

## Chapter 40

# The Resurgence of Conservatism

1980–1992

*It will be my intention to curb the size and influence of the federal establishment and to demand recognition of the distinction between the powers granted to the federal government and those reserved to the states or to the people.*

RONALD REAGAN, INAUGURAL, 1981

*“It’s morning in America”* was the slogan of Republican candidate Ronald Reagan in his 1984 presidential campaign. Certainly the 1980s were a new day for America’s conservative right. Census figures confirmed that the average American was older than in the stormy sixties and much more likely to live in the South or West, the traditional bastions of the “Old Right,” where many residents harbored suspicions of federal power. The conservative cause drew added strength from the emergence of a “New Right” movement, partly in response to the countercultural protests of the 1960s. Spearheading the New Right were evangelical Christian groups such as the Moral Majority, dedicated believers who enjoyed startling success as political fund-raisers and organizers.

Many New Right activists were far less agitated about economic questions than about cultural concerns—the so-called social issues. They denounced abortion, pornography, homosexuality, feminism, and affirmative action. They championed prayer in the schools and tougher penalties for criminals. Together the Old and New Right added up to a powerful political combination, devoted to changing the very character of American society.

### ★ The Election of Ronald Reagan, 1980

Ronald Reagan was well suited to lead the gathering conservative crusade. Reared in a generation whose

values were formed well before the upheavals of the 1960s, he naturally sided with the New Right on social issues. In economic and social matters alike, he denounced the activist government and failed “social engineering” of the 1960s. Just as his early political hero, Franklin Roosevelt, had championed the “forgotten man” against big business, Reagan championed the “common man” against big government. He condemned federal intervention in local affairs, favoritism for minorities, and the elitism of arrogant bureaucrats. He aimed especially to win over from the Democratic column working-class and lower-middle-class white voters by implying that the Democratic party had become the party of big government and the exclusive tool of its minority constituents.

Though Reagan was no intellectual, he drew on the ideas of a small but influential group of thinkers known as “neoconservatives.” Their ranks included Norman Podhoretz, editor of *Commentary* magazine, and Irving Kristol, editor of *The Public Interest*. Reacting against what they saw as the excesses of 1960s liberalism, the neoconservatives championed free-market capitalism liberated from government restraints, and they took tough, harshly anti-Soviet positions in foreign policy. They also questioned liberal welfare programs and affirmative-action policies and called for the reassertion of traditional values of individualism and the centrality of the family.

An actor-turned-politician, Reagan enjoyed enormous popularity with his crooked grin and aw-shucks manner. The son of a ne’er-do-well, impoverished Irish



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**President Ronald Reagan** Older than any man previously elected to the presidency, Reagan displayed youthful vigor both on the campaign trail and in office.

American father with a fondness for the bottle, he had grown up in a small Illinois town. Reagan got his start in life in the depressed 1930s as a sports announcer for an Iowa radio station. Good looks and a way with words landed him acting jobs in Hollywood, where he became a B-grade star in the 1940s. He displayed a flair for politics as president of the Screen Actors Guild in the McCarthy era of the early 1950s, when he helped purge communists and other suspected “reds” from the film industry. In 1954 he became a spokesman for General Electric and began to abandon his New Deal-ish political views and increasingly to preach a conservative, antigovernment line. Reagan’s growing skill at promoting the conservative cause inspired a group of wealthy California businessmen to help him launch his political career as governor of California from 1966 to 1974.

By 1980 the Republican party was ready to challenge the Democrats’ hold on the White House. Bedeviled abroad and becalmed at home, Jimmy Carter’s administration struck many Americans as bungling and befuddled. Carter’s inability to control double-digit inflation was especially damaging. Frustrated critics bellyached loudly about the Georgian’s alleged mismanagement of the nation’s affairs.

Disaffection with Carter’s apparent ineptitude ran deep even in his own Democratic party, where an “ABC” (Anybody but Carter) movement gathered steam. The liberal wing of the party found its champion in Senator Edward Kennedy of Massachusetts, the last survivor of the assassin-plagued Kennedy brothers. He and Carter slugged it out in a series of bruising primary elections, while delighted Republicans decorously proceeded to name Reagan their presidential nominee. In the end Kennedy’s candidacy fell victim to the country’s conservative mood and to lingering suspicions about a 1969 automobile accident on Chappaquiddick Island, Massachusetts, in which a young woman assistant was drowned when Kennedy’s car plunged off a bridge. A badly battered Carter, his party divided and in disarray, was left to do battle with Reagan.

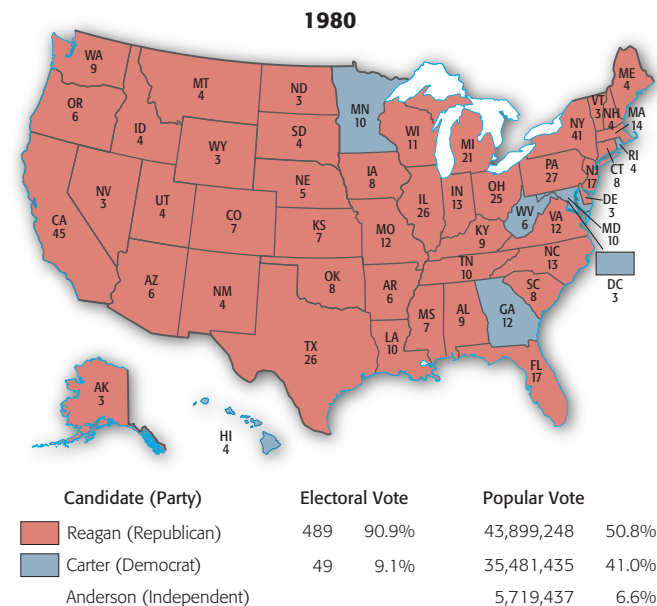
The Republican candidate proved to be a formidable campaigner. Using his professional acting skills to great advantage, Reagan attacked the incumbent’s fumbling performance in foreign policy and blasted the “big-government” philosophy of the Democratic party (a philosophy that Carter did not fully embrace). Galloping inflation, sky-high interest rates, and a faltering economy also put the incumbent president on the defensive. Carter countered ineffectively with charges that Reagan was a trigger-happy cold warrior who might push the country into nuclear war.

Carter’s spotty record in office was no defense against Reagan’s popular appeal. On election day the Republican rang up a spectacular victory, bagging over 51 percent of the popular vote, while 41 percent went to Carter. Reflecting a small but vocal protest against both candidates, nearly 7 percent of the electorate voted for liberal Republican congressman John Anderson, who ran as an independent. The electoral count stood at 489 for Reagan and 49 for Carter, making him the first elected president to be unseated by voters since Herbert Hoover in 1932 (see Map 40.1). Equally startling, the Republicans gained control of the Senate for the first time in twenty-six years. Leading Democratic

*In a speech to the National Association of Evangelicals on March 8, 1983, President Ronald Reagan (1911–2004) defined his stand on school prayer:*

“The Declaration of Independence mentions the Supreme Being no less than four times. ‘In God We Trust’ is engraved on our coinage. The Supreme Court opens its proceedings with a religious invocation. And the Members of Congress open their sessions with a prayer. I just happen to believe the schoolchildren of the United States are entitled to the same privileges as Supreme Court Justices and Congressmen.”





**MAP 40.1 Presidential Election of 1980 (with electoral vote by state)** This map graphically displays Reagan's landslide victory over both Carter and Anderson. © Cengage Learning

federal government. He sought nothing less than the dismantling of the welfare state and the reversal of the political evolution of the preceding half-century. Assembling a conservative cabinet of “the best and the rightest,” he took dead aim at what he regarded as the bloated federal budget. “Government is not the solution to our problem,” he declared. “Government is the problem.” Years of New Deal-style tax-and-spend programs, Reagan jested, had created a federal government that reminded him of the definition of a baby as a creature who was all appetite at one end, with no sense of responsibility at the other.

On his conservative crusade for smaller government, less bureaucracy, and freer markets, Reagan found common cause with the new leader of America's oldest ally, Great Britain. Conservative Margaret Thatcher became Britain's first female prime minister in 1979. With a mandate to improve her nation's economy, which had suffered through the 1970s as the United States had, she embarked on a mission to reduce the power of labor unions and government involvement in business, two of Reagan's chief goals. The philosophic kinship between “Ronnie and Maggie,” as the press dubbed the two heads of state, went beyond

liberals, including George McGovern, had been targeted for defeat by well-heeled New Right groups. They went down like dead timber in the conservative windstorm that swept the country.

Carter showed dignity in defeat, delivering a thoughtful Farewell Address that stressed his efforts to scale down the deadly arms race, to promote human rights, and to protect the environment. In one of his last acts in office, he signed a bill preserving some 100 million acres of Alaska land for national parks, forests, and wildlife refuges. An unusually intelligent, articulate, and well-meaning president, he had been hampered by his lack of managerial talent and had been badly buffeted by events beyond his control, such as the soaring price of oil, runaway inflation, and the galling insult of the hostages still held in Iran. Though unsuccessful in the White House, Carter earned much admiration in later years for his humanitarian and human rights activities. He received the Nobel Peace Prize in 2002.

## ★ The Reagan Revolution

Reagan's arrival in Washington was triumphal. The Iranians contributed to the festive mood by releasing the hostages on Reagan's Inauguration Day, January 20, 1981, after 444 days of captivity.

The new president, a hale and hearty sixty-nine-year-old, was devoted to fiscal fitness and a leaner



© Bettmann/Corbis

**Coming Home** After more than a year in captivity in Iran, these hostages were released on the very day of Ronald Reagan's presidential inauguration.

economics. Emboldened by each other, they strengthened the Anglo-American alliance through muscular foreign policy against a number of foes, especially the Soviet bloc. Their common refrain was that free markets made free peoples and that shrinking government meant keeping their nations safer from communism.

By the early 1980s, this antigovernment message found a receptive audience in the United States. In the two decades since 1960, federal spending had risen from about 18 percent of gross national product to nearly 23 percent. At the same time, the composition of the federal budget had been shifting from defense to entitlement programs, including Social Security and Medicare (see the chart in the Appendix). In 1973 the budget of the Department of Health, Education, and Welfare surpassed that of the Department of Defense. Citizens increasingly balked at paying the bills for further extension of government "benefits." After four decades of advancing New Deal and Great Society programs, a strong countercurrent took hold. Californians staged a "tax revolt" in 1978 (known by its official ballot title of **Proposition 13**) that slashed property taxes and forced painful cuts in government services. The California "tax quake" jolted other state capitals and even rocked the pillars of Congress in far-away Washington, D.C. Ronald Reagan had ridden this political shock wave to presidential victory in 1980 and now proceeded to rattle the "welfare state" to its very foundations.

Reagan pursued his smaller-government policies with near-religious zeal and remarkable effectiveness.



