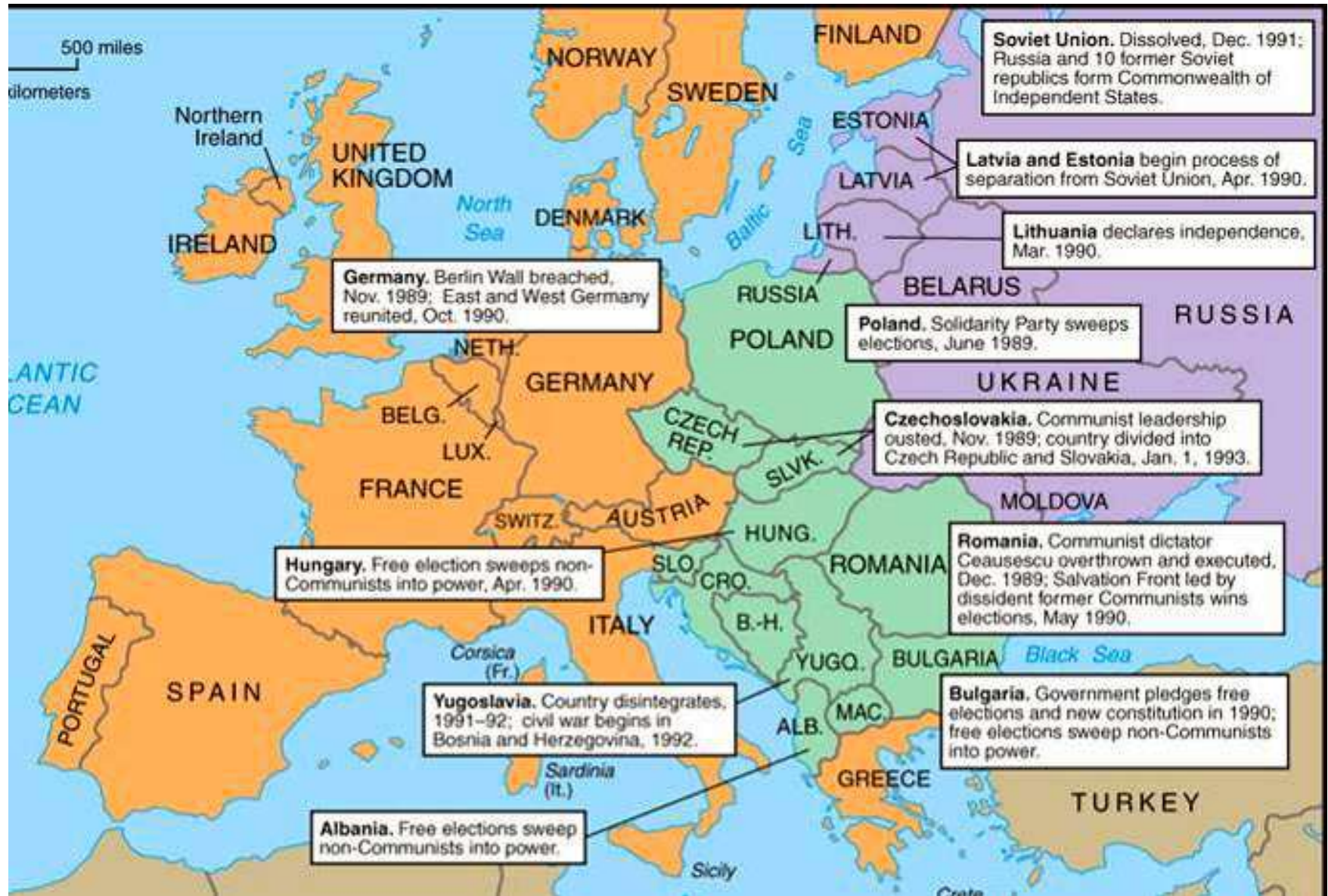


Reagan was able to work with Gorbachev to reduce Cold War tensions



In 1987, Reagan & Gorbachev signed the INF Treaty eliminating ICBMs in Europe

By the late 1980s, communism was failing across Eastern Europe



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In 1989, East Germans
denounced communism
and the Berlin Wall
came down