**The Triumph of the Right, 1980** Republican conservatives scored a double victory in 1980, winning control of both the White House and the Senate. Aided by conservative Democratic "boll weevils," they also dominated the House of Representatives, and a new era of conservatism dawned in the nation's capital. Jim Borgman. Reprinted with permission of Universal Press Syndicate. All rights reserved.

He proposed a new federal budget that necessitated cuts of some \$35 billion, mostly in social programs like food stamps and federally funded job-training centers. Reagan worked naturally in harness with the Republican majority in the Senate, but to get his way in the Democratic House, he undertook some old-fashioned politicking. He enterprisingly wooed a group of mostly southern conservative Democrats (dubbed **boll weevils**), who abandoned their own party's leadership to follow the president. The new president seemed strong and motivated, all the more so after a failed assassination attempt in March 1981 brought an outpouring of sympathy and support.

## ★ The Battle of the Budget

Swept along on a tide of presidential popularity, Congress swallowed Reagan's budget proposals. The new president's triumph amazed political observers, especially defeated Democrats. He had descended upon Washington like an avenging angel of conservatism, kicking up a blinding whirlwind of political change. His impressive performance demonstrated the power of the presidency with a skill not seen since Lyndon Johnson's day. Out the window went the textbooks that had concluded, largely on the basis of the stalemated 1970s, that the Oval Office had been eclipsed by a powerful, uncontrollable Congress.

Reagan hardly rested to savor the sweetness of his victory. The second part of his economic program called for substantial reductions in marginal tax rates over a period of three years. Many Democrats, the president quipped, had "never met a tax they didn't hike." Thanks largely to Reagan's skill as a television performer and the continued defection of the "boll weevils" from the Democratic camp, the president again had his way. In late 1981 Congress approved a set of far-reaching tax reforms that lowered individual tax rates, reduced federal estate taxes, and created new tax-free savings plans for small investors. Reagan's **supply-side economics** advisers assured him that the combination of budgetary discipline and tax reduction would stimulate new investment, boost productivity, foster dramatic economic growth, and eventually even reduce the federal deficit.

But at first "supply-side" economics seemed to be a beautiful theory mugged by a gang of brutal facts, as the economy slid into its deepest recession since the 1930s. Unemployment reached nearly 11 percent in 1982, businesses folded, and several bank failures jolted the nation's entire financial system. The automobile industry, once the brightest jewel in America's industrial crown, turned in its dimmest performance in history. Battling against Japanese imports, major automakers



reported losses in the hundreds of millions of dollars. Fuming and frustrated Democrats angrily charged that the president's budget cuts slashed especially cruelly at the poor and the handicapped and that his tax cuts favored the well-to-do. In reality, the anti-inflationary "tight money" policies that led to the so-called "Reagan recession" of 1981–1982 had been launched by the Federal Reserve Board in 1979, on Carter's watch.

Ignoring the yawping pack of Democratic critics, President Reagan and his economic advisers serenely waited for their supply-side economic policies (**Reaganomics**) to produce the promised results. The supply-siders seemed to be vindicated when a healthy economic recovery finally got under way in 1983. Yet the economy of the 1980s was not uniformly sound. For the first time in the twentieth century, income gaps widened between the richest and the poorest Americans. The poor got poorer and the very rich grew fabulously richer, while middle-class incomes largely stagnated. Symbolic of the new income stratification was the emergence of "yuppies," or young, urban professionals. Sporting Rolex watches and BMW sports cars, they made a near-religion out of conspicuous consumption. Though something of a stereotype and numbering only about 1.5 million people, yuppies showcased the values of materialism and the pursuit of wealth that came to symbolize the high-rolling 1980s.

Some economists located the sources of the economic upturn neither in the president's budget cuts and tax reforms nor in the go-get-'em avarice of the yuppies. It was massive military expenditures, they argued, that constituted the real foundation of 1980s prosperity. Reagan cascaded nearly \$2 trillion dollars onto the Pentagon in the 1980s, asserting the need to close a "window of vulnerability" in the armaments race with the Soviet Union. Ironically, this conservative president thereby plunged the government into a red-ink bath of deficit spending that made the New Deal look downright stingy. Federal budget deficits topped \$100 billion in 1982, and the government's books were nearly \$200 billion out of balance in every subsequent year of the 1980s. Massive government borrowing to cover those deficits kept interest rates high, and high interest rates in turn elevated the value of the dollar to record altitudes in the international money markets. The soaring dollar was good news for American tourists and buyers of foreign cars, but it dealt crippling blows to American exporters, as the American international trade deficit reached a record \$152 billion in 1987. The masters of international commerce and finance for a generation after World War II, Americans suddenly became the world's heaviest borrowers in the global economy of the 1980s.

## ★ Reagan Renews the Cold War

Hard as nails toward the Soviet Union in his campaign speeches, Reagan saw no reason to soften up after he checked in at the White House. He claimed that the Soviets were "prepared to commit any crime, to lie, to cheat," in pursuit of their goals of world conquest. He denounced the Soviet Union as the "focus of evil in the modern world."

Reagan believed in negotiating with the Soviets—but only from a position of overwhelming strength. Accordingly, his strategy for dealing with Moscow was simple: by enormously expanding U.S. military capabilities, he could threaten the Soviets with a fantastically expensive new round of the arms race. The American economy, theoretically, could better bear this new financial burden than could the creaking Soviet system. Desperate to avoid economic ruin, Kremlin leaders would come to the bargaining table and sing Reagan's tune.

This strategy resembled a riverboat gambler's ploy. It wagered the enormous sum of Reagan's defense budgets on the hope that the other side would not call Washington's bluff and initiate a new cycle of arms competition. Reagan played his trump card in this risky game in March 1983, when he announced his intention to pursue a high-technology missile-defense system called the **Strategic Defense Initiative (SDI)**, popularly known as Star Wars. The plan called for orbiting battle stations in space that could fire laser beams or other



The Hartford Courant

**Star Wars Fantasies** President Reagan's Strategic Defense Initiative (popularly known as Star Wars) evoked extravagant hopes for an impermeable defensive shield, but its daunting physical and engineering requirements also occasioned much ridicule in the scientific community.

forms of concentrated energy to vaporize intercontinental missiles on liftoff. Reagan described SDI as offering potential salvation from the nuclear nightmare by throwing an “astrodome” defense shield over American cities. Most scientists considered this an impossible goal. But the deeper logic of SDI lay in its fit with Reagan’s overall Soviet strategy. By pitching the arms contest onto a stratospheric plane of high technology and astronomical expense, it would further force the Kremlin’s hand.

Relations with the Soviets further nosedived in late 1981, when the government of Poland, needed for over a year by a popular movement of workingpeople organized into a massive union called “Solidarity,” clamped martial law on the troubled country. Reagan saw the heavy fist of the Kremlin inside this Polish iron glove, and he imposed economic sanctions on Poland and the USSR alike.

Dealing with the Soviet Union was additionally complicated by the inertia and ill health of the aging oligarchs in the Kremlin, three of whom died between late 1982 and early 1985. Relations grew even more tense when the Soviets, in September 1983, blasted from the skies a Korean passenger airliner that had inexplicably violated Soviet airspace. Hundreds of civilians, including many Americans, plummeted to their deaths in the frigid Sea of Okhotsk. By the end of 1983, all arms-control negotiations with the Soviets were broken off. The deepening chill of the Cold War was further felt in 1984, when USSR and Soviet-bloc athletes boycotted the Olympic Games in Los Angeles.

## ★ Troubles Abroad

The volatile Middle Eastern pot continued to boil ominously. Israel badly strained its bonds of friendship with the United States by continuing to allow new settlements to be established in the occupied territory of the Jordan River’s West Bank (see Map 40.2). Israel further raised the stakes in the Middle East in June 1982 when it invaded neighboring Lebanon, seeking to suppress once and for all the guerrilla bases from which Palestinian fighters harassed beleaguered Israel. The Palestinians were bloodily subdued, but Lebanon, already pulverized by years of episodic civil war, was plunged into armed chaos. President Reagan was obliged to send American troops to Lebanon in 1983 as part of an international peacekeeping force, but their presence did not bring peace. A suicide bomber crashed an explosives-laden truck into a United States Marine barracks on October 23, 1983, killing more than two hundred marines. President Reagan soon thereafter withdrew the remaining American troops, while

miraculously suffering no political damage from this horrifying and humiliating attack. His mystified Democratic opponents began to call him the “Teflon president,” to whom nothing hurtful could stick.

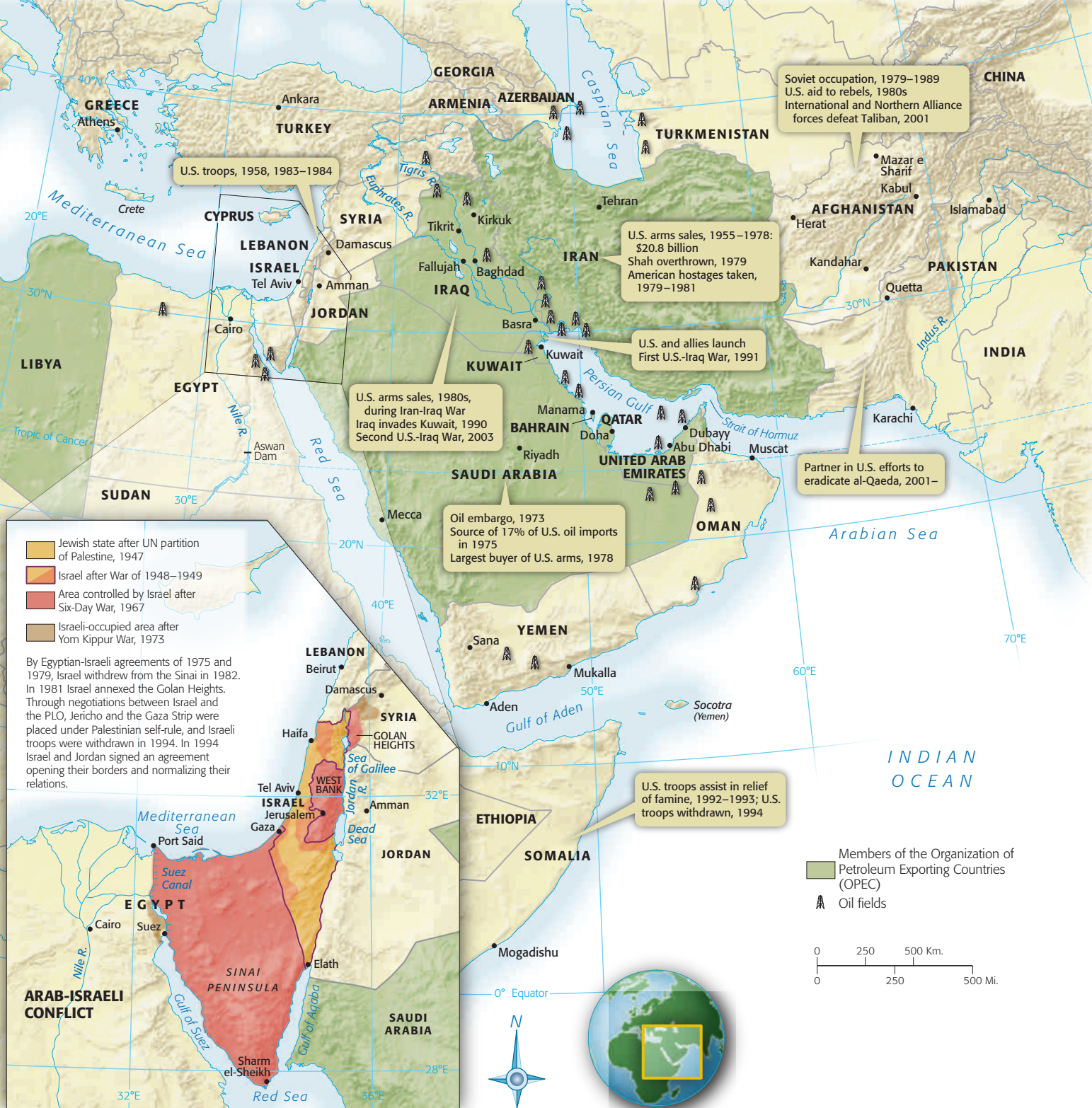
Central America, in the United States’ own backyard, also rumbled menacingly. A leftist revolution had deposed the long-time dictator of Nicaragua in 1979. President Carter had tried to ignore the hotly anti-American rhetoric of the revolutionaries, known as **Sandinistas**, and to establish good diplomatic relations with them. But cold warrior Reagan took their rhetoric at face value and hurled back at them some hot language of his own. He accused the Sandinistas of turning their country into a forward base for Soviet and Cuban military penetration of all of Central America. Brandishing photographs taken from high-flying spy planes, administration spokespeople claimed that Nicaraguan leftists were shipping weapons to revolutionary forces in tiny El Salvador, torn by violence since a coup in 1979.

Reagan sent military “advisers” to prop up the pro-American government of El Salvador. He also provided covert aid, including the CIA-engineered mining of harbors, to the rebel **contras** opposing the anti-American government of Nicaragua. Reagan flexed his military muscles elsewhere in the turbulent Caribbean. In a dramatic display of American might, in October 1983 he dispatched a heavy-firepower invasion force to the island of Grenada, where a military coup had killed the prime minister and brought Marxists to power. Swiftly overrunning the tiny island and ousting the insurgents, American troops vividly demonstrated Reagan’s determination to assert the dominance of the United States in the Caribbean, just as Theodore Roosevelt had done (see Map 40.3).

## ★ Round Two for Reagan

A confident Ronald Reagan, bolstered by a buoyant economy at home and by the popularity of his defiant posture abroad, met little opposition in his bid for a second White House term in 1984. His opponent was Democrat Walter Mondale, who made history by naming as his vice-presidential running mate Congresswoman Geraldine Ferraro of New York. She was the first woman ever to appear on a major-party presidential ticket. But even this dramatic gesture could not salvage Mondale’s candidacy, which was fatally tainted by his service as vice president in the deeply discredited Carter administration. On election day Reagan walked away with 525 electoral votes to Mondale’s 13, winning everywhere except in Mondale’s home state of Minnesota and the District of Columbia. Reagan also over-





**MAP 40.2 The Middle East** A combination of political instability and precious petroleum resources has made the region from Egypt to Afghanistan an “arc of crisis.” © Cengage Learning

whelmed Mondale in the popular vote—52,609,797 to 36,450,613.

Shrinking the federal government and reducing taxes had been the main objectives of Reagan’s first

term; foreign-policy issues dominated the news in his second term. The president soon found himself contending for the world’s attention with a charismatic new Soviet leader, Mikhail Gorbachev, installed as



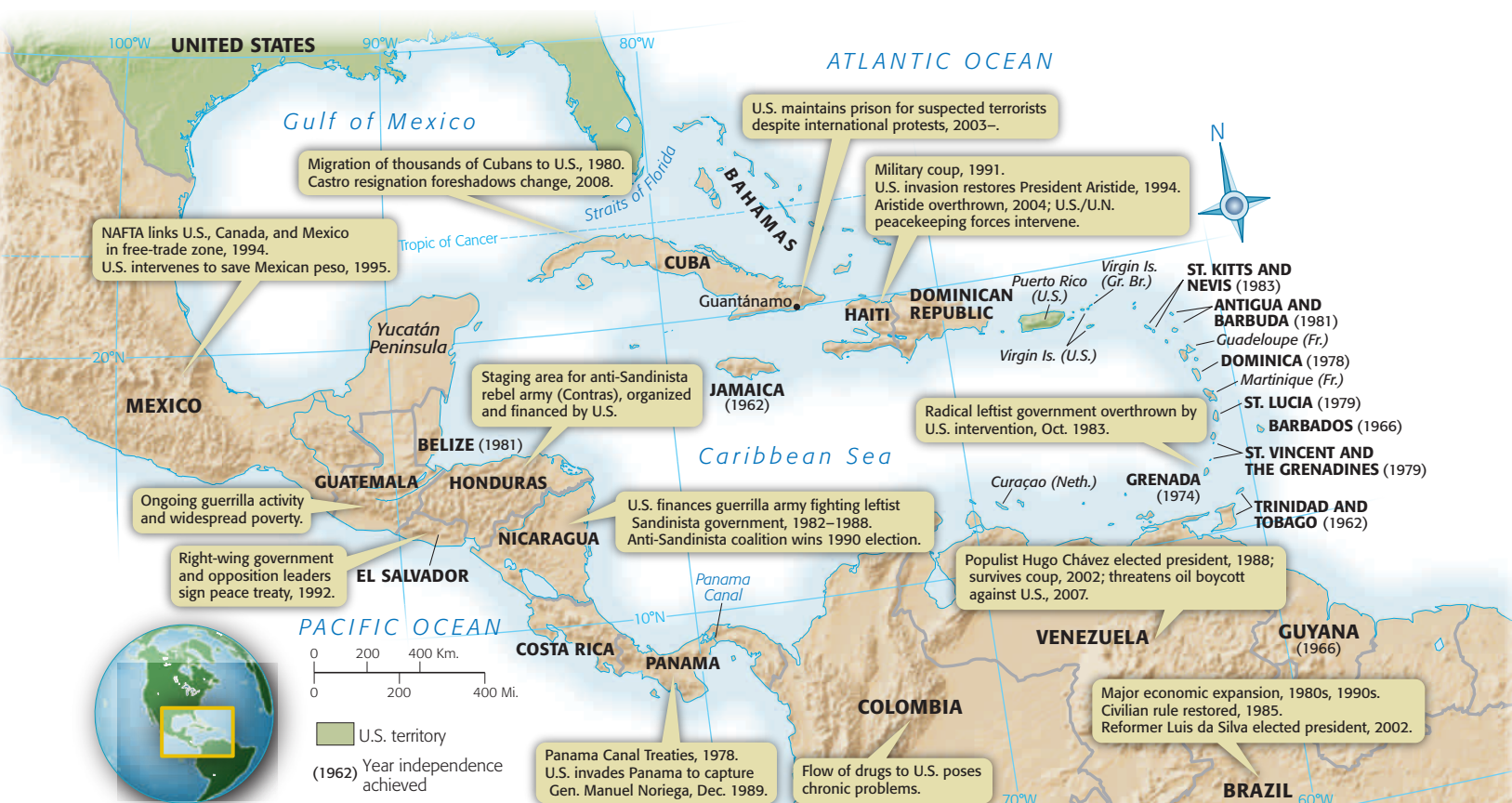
chairman of the Soviet Communist party in March 1985. Gorbachev was personable, energetic, imaginative, and committed to radical reforms in the Soviet Union. He announced two policies with remarkable, even revolutionary, implications. **Glasnost**, or “openness,” aimed to ventilate the secretive, repressive stuffiness of Soviet society by introducing free speech and a measure of political liberty. **Perestroika**, or “restructuring,” was intended to revive the moribund Soviet economy by adopting many of the free-market practices—such as the profit motive and an end to subsidized prices—of the capitalist West.

Both glasnost and perestroika required that the Soviet Union shrink the size of its enormous military machine and redirect its energies to the dismal civilian economy. That requirement, in turn, necessitated an end to the Cold War. Gorbachev accordingly made warm overtures to the West, including an announcement in April 1985 that the Soviet Union would cease to deploy intermediate-range nuclear forces (INF) targeted at Western Europe, pending an agreement on their complete elimination. He pushed this goal when he met with Ronald Reagan at the first of four summit meetings, in Geneva in November 1985. A second

summit meeting, in Reykjavik, Iceland, in October 1986, broke down when a furious Reagan stormed out, convinced that Gorbachev had come to end plans for the beloved SDI. But at a third summit, in Washington, D.C., in December 1987, the two leaders at last signed the **Intermediate-Range Nuclear Forces (INF) Treaty**, banning all of these missiles from Europe. Reagan and Gorbachev capped their new friendship in May 1988 at a final summit in Moscow. There Reagan, who had entered office condemning the “evil empire” of Soviet communism, warmly praised Gorbachev. Reagan, the consummate cold warrior, had been flexible and savvy enough to seize a historic opportunity to join with the Soviet chief to bring the Cold War to a kind of conclusion. For this, history would give both leaders high marks.

Reagan made other decisive moves in foreign policy. His administration provided strong backing in February 1986 for Corazon Aquino’s ouster of dictator Ferdinand Marcos in the Philippines. Reagan also ordered a lightning air raid against Libya in 1986, in retaliation for alleged Libyan sponsorship of terrorist attacks, including a bomb blast in a West Berlin discotheque that killed a U.S. serviceman.

**MAP 40.3 Central America and the Caribbean** This region, so important to the United States throughout its history, remained a hotbed of unrest through the last years of the Cold War and beyond. © Cengage Learning





**East Meets West** President Reagan greets Soviet leader Mikhail Gorbachev at a summit meeting in Moscow in May 1988.



Ronald Reagan Presidential Library

## ★ The Iran-Contra Imbroglio

Two foreign-policy problems seemed insoluble to Reagan: the continuing captivity of a number of American hostages, seized by Muslim extremist groups in bleeding, battered Lebanon; and the continuing grip on power of the left-wing Sandinista government in Nicaragua. The president repeatedly requested that Congress provide military aid to the contra rebels fighting against the Sandinista regime. Congress repeatedly refused, and the administration grew increasingly frustrated, even obsessed, in its search for a means to help the contras.