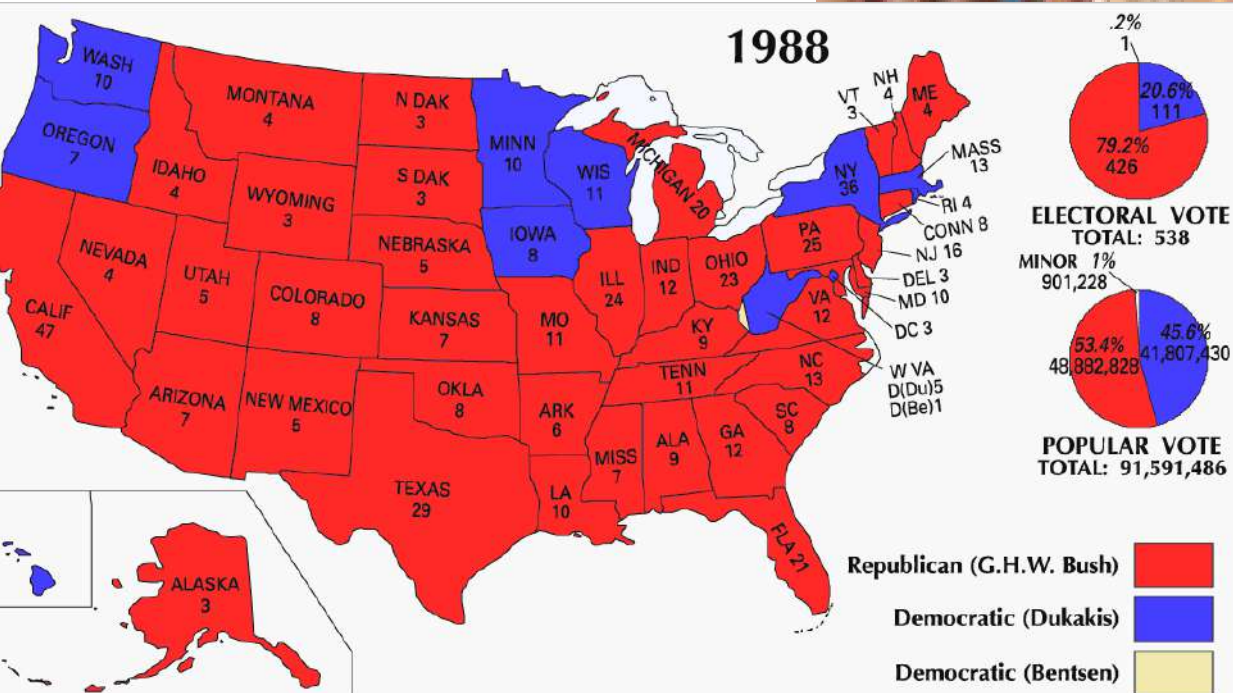


In 1989 & 1990,
Eastern European
nations embraced
democracy

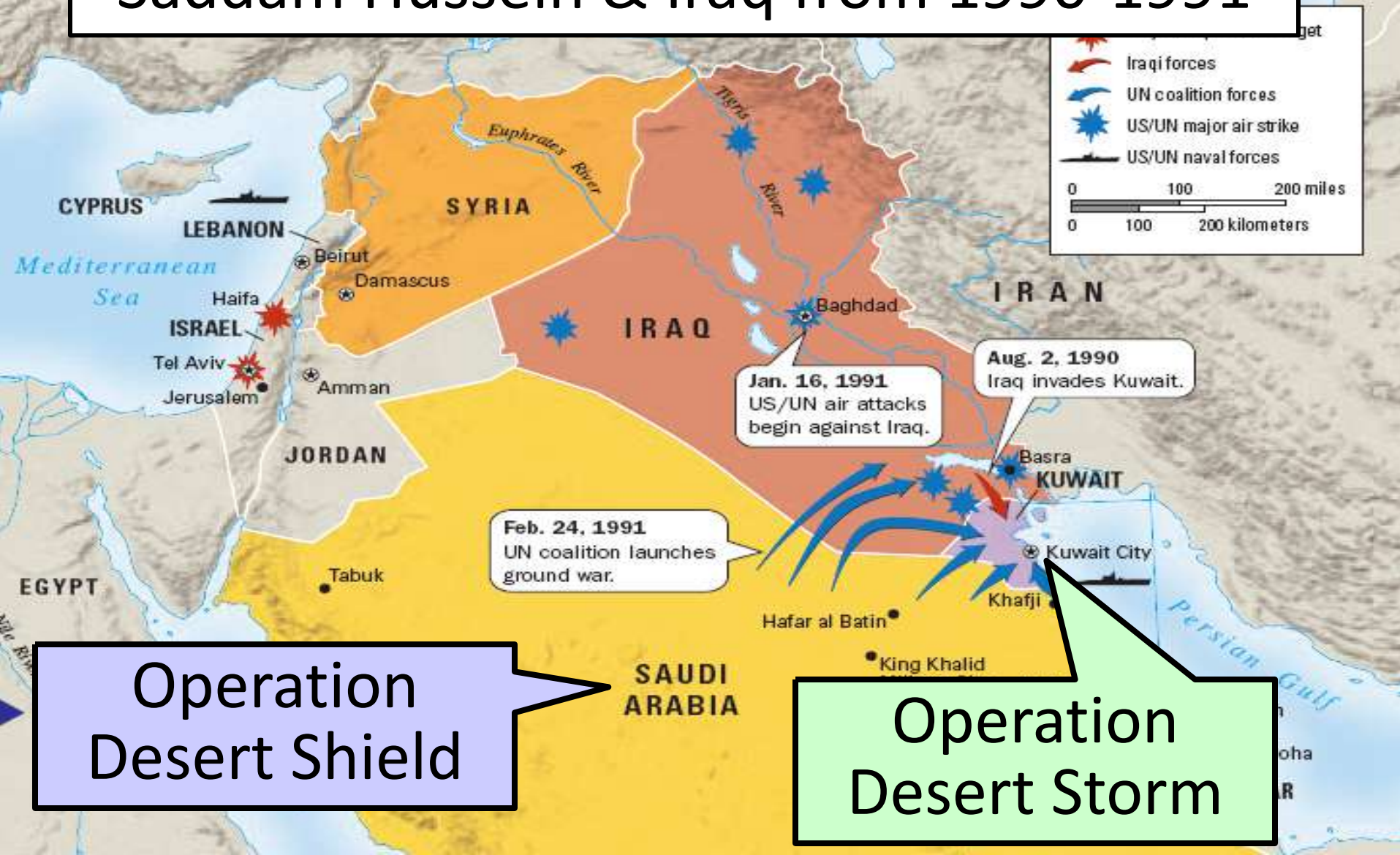
In 1990, states within the Soviet Union broke off and formed new democratic nations, in 1991, the USSR dissolved and the Cold War ended



VP George Bush won the presidential election of 1988 by promising to maintain Reagan's conservative policies



The defining event of the Bush years was the Persian Gulf War against Saddam Hussein & Iraq from 1990-1991



Conclusions

- Reagan's conservative policies & strong foreign policy changed America:
 - Reagan ended stagflation, restored the military, renewed family values, & won the Cold War
 - But, Reagan's policies reduced assistance programs, ignored social problems, & tripled the national debt