Unknown to the American public, some Washington officials saw a possible linkage between the two thorny problems of the Middle Eastern hostages and the Central American Sandinistas. In 1985 American diplomats secretly arranged arms sales to Iran, which

was mired in a devastating territorial war with neighboring Iraq. In return, the Iranians helped obtain the release of at least one American hostage held by Middle Eastern terrorists. Meanwhile, the money Iran paid for the American weapons was diverted to the contras in Nicaragua. These actions brazenly violated a congressional ban on military aid to the Nicaraguan rebels—not to mention Reagan's repeated vow that he would never negotiate with terrorists. Washington also continued to support Iraqi dictator Saddam Hussein, to whom it sold weapons used against Iran.

News of these secret dealings broke in November 1986 and ignited a firestorm of controversy. President Reagan claimed he was innocent of wrongdoing and ignorant of his subordinates' activities. Reviving a refrain from the Watergate era, the public clamored to know "what the president knew and when he knew

**Contra Rebel Troops Head for Battle** These rebels were long-seasoned and battle-scarred veterans of Nicaragua's civil war by the time this photograph was taken in 1987.



Black Star/Stockphoto.com

*On March 4, 1987, President Ronald Reagan somewhat confusingly tried to explain his role (or lack of role) in the arms-for-hostages deal with Iran:*

**“A few months ago I told the American people I did not trade arms for hostages. My heart and my best intentions still tell me that is true, but the facts and the evidence tell me it is not.”**

it.” Although Reagan was never found to have lied outright, a congressional committee condemned the “secrecy, deception, and disdain for the law” displayed by administration officials and concluded that “if the president did not know what his national security advisers were doing, he should have.”

The **Iran-Contra affair** cast a dark shadow over the Reagan record on foreign policy, tending to obscure the president’s outstanding achievement in establishing a new relationship with the Soviets. Out of the several Iran-Contra investigations, a picture emerged of Reagan as a lazy, perhaps even senile, president who napped through meetings and paid little or no attention to the details of policy. Reagan’s critics pounced on this portrait as proof that the movie-star-turned-politician was a mental lightweight who had merely acted his way through the role of the presidency without really understanding the script. But despite these damaging revelations, Reagan remained among the most popular and beloved presidents in modern American history.

## ★ Reagan’s Economic Legacy

Ronald Reagan had taken office vowing to invigorate the American economy by rolling back government regulations, lowering taxes, and balancing the budget. He did ease many regulatory rules, and he pushed major tax reform bills through Congress in 1981 and 1986. But a balanced budget remained grotesquely out of reach. Supply-side economic theory had promised that lower taxes would actually *increase* government revenue because they would stimulate the economy as a whole. But, in fact, the combination of tax reduction and huge increases in military spending opened a vast “revenue hole” of \$200 billion annual deficits. In his eight years in office, President Reagan added nearly \$2 trillion to the national debt—more than all of his predecessors combined, including those who had fought protracted global wars (see Figure 40.1).

The staggering deficits of the Reagan years assuredly constituted a great economic failure. And because

so much of the Reagan-era debt was financed by foreign lenders, especially the Japanese, the deficits virtually guaranteed that future generations of Americans would either have to work harder than their parents, lower their standard of living, or both to pay their foreign creditors when the bills came due.

But if the deficits represented an economic failure, they also constituted, strangely enough, a kind of political triumph. Among the paramount goals of Reagan’s political life was his ambition to slow the growth of government, and especially to block or even repeal the social programs launched in the era of Lyndon Johnson’s Great Society. By appearing to make new social spending both practically and politically impossible for the foreseeable future, the deficits served exactly that purpose. They achieved, in short, Reagan’s highest political objective: the containment of the welfare state. Ronald Reagan thus ensured the long-term perpetuation of his dearest political values to a degree that few presidents have managed to achieve. For better or worse, the consequences of “Reaganomics” would be large and durable.

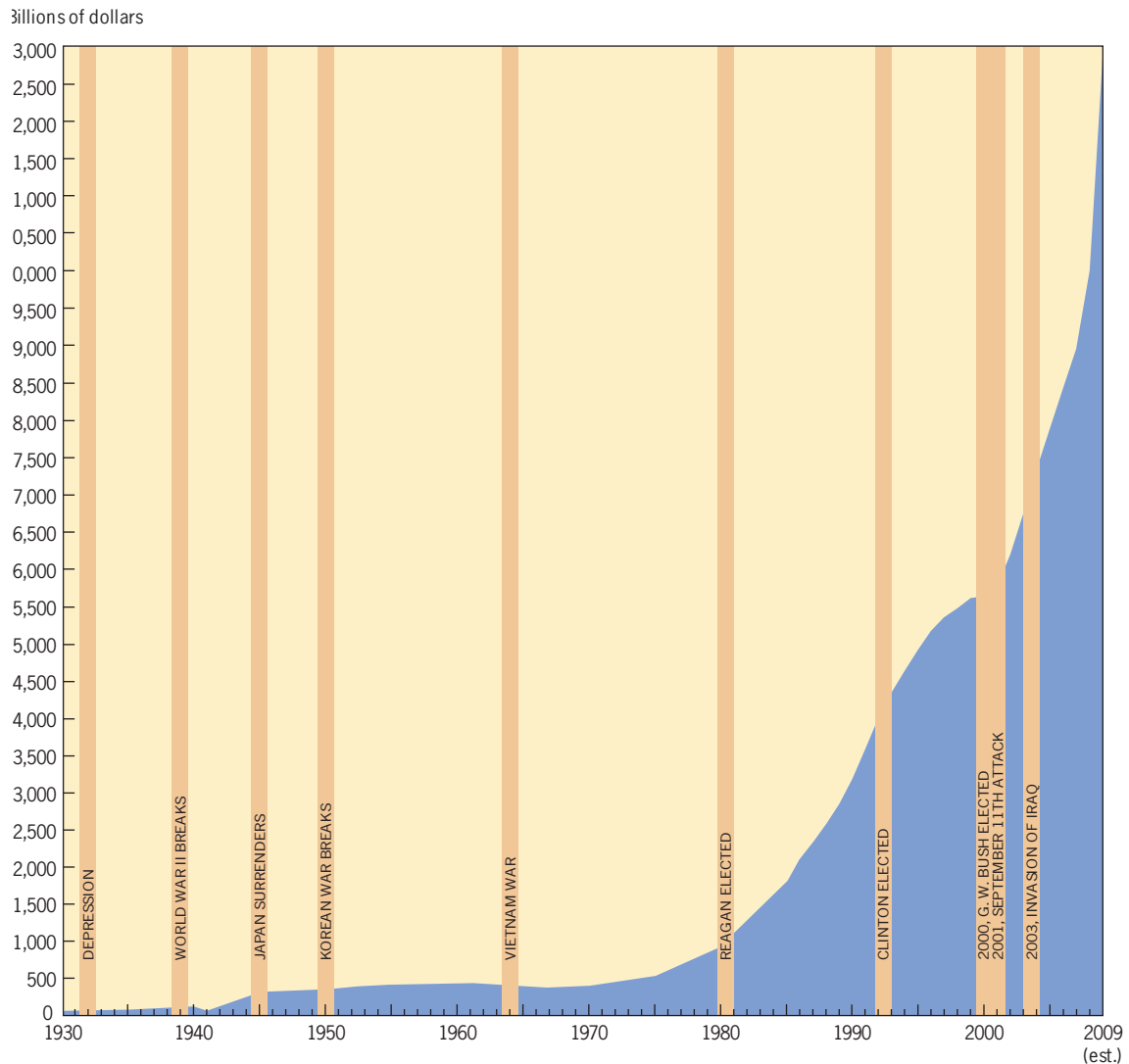
Yet another legacy of the 1980s was a sharp reversal of a long-term trend toward a more equitable distribution of income and an increasing squeeze on the middle class. In the early 1990s, median household income (in 1993 dollars) actually declined, from about \$33,500 in 1989 to about \$31,000 in 1993 (see Figure 40.2). Whether that disturbing trend should be attributed to Reagan’s policies or to more deeply running economic currents remained controversial.

## ★ The Religious Right

Religion pervaded American politics in the 1980s. Especially conspicuous was a coalition of conservative, evangelical Christians known as the religious right. In 1979 the Reverend Jerry Falwell, an evangelical minister from Lynchburg, Virginia, founded a political organization called the **Moral Majority**. Falwell preached with great success against sexual permissiveness, abortion, feminism, and the spread of gay rights. In its first two years, the Moral Majority registered between 2 million and 3 million voters. Using radio, direct-mail marketing, and cable TV, “televangelists” reached huge audiences in the 1980s, collected millions of dollars, and became aggressive political advocates of conservative causes.

Members of the religious right were sometimes called “movement conservatives,” a term that recalls the left-wing protest movements of the 1960s. In many ways the religious right of the 1980s was a reflection of, or answer to, sixties radicalism. Feminists in the 1960s declared that “the personal was political.” The

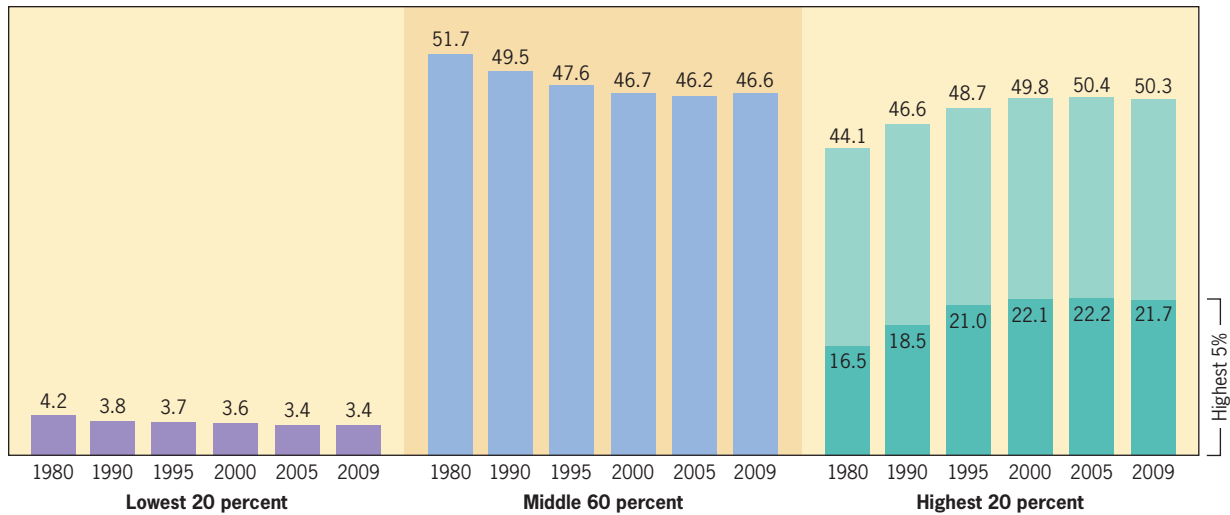




**FIGURE 40.1 The National Debt, 1930–2009** World War II provided the first major boost to the national debt. The policies of the Reagan and George H. W. Bush administrations, 1981–1993, explosively expanded the debt to the \$4 trillion level. By the 1990s, 14 percent of federal revenues went to interest payments on the debt. The budget surpluses created by the booming economy of the second Clinton administration (1997–2001) raised the prospect that the debt might be paid off. But the combination of the George W. Bush tax cuts and increased military spending sent the debt soaring again after 2001. Those tax cuts, combined with the revenue losses and stimulus expenditures occasioned by the “Great Recession” that began in 2008, kicked the debt up to unprecedented peacetime levels, approaching 100 percent of GDP. Real-time updates of the public debt are available from the Department of the Treasury’s Bureau of the Public Debt, at <http://www.publicdebt.treas.gov>. (Sources: *Historical Statistics of the United States* and *Statistical Abstract of the United States*, relevant years; Office of Management and Budget Historical Tables.)

religious right did the same. What had in the past been personal matters—gender roles, homosexuality, and prayer—became the organizing ground for a powerful political movement. Like advocates of multiculturalism and affirmative action, the religious right practiced a form of “identity politics.” But rather than defining

themselves as Latino voters or gay voters, they declared themselves Christian or pro-life voters. The New Right also mimicked the New Left in some of its tactics. If the left had consciousness-raising sessions, the right had prayer meetings. Adherents articulated their positions in a language of rights and entitlements, as in the



**FIGURE 40.2 Share of Income Received by Families, by Quintile, 1980–2009** Since 1980 the incomes of the lowest 20 percent and the middle 60 percent have been shrinking, while the incomes of the highest 20 percent, and particularly the top 5 percent, have climbed steadily. (Source: *Statistical Abstract of the United States*, 2010; U.S. Census Bureau *Consumer Income Report*, relevant years.)

“right-to-life” (or anti-abortion) movement. They even mirrored the tactics of civil disobedience. Protesters in the 1960s blocked entrances to draft offices; protesters in the 1980s blocked entrances to abortion clinics.

Several leaders of the religious right fell from grace in the latter part of the decade. One tearfully admitted to repeated trysts with prostitutes. Another went

to prison following revelations of his own financial and sexual misconduct. But such scandals would not shake the faith of America’s conservative Christians or diminish the new political clout of activist, evangelical religionists.

## ★ Conservatism in the Courts

If the budget was Reagan’s chief weapon in the war against the welfare state, the courts became his principal instrument in the “cultural wars” demanded by the religious right. By the time he left office, Reagan had appointed a near-majority of all sitting judges. Equally important, he had named three conservative-minded justices to the U.S. Supreme Court. They included Sandra Day O’Connor, a brilliant, public-spirited Arizona judge. When she was sworn in on September 25, 1981, she became the first woman to ascend to the high bench in the Court’s nearly two-hundred-year history.

Reaganism repudiated two great icons of the liberal political culture: affirmative action and abortion. The Court showed its newly conservative colors in 1984, when it decreed, in a case involving Memphis firefighters, that union rules about job seniority could outweigh affirmative-action concerns in guiding promotion policies in the city’s fire department. In two cases in 1989 (*Ward’s Cove Packing v. Antonia* and *Martin v. Wilks*), the Court made it more difficult to prove that an employer practiced racial discrimination in hiring and made it easier for white males to argue that they were the victims of reverse discrimination by employers who



**The Moral Majority, 1981** Television evangelist and religious leader the Reverend Jerry Falwell mobilized his national Moral Majority organization in support of Ronald Reagan’s presidential campaign in 1980 and a conservative social agenda.



followed affirmative-action practices. Congress passed legislation in 1991 that partially reversed the effects of those decisions.

The contentious issue of abortion also reached the Court in 1989. In the case of *Roe v. Wade* in 1973, the Supreme Court had prohibited states from making laws that interfered with a woman's right to an abortion during the early months of pregnancy. For nearly two decades, that decision had been the bedrock principle on which "pro-choice" advocates built their case for abortion rights. It had also provoked bitter criticism from Roman Catholics and various "right-to-life" groups, who wanted a virtually absolute ban on all abortions. In *Webster v. Reproductive Health Services*, the Court in July 1989 did not entirely overturn *Roe*, but it seriously compromised *Roe's* protection of abortion rights. By approving a Missouri law that imposed certain restrictions on abortion, the Court signaled that it was inviting the states to legislate in an area in which *Roe* had previously forbidden them to legislate. The Court renewed that invitation in *Planned Parenthood v.*

*Speaking to the National Association of Evangelicals, President Ronald Reagan said the following about abortion:*

**"More than a decade ago, a Supreme Court decision [*Roe v. Wade*, 1973] literally wiped off the books of fifty states statutes protecting the rights of unborn children. Abortion on demand now takes the lives of up to 1½ million unborn children a year. Human life legislation ending this tragedy will some day pass the Congress, and you and I must never rest until it does. Unless and until it can be proven that the unborn child is not a living entity, then its right to life, liberty, and the pursuit of happiness must be protected."**

*Casey* in 1992, when it ruled that states could restrict access to abortion as long as they did not place an "undue burden" on the woman. Using this standard, the Court held that Pennsylvania could not compel a wife to notify her husband about an abortion but could require a minor child to notify parents, as well as other restrictions.

Right-to-life advocates were at first delighted by the *Webster* decision. But the Court's ruling also galvanized pro-choice organizations into a new militancy. Bruising, divisive battles loomed as state legislatures across the land confronted abortion. This painful cultural conflict over the unborn was also part of the Reagan era's bequest to the future.

## ★ Referendum on Reaganism in 1988

Republicans lost control of the Senate in the off-year elections of November 1986. Hopes rose among Democrats that the "Reagan Revolution" might be showing signs of political vulnerability at last. The newly Democratic majority in the Senate flexed its political muscles in 1987 when it rejected an ultraconservative nominee for the Supreme Court.

Democrats also relished the prospect of making political hay out of both the Iran-Contra affair and disquieting signs of economic trouble. The "double mountain" of deficits—the federal budget deficit and the international trade deficit—continued to grow ominously. Falling oil prices blighted the economy of the Southwest, slashing real estate values and undermining hundreds of savings and loan (S&L) institutions. The damage to the S&Ls was so massive that a federal rescue operation was eventually estimated to carry a price tag of well over \$500 billion. Meanwhile, many American



**The Justice Is a Lady, 1981** Herblock hails Sandra Day O'Connor's appointment to the Supreme Court. *The Justice Is a Lady*, A 1981 Herblock Cartoon, copyright by The Herb Block Foundation

banks found themselves holding near-worthless loans they had unwisely foisted upon Third World countries, especially in Latin America. In 1984 it took federal assistance to save Continental Illinois Bank from a catastrophic failure. More banks and savings institutions were folding than at any time since the Great Depression of the 1930s. A wave of mergers, acquisitions, and leveraged buyouts washed over Wall Street, leaving many brokers and traders megarich and many companies saddled with megadebt. A cold spasm of fear struck the money markets on **Black Monday**, October 19, 1987, when the leading stock-market index plunged 508 points—the largest one-day decline in history to that point. This crash, said *Newsweek* magazine, heralded “the final collapse of the money culture . . . , the death knell of the 1980s.” But as Mark Twain famously commented about his own obituary, this announcement proved premature.

Hoping to cash in on these ethical and economic anxieties, a pack of Democrats—dubbed the “Seven Dwarfs” by derisive Republicans—chased after their party’s 1988 presidential nomination. The handsome and charismatic Democratic front-runner, former Colorado senator Gary Hart, was forced to drop out of the race in May 1987 after charges of sexual misconduct. African American candidate Jesse Jackson, a rousing speechmaker who hoped to forge a “rainbow coalition” of minorities and the disadvantaged, campaigned energetically. But the Democratic nomination in the end went to the coolly cerebral governor of Massachusetts, Michael Dukakis. Republicans nominated Reagan’s vice president, George H. W. Bush, who ran largely on the Reagan record of tax cuts, strong defense policies, toughness on crime, opposition to abortion, and a long-running if hardly robust economic expansion. Dukakis made little headway exploiting the ethical and economic sore spots and came across to television viewers as almost supernaturally devoid of emotion. On election day the voters gave him just 41,016,429 votes to 47,946,422 for Bush. The Electoral College count was 111 to 426.

*Hollywood director Oliver Stone’s (b. 1946) film Wall Street both romanticized and vilified the business culture of the 1980s. The character of Gordon Gekko, inspired by real-life corporate raider Ivan Boesky, captured the spirit of the times:*

“Ladies and gentlemen, greed is good. Greed works, greed is right. . . . Greed for life, money, love, knowledge, has marked the upward surge of mankind—and greed, mark my words, will save the malfunctioning corporation called the U.S.A.”

## ★ George H. W. Bush and the End of the Cold War

George Herbert Walker Bush was born with a silver ladle in his mouth. His father had served as a U.S. senator from Connecticut, and young George had enjoyed a first-rate education at Yale. After service in World War II, he had amassed a modest fortune of his own in the oil business in Texas. His deepest commitment, however, was to public service; he left the business world to serve briefly as a congressman and then held various posts in several Republican administrations, including emissary to China, ambassador to the United Nations, director of the Central Intelligence Agency, and vice president. He capped this long political career when he was inaugurated president in January 1989, promising to work for “a kinder, gentler America.”

In the first months of the Bush administration, the communist world commanded the planet’s fascinated attention. Everywhere in the communist bloc, it seemed, the season of democracy had arrived.

In China hundreds of thousands of prodemocracy demonstrators thronged through Beijing’s Tiananmen Square in the spring of 1989. They proudly flourished a thirty-foot-high “Goddess of Democracy,” modeled on the Statue of Liberty, as a symbol of their aspirations.

But in June of that year, China’s aging and autocratic rulers brutally crushed the prodemocracy movement. Tanks rolled over the crowds, and



**George Herbert Walker Bush (b. 1924) Campaigning, October 1988** Bush soundly defeated Democratic candidate Michael Dukakis in the November 1988 election.



**Tiananmen Square,  
Beijing, China, June  
1989**

The Chinese communist state mobilized all its forces against students demonstrating for a more democratic China.



AP Images

machine-gunners killed hundreds of protesters. World opinion roundly condemned the bloody suppression of the prodemocracy demonstrators. President Bush joined in the criticism. Yet despite angry demands in Congress for punitive restrictions on trade with China, the president insisted on maintaining normal relations with Beijing.

Stunning changes also shook Eastern Europe. Long oppressed by puppet regimes propped up by Soviet guns, the region was revolutionized in just a few startling

months in 1989. The Solidarity movement in Poland led the way when it toppled Poland's communist government in August. With dizzying speed, communist regimes collapsed in Hungary, Czechoslovakia, East Germany, and even hyperrepressive Romania. In December 1989, jubilant Germans danced atop the hated Berlin Wall, symbol of the division of Germany and all of Europe into two armed and hostile camps. The wall itself soon came down, heralding the imminent end of the forty-five-year-long Cold War. Chunks of the wall's

**Fallen Idol** Romanians toppled this statue of Vladimir Lenin in 1990, symbolically marking the collapse of the Marxian dream that had agitated the world for more than a century.



Gao Gross/Image Works/Getty Images





**MAP 40.4 The End of the Cold War Changed the Map of Europe** © Cengage Learning

concrete became instant collectors' items—gray souvenirs of a grim episode in Europe's history. With the approval of the victorious Allied powers of World War II, the two Germanys, divided since 1945, were at last reunited in October 1990.

Most startling of all were the changes that rolled over the heartland of world communism, the Soviet Union itself. Mikhail Gorbachev's policies of *glasnost* and *perestroika* had set in motion a groundswell that surged out of his control. Old-guard hard-liners, in a last-gasp effort to preserve the tottering communist system, attempted to dislodge Gorbachev with a military coup in August 1991. With the support of Boris Yeltsin, president of the Russian Republic (one of the several republics that composed the Union of Soviet Socialist Republics, or USSR), Gorbachev foiled the plotters. But his days were numbered. In December 1991 Gorbachev resigned as Soviet president. He had become a leader without a country as the Soviet Union dissolved into its component parts, some fifteen republics loosely confederated in the **Commonwealth of Independent States (CIS)**, with Russia the most powerful state and Yeltsin the dominant leader. To varying degrees, all the new governments in the CIS repudiated communism and embraced democratic reforms and a free-market economy (see Map 40.4).

These developments astonished the "experts," who had long preached that the steely vise-grip of communist rule never could be peacefully broken. Yet suddenly and almost miraculously, the totalitarian tonnage of communist oppression had been rendered politically weightless. Most spectacularly, the demise of the Soviet Union wrote a definitive finish to the Cold War era. More than four decades of nail-biting tension between two nuclear superpowers, the Soviet Union and the United States, evaporated when the USSR dismantled itself. With the Soviet Union swept into the dustbin of history and communism all but extinct, Bush spoke hopefully of a "new world order," where democracy would reign and diplomacy would supersede weaponry. Some observers even saw in these developments "the end of history," in the sense that democracy, victorious in its two-century-long struggle against foes on the left and right, had no ideological battles left to fight.

Exultant Americans joked that the USSR had become the "USS *were*." But the disintegration of the Soviet Union was no laughing matter. Rankling questions remained. For example, who would honor arms-control agreements with the United States? Which of the successor states of the former Soviet Union would take command of the formidable Soviet nuclear arsenal? (A partial answer was provided in early 1993, when



*In his state of the union address on January 31, 1990, President George H. W. Bush (b. 1924) declared,*

“The events of the year just ended, the revolution of ‘89, have been a chain reaction, changes so striking that it marks the beginning of a new era in the world’s affairs.”

*Just six months later, speaking at Stanford University, Soviet president Mikhail Gorbachev (b. 1931) said,*

“The Cold War is now behind us. Let us not wrangle over who won it. It is in the common interest of our two countries and nations not to fight this trend toward cooperation, but rather to promote it.”

President Bush, in one of his last official acts, signed the START II accord with Russian president Boris Yeltsin, committing both powers to reduce their long-range nuclear arsenals by two-thirds within ten years.)

Throughout the former Soviet empire, waves of nationalistic fervor and long-suppressed ethnic and racial hatreds rolled across the vast land as communism’s roots were wrenched out. A particularly nasty conflict erupted in the Russian Caucasus in 1991, when the Chechnyan minority tried to declare their independence from Russia, prompting President Yeltsin to send in Russian troops. Ethnic warfare flared in other disintegrating communist countries as well, notably in misery-drenched Yugoslavia, racked by vicious “ethnic cleansing” campaigns against various minorities.

The end of the Cold War also proved a mixed blessing for the United States. For nearly half a century, the containment of Soviet communism had been the paramount goal of U.S. foreign policy. Indeed the Cold War era had been the only lengthy period in American history when the United States had consistently pursued an internationalist foreign policy. With the Soviet threat now canceled, would the United States revert to its traditional isolationism? What principles would guide American diplomacy now that “anticommunism” had lost its relevance?

The Soviet-American rivalry, with its demands for high levels of military preparedness, had also deeply shaped and even invigorated the U.S. economy. Huge economic sectors such as aerospace were heavily sustained by military contracts. The economic cost of beating swords into plowshares became painfully apparent in 1991 when the Pentagon announced the closing of thirty-four military bases and canceled a \$52 billion order for a navy attack plane. More closings and cancellations followed. Communities that had been drenched with Pentagon dollars now nearly dried up, especially in hard-hit southern California, where scores of defense plants shut their doors and unemployment soared. The problems of weaning the U.S. economy from its decades of dependence on defense spending tempered the euphoria of Americans as they welcomed the Cold War’s long-awaited finale.

Elsewhere in the world, democracy marched triumphantly forward. The white regime in South Africa took a giant step toward liberating that troubled land from its racist past when in 1990 it freed African leader Nelson Mandela, who had served twenty-seven years

### The Agony of Yugoslavia,

**1992** These Bosnian refugees from the town of Jajce illustrate the plight of millions of Yugoslavians as their country slid into vicious interethnic battles in the wake of the Cold War’s conclusion.



Black Star/Stockphoto.com

in prison for conspiring to overthrow the government. Four years later Mandela was elected South Africa's president. Free elections in Nicaragua in February 1990 removed the leftist Sandinistas from power. Two years later peace came at last to war-ravaged El Salvador.

## ★ The Persian Gulf Crisis

Sadly, the end of the Cold War did not mean the end of all wars. President Bush flexed the United States' still-intimidating military muscles in tiny Panama in December 1989, when he sent airborne troops to capture dictator and drug lord Manuel Noriega.

Still more ominous events in the summer of 1990 severely tested Bush's dream of a democratic and peaceful new world order. On August 2 Saddam Hussein, the brutal and ambitious ruler of Iraq, sent his armies to overrun Kuwait, a tiny, oil-rich desert sheikdom on Iraq's southern frontier.

Oil fueled Saddam's aggression. Financially exhausted by its eight-year war with Iran, which had ended in a stalemate in 1988, Iraq needed Kuwait's oil to pay its huge war bills. Saddam's larger design was ironfisted control over the entire Persian Gulf region. With his hand thus firmly clutching the world's economic jugular vein, he dreamed of dictating the terms of oil supplies to the industrial nations, and perhaps of totally extinguishing the Arabs' enemy, Israel.

Ironically, the United States and its allies had helped supply Saddam with the tools of aggression. He was widely known to be a thug and assassin who intimidated his underlings by showing them the bodies of his executed adversaries hanging on meat hooks. But in the 1980s, American enmity for Islamic-fundamentalist Iran was intense, and Saddam was at war with Iran. Assuming that "the enemy of my enemy is my friend," American policymakers helped build Saddam's military machine into a formidable force.

On August 2, 1990, Saddam's army roared into Kuwait. The speed and audacity of the invasion was stunning, but the world responded just as swiftly. The United Nations Security Council unanimously condemned the invasion on August 3 and demanded the immediate and unconditional withdrawal of Iraq's troops. When an economic embargo failed to squeeze the Iraqis into compliance by November, the Security Council delivered an ultimatum to Saddam to leave Kuwait by January 15, 1991, or U.N. forces would "use all necessary means" to expel his troops. For perhaps the first time in the post-World War II era, the U.N. seemed to be fulfilling its founders' dreams that it could preserve international order by putting guns where its mouth was. It also put them where the world's critical oil supply was.

In a logistical operation of astonishing complexity, the United States spearheaded a massive international military deployment on the sandy Arabian Peninsula. As the January 15 deadline approached, some 539,000 U.S. soldiers, sailors, and pilots—many of them women and all of them members of the new, post-Vietnam, all-volunteer American military—swarmed into the Persian Gulf region. They were joined by nearly 270,000 troops, pilots, and sailors from twenty-eight other countries in the coalition opposed to Iraq. When all diplomatic efforts to resolve the crisis failed, the U.S. Congress voted regretfully on January 12 to approve the use of force. On January 16 the time bomb of war ticked off its last beats.

The United States and its U.N. allies unleashed a hellish air attack against Iraq. For thirty-seven days, warplanes pummeled targets in occupied Kuwait and in Iraq itself, in an awesome display of high-technology, precision-targeting modern warfare. Iraq responded to this pounding by launching several dozen "Scud" short-range ballistic missiles against military and civilian targets in Saudi Arabia and Israel. These missile attacks claimed several lives but did no significant military damage.

Yet if Iraq made but a feeble military response to the air campaign, the allied commander, the beefy and blunt American general Norman ("Stormin' Norman") Schwarzkopf, took nothing for granted. Saddam, who had threatened to wage "the mother of all battles," had the capacity to inflict awful damage. Iraq had stockpiled tons of chemical and biological weapons, including poison gas and the means to spread epidemics of anthrax. Saddam's tactics also included ecological warfare as he released a gigantic oil slick into the Persian Gulf to forestall amphibious assault and ignited hundreds of oil-well fires, whose smoky plumes shrouded the ground from aerial view. Faced with these horrifying tactics, Schwarzkopf's strategy was starkly simple: soften the Iraqis with relentless bombing, then suffocate them on the ground with a tidal-wave rush of troops and armor.

On February 23 the dreaded and long-awaited land war began. Dubbed **Operation Desert Storm**, it lasted only four days—the "hundred-hour war" (see Map 40.5). With lightning speed the U.N. forces penetrated deep into Iraq, outflanking the occupying forces in Kuwait and blocking the enemy's ability either to retreat or to reinforce. Allied casualties were amazingly light, whereas much of Iraq's remaining fighting force was quickly destroyed or captured. On February 27 Saddam accepted a cease-fire, and Kuwait was liberated.

Most Americans cheered the war's rapid and enormously successful conclusion. Many people echoed President Bush's sentiments when he declared, "By God,



**The Highway of Death** The allied coalition wreaked gruesome destruction on Iraqi forces fleeing back to Iraq after their defeat in Kuwait in 1991.

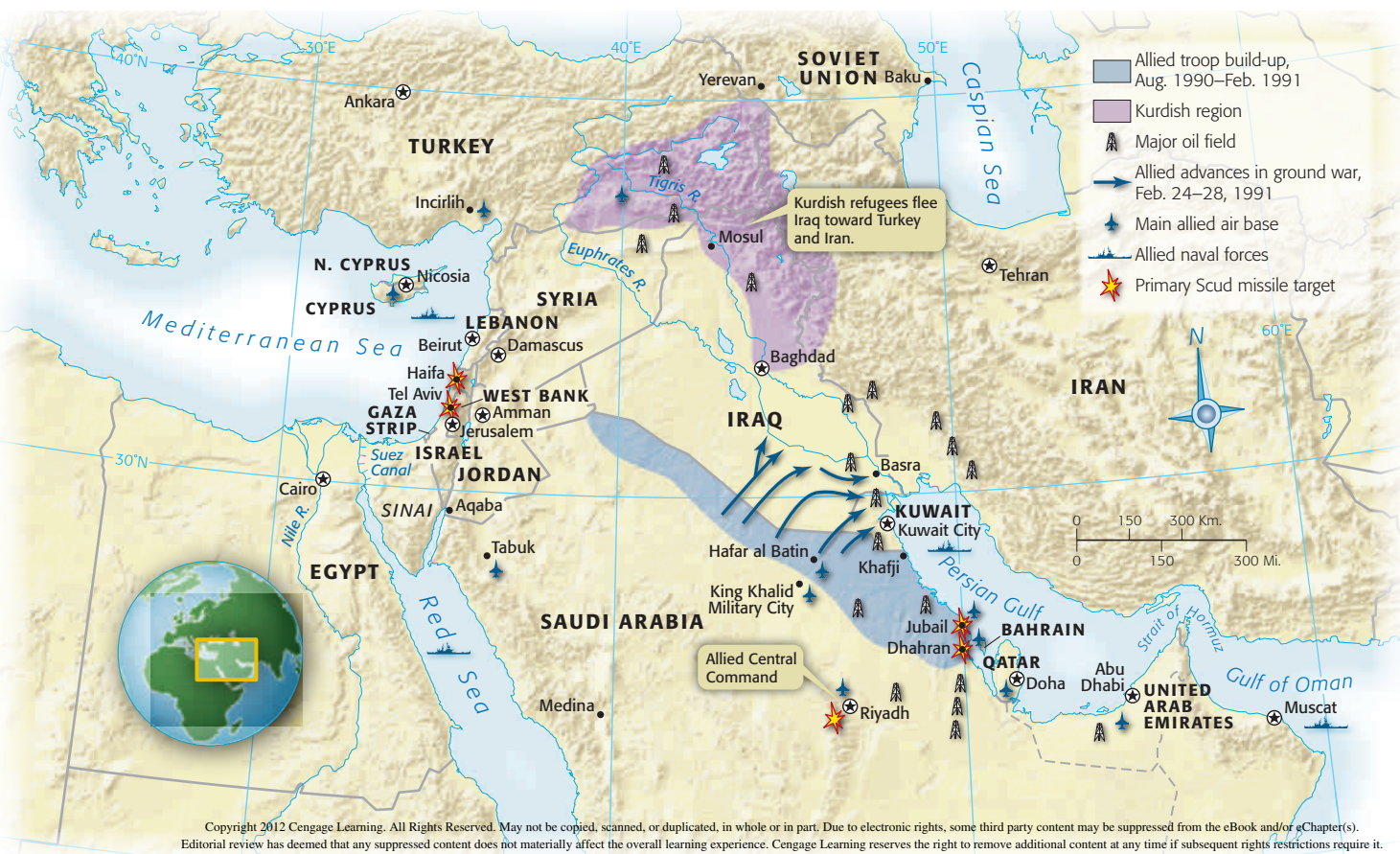


© Peter Turnley/Corbis

we've kicked the Vietnam Syndrome once and for all!" But when the smoke cleared, Saddam Hussein had survived to menace the world another day. America and its allies had agreed to the liberation of Kuwait, but Bush, fearing that a full assault on Baghdad would cost many lives and much public support, stopped well short of

overthrowing the tyrant Saddam. The perpetually troubled Middle East knew scarcely less trouble after Desert Storm had ceased to thunder, and the United States, for better or worse, found itself even more deeply ensnared in the region's web of mortal hatreds and intractable conflicts.

**MAP 40.5** Operation Desert Storm: The Ground War, February 23–27, 1991 © Cengage Learning





## ★ Bush on the Home Front

George H. W. Bush partly redeemed his pledge to work for a “kinder, gentler America” when he signed the **Americans with Disabilities Act (ADA)** in 1990, a landmark law prohibiting discrimination against the 43 million U.S. citizens with physical or mental disabilities. The president also signed a major water projects bill in 1992 that fundamentally reformed the distribution of subsidized federal water in the West. The bill put the interests of the environment ahead of agriculture, especially in California’s heavily irrigated Central Valley, and made much more water available to the West’s thirsty cities.

The new president continued to aggravate the explosive “social issues” that had so divided Americans throughout the 1980s, especially the nettlesome questions of affirmative action and abortion. In 1990 Bush’s Department of Education challenged the legality of college scholarships targeted for racial minorities. Bush repeatedly threatened to veto civil rights legislation that would make it easier for employees to prove discrimination in hiring and promotion practices. (He grudgingly accepted a watered-down civil rights bill in 1991.)

Most provocatively, in 1991 Bush nominated for the Supreme Court the conservative African American jurist Clarence Thomas, a stern critic of affirmative action. Thomas’s nomination was loudly opposed by liberal groups, including organized labor, the National Association for the Advancement of Colored People (NAACP), and the National Organization for Women

(NOW). Reflecting irreconcilable divisions over affirmative action and abortion, the Senate Judiciary Committee concluded its hearings on the nomination with a divided 7–7 vote and forwarded the matter to the full Senate without a recommendation.

Then, just days before the Senate was scheduled to vote in early October 1991, a press leak revealed that Anita Hill, a law professor at the University of Oklahoma, had accused Thomas of sexual harassment. The Senate Judiciary Committee was forced to reopen its hearings. For days a prurient American public sat glued to their television sets as Hill graphically detailed her charges of sexual improprieties and Thomas angrily responded. In the end, by a 52–48 vote, the Senate confirmed Thomas as the second African American ever to sit on the supreme bench (Thurgood Marshall was the first). While many Americans hailed Hill as a heroine for focusing the nation’s attention on issues of sexual harassment, Thomas maintained that Hill’s widely publicized, unproved allegations amounted to “a high-tech lynching for uppity blacks who in any way deign to think for themselves, to do for themselves.”

The furor over Thomas’s confirmation suggested that the social issues that had helped produce three Republican presidential victories in the 1980s were losing some of their electoral appeal. Many women, enraged by the all-male judiciary committee’s behavior in the Thomas hearings, grew increasingly critical of the president’s uncompromising stand on abortion. A “gender gap” opened between the two political parties, as pro-choice women grew increasingly cool toward the strong anti-abortion stand of the Republicans.



© Ron Sachs/CNP/Corbis

**President George H. W. Bush Signs the Americans with Disabilities Act on the South Lawn of the White House, July 26, 1990**



Still more damaging to President Bush's political health was the economy, which sputtered and stalled almost from the outset of his administration. By 1992 the unemployment rate exceeded 7 percent. It approached 10 percent in the key state of California, ravaged by defense cutbacks. The federal budget deficit continued to mushroom cancerously, topping \$250 billion in each of Bush's years as president. In a desperate

attempt to stop the hemorrhage of red ink, Bush agreed in 1990 to a budget increase that included \$133 billion in new taxes.

Bush's 1990 tax and budget package added up to a political catastrophe. In his 1988 presidential campaign, Bush had belligerently declared, "Read my lips—no new taxes." Now he had flagrantly broken that campaign promise.

## Varying Viewpoints

### Where Did Modern Conservatism Come From?

Ronald Reagan's election surprised many historians. Reflecting a liberal political outlook that is common among academic scholars, they were long accustomed to understanding American history as an inexorable, almost evolutionary, unfolding of liberal principles, including the quests for economic equality, social justice, and active government. That point of view animated the enormously popular writings of the so-called progressive historians, such as Charles and Mary Beard, earlier in the century (see "Varying Viewpoints: The Populists: Radicals or Reactionaries?" on p. 510). For the Beards, "conservatives" were the rich, privileged elites bent on preserving their wealth and power and determined to keep government impotent, but doomed in the end to give way to the forces of liberal democracy.

Even the "New Left" revisionists of the 1960s, while critical of the celebratory tone of their progressive forebears, were convinced that the deepest currents of American history flowed leftward. But whether they were liberal or revisionist, most scholars writing in the first three post-World War II decades dismissed conservatism as an obsolete political creed. The revisionists were much more interested in decrying liberalism's deficiencies than in analyzing conservatism's strengths. Liberals and revisionists alike abandoned the Beards' image of powerful conservative elites and offered instead a contemptuous portrait of conservatives as fringe wackos—paranoid McCarthyites or racist demagogues who, in the words of the liberal critic Lionel Trilling, trafficked only in "irritable mental gestures which seem to resemble ideas." Such an outlook is conspicuous in books such as Daniel Bell's *The Radical Right* (1963) and Richard Hofstadter's *The Paranoid Style in American Politics* (1965).

Yet what flowed out of the turbulent decade of the 1960s was not a strengthened liberalism, but a revived conservatism. Ronald Reagan's huge political success compelled a thorough reexamination of the tradition of American conservatism and the sources of its modern resurgence.

Historians such as Leo Ribuffo and Alan Brinkley have argued that characters once dismissed as irrational crackpots or colorful irrelevancies—including religious fundamentalists and depression-era figures like Huey Long and Father Charles Coughlin—articulated values deeply rooted and widely

shared in American culture. Those conservative spokespersons, whatever their peculiarities, offered a vision of free individuals, minimal government, and autonomous local communities that harked back to many of the themes of "civic republicanism" in the era of young nationhood.

But modern conservatism, however deep its roots, is also a product of the recent historical past. As scholars like Thomas Sugrue and Thomas Edsall have shown, the economic stagnation that set in after 1970 made many Americans insecure about their futures and receptive to new political doctrines. At the same time, as the commentator Kevin Phillips has stressed, "social issues," with little or no apparent economic content, became increasingly prominent, as movements for sexual liberation, legal abortion, and women's rights sharply challenged traditional beliefs. Perhaps most important, the success of the civil rights movement thrust the perpetually agonizing question of race relations to the very center of American political life. Finally, the failure of government policies in Vietnam, runaway inflation in the 1970s, and the disillusioning Watergate episode cast doubt on the legitimacy, the efficacy, and even the morality of "big government."

Many modern conservatives, including the pundit George Will, stress the deep historical roots of American conservatism. In their view, as Will once put it, it took sixteen years to count the ballots from the 1964 (Goldwater versus Johnson) election, and Goldwater won after all. But that argument is surely overstated. Goldwater ran against the legacy of the New Deal and was overwhelmingly defeated. Reagan ran against the consequences of the Great Society and won decisively. Many conservatives, in short, apparently acknowledge the legitimacy of the New Deal and the stake that many middle-class Americans feel they have in its programs of Social Security, home mortgage subsidies, farm price supports, and similar policies. But they reject the philosophy of the Great Society, with its more focused attack on urban poverty and its vigorous support of affirmative action. Modern conservatism springs less from a repudiation of government per se and more from a disapproval of the particular priorities and strategies of the Great Society. The different historical fates of the New Deal and the Great Society suggest the key to the rise of modern conservatism.

# Chapter Review

## KEY TERMS

Proposition 13 (945)	Intermediate-Range Nuclear Forces (INF) Treaty (949)
boll weevils (945)	Iran-Contra affair (951)
supply-side economics (945)	Moral Majority (951)
Reaganomics (946)	Black Monday (955)
Strategic Defense Initiative (SDI) (946)	Commonwealth of Independent States (CIS) (957)
Sandinistas (947)	Operation Desert Storm (959)
contras (947)	Americans with Disabilities Act (ADA) (961)
glasnost (949)	
perestroika (949)	

## PEOPLE TO KNOW

Ronald Reagan	Boris Yeltsin
Margaret Thatcher	Nelson Mandela
Mikhail Gorbachev	Manuel Noriega
Saddam Hussein	Norman ("Stormin' Norman") Schwarzkopf
Jerry Falwell	Clarence Thomas
Sandra Day O'Connor	
George H. W. Bush	

## CHRONOLOGY

<b>1980</b>	Reagan defeats Carter for presidency	<b>1987</b>	Stock market plunges 508 points Third Reagan-Gorbachev summit meeting in Washington, D.C.; INF treaty signed
<b>1981</b>	Iran releases American hostages "Reaganomics" spending and tax cuts passed Solidarity movement in Poland O'Connor appointed to Supreme Court (first woman justice)	<b>1988</b>	Fourth Reagan-Gorbachev summit meeting in Moscow Bush defeats Dukakis for presidency
<b>1981–1991</b>	United States aids anti-leftist forces in Central America	<b>1989</b>	Chinese government suppresses prodemocracy demonstrators in Tiananmen Square <i>Webster v. Reproductive Health Services</i> Eastern European countries oust communist governments Berlin Wall torn down
<b>1982</b>	Recession hits U.S. economy Israel invades Lebanon	<b>1990</b>	Iraq invades Kuwait East and West Germany unite Americans with Disabilities Act (ADA)
<b>1983</b>	Reagan announces SDI plan (Star Wars) U.S. marines killed in Beirut, Lebanon U.S. invasion of Grenada	<b>1991</b>	Persian Gulf War Thomas appointed to Supreme Court Gorbachev survives coup attempt, resigns as Soviet president Soviet Union dissolves; republics form Commonwealth of Independent States
<b>1984</b>	Reagan defeats Mondale for presidency Soviet Union boycotts Summer Olympics in Los Angeles	<b>1992</b>	Twenty-seventh Amendment (prohibiting congressional pay raises from taking effect until an election seats a new session of Congress) ratified <i>Planned Parenthood v. Casey</i>
<b>1985</b>	Gorbachev comes to power in Soviet Union, announces glasnost and perestroika First Reagan-Gorbachev summit meeting in Geneva		
<b>1986</b>	Reagan administration backs Aquino in Philippines Iran-Contra affair revealed Second Reagan-Gorbachev summit meeting in Reykjavik, Iceland		



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**A complete, annotated bibliography for this chapter—along with brief descriptions of the People to Know—may be found on the American Pageant website. The Key Terms are defined in a Glossary at the end of the text.**



Go to the CourseMate website at [www.cengagebrain.com](http://www.cengagebrain.com) for additional study tools and review materials—including audio and video clips—for this chapter.

## AP\* Review Questions for Chapter 40

1. Which of the following issues was NOT an important concern that the New Right hoped to constrict or eliminate through legal action?  
(A) Divorce  
(B) Pornography  
(C) Homosexuality  
(D) Abortion  
(E) Affirmative action
2. All of the following contributed to Ronald Reagan's landslide electoral victory over President Carter in 1980 EXCEPT  
(A) the Carter administration's inability to control double-digit inflation and sky-high interest rates.  
(B) a divided Democratic party, unhealed following the unsuccessful Democratic nomination challenge of Senator Edward Kennedy.  
(C) Ronald Reagan's ability to employ his well-honed acting skills to communicate effectively with the American public.  
(D) President Carter's decision to preserve some 100 million acres of Alaska land for national parks, forests, and wildlife refuges during an energy crisis.  
(E) Public frustration over President Carter's supposed mismanagement of foreign affairs such as the protracted Iranian hostage crisis.
3. Which of the following was Ronald Reagan's overall key domestic goal as president?  
(A) Dismantling the welfare state by reducing or eliminating entitlement and discretionary social welfare programs in order to reduce the size of government  
(B) Removing government interference in people's private lives in such areas as abortion and pornography  
(C) Reducing the growth of military spending in order to balance the federal budget  
(D) Developing and implementing a federally mandated reform of public education  
(E) Advancing big-business interests over organized labor in order to stimulate economic growth and reduce wage inflation
4. What were the initial results in 1982 of President Reagan's supply-side economic plan of deep federal budget cuts and substantial tax reductions?  
(A) A sharp recession and rise in unemployment  
(B) A reduced federal budget deficit  
(C) An international trade surplus for the United States  
(D) An economic boom  
(E) Record corporate profits for major industries like the automobile industry
5. Which of the following most accurately characterizes the economic results produced by Reaganomics in the 1980s?  
(A) For the first time in the twentieth century, income widened between the richest and poorest Americans.  
(B) Middle-class incomes rose.  
(C) The poor made substantial economic gains.  
(D) The economy was uniformly healthy.  
(E) The majority of Americans were middle class.
6. All of the following were examples of Ronald Reagan's determination to renew the Cold War during his first presidential term EXCEPT  
(A) denouncing the Soviet Union in political speeches as "the focus of evil in the modern world."  
(B) President Reagan's pursuit of a high-technology missile-defense system known as Star Wars.  
(C) President Reagan's strong support for the political and economic efforts of the independent Polish labor movement, Solidarity.  
(D) President Reagan spawning a new arms race with the Soviet Union by substantially increasing America's nuclear arms arsenal and military capabilities around the world.  
(E) American military forces ousting from power an insurgent group of Marxists who had taken over the tiny Caribbean island of Grenada.
7. What did the Iran-Contra affair essentially involve?  
(A) The United States hiring Iranian militants to fight for the right-wing Nicaraguan contra rebels against the left-wing Sandinista government in Nicaragua  
(B) The United States selling arms to Iran in exchange for hostages and diverting the profits to illegally fund the Nicaraguan contras  
(C) The United States selling arms to both sides in the Iran-Iraq war  
(D) The United States secretly recognizing the Iranian regime while claiming to be boycotting it  
(E) The United States persuading the Iranian government to directly fund the contra rebels by unfreezing Iranian assets in the United States and presenting Iranian leader Ayatollah Khomeini with gifts such as a birthday cake



8. Which of the following demonstrates most vividly how President Reagan, during his second term, departed from the militantly anti-Soviet stance of his first term?
  - (A) President Reagan joining with Soviet leader Mikhail Gorbachev to end Soviet-American political and military conflicts in less developed countries
  - (B) President Reagan acquiescing in Eastern Europe continuing to be a legitimate sphere of influence for the Soviet Union
  - (C) President Reagan negotiating and signing arms control agreements with the new Soviet leader Mikhail Gorbachev
  - (D) President Reagan making the Soviet Union a major trading partner of the United States
  - (E) President Reagan's decision to abandon his high-technology, antimissile defense system, the Strategic Defense Initiative (SDI)
9. Which of the following most accurately describes the Supreme Court decisions in *Webster v. Reproductive Health Services* and *Planned Parenthood v. Casey*?
  - (A) The Court severely restricted legal abortion to the first two months of pregnancy.
  - (B) The Court permitted states to put some restrictions on abortion, while fundamentally upholding the abortion rights decision of *Roe v. Wade*.
  - (C) The Court overturned *Roe v. Wade*.
  - (D) The Court declared that the issue of legalized abortion should be completely determined by the states.
  - (E) The Court declared that the constitutional right to life trumped the constitutional right of privacy, and all abortions, except when the mother's life is in danger, are illegal.
10. All of the following were consequences of the end of the Cold War EXCEPT that
  - (A) long-suppressed ethnic hatreds flared in the former Soviet republics.
  - (B) communist regimes were overthrown in Poland, Hungary, Romania, Bulgaria, Czechoslovakia, and East Germany.
  - (C) long-suppressed ethnic hatreds flared in the former communist nations of Eastern Europe.
  - (D) the entire European continent enjoyed an extended period of political stability.
  - (E) unemployment increased in aerospace and defense industries and community dislocations occurred because of Pentagon budget cuts.
11. Which of the following reasons prompted President George H. W. Bush to organize America's European and Arab allies into a political and military coalition that ultimately ousted Iraqi forces from Kuwait in 1991?
  - (A) President Bush feared that Iraqi leader Saddam Hussein's larger goal was to assume control over the entire oil-producing and economically vital Persian Gulf region.
  - (B) President Bush believed that re-establishing the sovereignty of Kuwait was critical to his overall policy of creating pro-Western capitalist democracies throughout the Middle East.
  - (C) President Bush believed that ousting Iraq from Kuwait would guarantee Israel's security in the face of growing military threats from the Arab states.
  - (D) President Bush was confident that rolling back the Iraqi forces from Kuwait would prompt a successful Kurdish and Shi'ite uprising in Iraq leading to the overthrow of Saddam Hussein.
  - (E) President Bush desired to use the Persian Gulf crisis as a way to guarantee permanent military bases in the Middle East.
12. What domestic achievement represented a partial redemption of President George H. W. Bush's 1988 campaign pledge to work for a "kinder, gentler America"?
  - (A) The nomination and confirmation of progressive African American judge Clarence Thomas to succeed retiring liberal African American justice Thurgood Marshall on the U.S. Supreme Court
  - (B) The signing of the Americans with Disabilities Act (ADA) in 1990 to prohibit discrimination against U.S. citizens with physical or mental disabilities
  - (C) President Bush's Department of Education challenging the legality of college scholarships for racial minorities
  - (D) President Bush signing into law a massive public works employment program to reduce high unemployment in the United States
  - (E) President Bush agreeing in 1990 to a federal budget increase that included \$133 million in new taxes
13. Which statement about the Persian Gulf War is NOT true?
  - (A) President George H. W. Bush declared that the United States "kicked the Vietnam syndrome."
  - (B) Saddam Hussein was removed from power.
  - (C) The Persian Gulf War grew out of a unanimous Security Council resolution.
  - (D) The Persian Gulf War lasted for less than two months.
  - (E) The Persian Gulf War was a response to Iraq's invasion of Kuwait.
14. Reagan's theory of "supply-side" economics, also referred to as the "trickle-down" theory, is most closely related to the policies of
  - (A) George H. W. Bush.
  - (B) Richard Nixon.
  - (C) Lyndon Johnson.
  - (D) Franklin Roosevelt.
  - (E) Herbert Hoover.